

City Council
June 9, 2014
Monday



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



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

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June 2014

Monday 9 th	CITY COUNCIL Committee of the Whole 5:00 p.m. and Regular Meeting 6:00 p.m.
Tuesday 10 th	ECONOMIC DEVELOPMENT ADVISORY COMMISSION Regular Meeting 6:00 p.m.
Thursday 12 th	PERMANENT FUND COMMITTEE Special Meeting 5:15 p.m.
Monday 16 th	VESSEL HAUL-OUT TASK FORCE Meeting 3:30 p.m.
Tuesday 17 th	PUBLIC SAFETY BUILDING REVIEW COMMITTEE Meeting 5:30 p.m.
Wednesday 18 th	PLANNING COMMISSION Worksession 5:30 p.m. and Regular Meeting 6:30 p.m.
Thursday 19 th	1% ART SELECTION COMMITTEE Meeting 1:00 p.m.
	PARKS AND RECREATION ADVISORY COMMISSION Regular Meeting 5:30 p.m.
Monday 23 rd	CITY COUNCIL Committee of the Whole 5:00 p.m. and Regular Meeting 6:00 p.m.

Regular Meeting Schedule

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

MAYOR AND CITY COUNCILMEMBERS AND TERMS

- BETH WYTHER, MAYOR – 14
- FRANCIE ROBERTS, COUNCILMEMBER – 15
- BARBARA HOWARD, COUNCILMEMBER – 14
- DAVID LEWIS, COUNCILMEMBER – 14
- BRYAN ZAK, COUNCILMEMBER – 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
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



COMMITTEE OF THE WHOLE
5:00 P.M. MONDAY
JUNE 9, 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.**
2. **AGENDA APPROVAL** (Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual, pg. 5)
3. **Michelle Drew, BDO, Auditor's Report** **Pages 7/29**
4. **Water and Sewer Rates** **Page 351**
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, June 23, 2014 at 6:00 p.m. and Committee of the Whole 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

AUDIT WRAP-UP

Year Ended December 31, 2013



The following communication was prepared as part of our audit, has consequential limitations, and is intended solely for the information and use of those charged with governance (e.g., the Council) and, if appropriate, management of the City and is not intended and should not be used by anyone other than these specified parties.

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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3601 C Street, Suite 600
Anchorage, AK 99503

May 19, 2014

Honorable Mayor and City Council
City of Homer, Alaska

Professional standards require us to communicate with you regarding matters related to the audit, that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. Our audit engagement letter dated February 3, 2014 outlined our plan for the audit of the financial statements of the City of Homer (the City) as of and for the year ended December 31, 2013. That document included a summary of our overall objectives for the audit, and the nature, scope, and timing of the planned audit work.

This communication is intended to elaborate on the significant findings from our audit, including our views on the qualitative aspects of the City's accounting practices and policies, management's judgments and estimates, financial statement disclosures, and other required matters.

We are pleased to be of service to the City. Feel free to contact us to discuss our audit findings, as well as other matters that may be of interest to you, and to answer any questions you might have.

Respectfully,

BDO USA, LLP

Status of Our Audit

We have completed our audit of the financial statements as of and for the year ended December 31, 2013. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America. This audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

- The objective of our audit was to obtain reasonable - not absolute - assurance about whether the financial statements are free from material misstatements.
- The scope of the work performed was substantially the same as that described to you in our earlier audit engagement letter.
- We have issued an unmodified opinion on the financial statements and released our report on May 19, 2014.
- All records and information requested by BDO were freely available for our inspection.
- Management's cooperation was excellent. We received full access to all information that we requested while performing our audit, and we acknowledge the full cooperation extended to us by all levels of City personnel throughout the course of our work.

Results of Our Audit

ACCOUNTING PRACTICES, POLICIES, ESTIMATES, AND SIGNIFICANT UNUSUAL TRANSACTIONS

The following summarizes the more significant required communications related to our audit concerning the City's accounting practices, policies, estimates, and significant unusual transactions:

The City's significant accounting practices and policies are those included in Note 1 to the financial statements. These accounting practices and policies are appropriate, comply with generally accepted accounting principles and industry practice, were consistently applied, and are adequately described within Note 1 to the financial statements.

- The City did not adopt any new GASB pronouncements in 2013.
- There were no changes in significant accounting policies and practices during 2013.

Significant estimates are those that require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. The City's significant accounting estimates, including a description of management's processes and significant assumptions used in development of the estimates, are disclosed below:

Significant accounting estimates include:

Collectability of outstanding Accounts Receivables - Many of the City's accounts receivables are from granting agencies; these are considered by management to be 100% collectible. Customer accounts receivables (utility and harbor) are reviewed by management periodically to determine a reasonable amount of allowance, based on known factors, past history, and age of the outstanding amount.

Estimated Useful Life of Capital Assets (Depreciation) - The City maintains numerous capital assets including machinery, equipment, buildings and infrastructure. Assets are categorized by type and assigned estimate useful lives that vary from 3 years to 50 years, depending on asset type.

- Management did not make any significant changes to the processes or significant assumptions used to develop the significant accounting estimates in 2013.
- We did not identify any transactions for which there was a lack of authoritative guidance. However, we note the following significant transactions that were unique to 2013.
 - In 2013, the City issued Harbor Bonds.
 - In 2013, the City issued a Special Assessment Bond through the Kenai Peninsula Borough for the purpose of constructing a natural gas pipeline which the City will not own. The City incurred approximately \$8 million in debt while expending roughly \$7.7 in expense. The City will establish a special assessment district for payment of the debt upon completion of the capital project.

Results of Our Audit

CORRECTED AND UNCORRECTED MISSTATEMENTS

We proposed 25 adjustments to the financial statements of which the following were considered to be significant:

- To record grant receivable and grant revenue of \$117,149.
- To move transfers that were recorded in a revenue account of \$44,185
- To record expenses and account payable of \$59,614
- To record investments at fair value of \$115,222
- To correct recording of harbor bonds of \$278,202
- To capitalize construction interest of \$47,252
- To reduce prisoner care revenue of \$188,353
- To move investments out of the central treasury to the permanent fund of \$1,797,427

All of the proposed and corrected adjusting journal entries are included in the representation letter attached to this document.

There were no uncorrected misstatements related to accounts and/or disclosures that we presented to management.

OTHER COMMUNICATIONS

The following items represent required audit communications:

1. Qualitative aspects of significant accounting policies and practices
 - We concur with the City's interpretation and application of generally accepted accounting principles and practices derived from the standards set by the Governmental Accounting Standards Board (GASB).
2. Our conclusions regarding significant accounting estimates
 - The nature of the City's operations reduces the need for numerous significant estimates within the accounting records. See comment about estimates on the previous page. We believe the City's estimates are reasonable in the circumstances
3. Financial statement disclosures
 - We believe all necessary disclosures have been included in the footnotes to the financial statements.
4. New accounting pronouncements
 - As noted on the previous page, in 2013 the City did not adopt any new GASB pronouncements in 2013.
5. Alternative accounting treatments
 - We did not identify any accounting treatments that did not comply with generally accepted accounting principles and standards set by GASB.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

We are required to communicate, in writing, to those charged with governance all material weaknesses and significant deficiencies that have been identified in the City’s internal controls over financial reporting. The definitions of control deficiency, significant deficiency and material weakness follow:

Category	Definition
Deficiency in Internal Control	A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.
Significant Deficiency	A deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
Material Weakness	A deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the City’s financial statements will not be prevented, or detected and corrected on a timely basis.

In conjunction with our audit of the financial statements, we reported one significant deficiency. Our reports on internal control are included in the single audit section of the bound CAFR and are not repeated herein. The item reported included:

- Financial Reporting

Other Required Communications

Following is a summary of those required items, along with specific discussion points as they pertain to the City:

Requirement	Discussion Points
Significant changes to planned audit strategy or significant risks initially identified	There were no significant changes to the planned audit strategy.
Obtain information from those charged with governance relevant to the audit	There were no matters noted relevant to the audit, including, but not limited to: violations or possible violations of laws or regulations; risk of material misstatements, including fraud risks; or tips or complaints regarding the City's financial reporting that we were made aware of as a result of our inquiry of those charged with governance.
If applicable, nature and extent of specialized skills or knowledge needed related to significant risks	There were no specialized skills or knowledge needed, outside of the core engagement team, to perform the planned audit procedures or evaluate audit results related to significant risks.
Consultations with other accountants	We are not aware of any consultations about accounting or auditing matters between management and other independent public accountants. Nor are we aware of opinions obtained by management from other independent public accountants on the application of generally accepted accounting principles.
Disagreements with management	There were no disagreements with management about matters, whether or not satisfactorily resolved, that individually or in aggregate could be significant to the City's financial statements or to our auditor's report.
Significant difficulties encountered during the audit	There were no significant difficulties encountered during the audit.
Representations requested from management	Please refer to the attached management representation letter.

Independence Communication

Our engagement letter to you dated February 3, 2014 describes our responsibilities in accordance with professional standards and certain regulatory authorities with regard to independence and the performance of our services. This letter also stipulates the responsibilities of the City with respect to independence as agreed to by the City. Please refer to that letter for further information.

Exhibit A

- Representation Letter is attached



City of Homer

www.cityofhomer-ak.gov

491 East Pioneer Avenue
Homer, Alaska 99603

(p) 907-235-8121

(f) 907-235-3140

May 19, 2014

BDO USA, LLP
3601 C Street, Suite 600
Anchorage, AK 99503

Ladies and gentlemen:

We are providing this letter in connection with your audits of the financial statements of the City of Homer, Alaska, which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of December 31, 2013 and for the year then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, changes in financial position, and, where applicable, cash flows of the City of Homer in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the preparation and fair presentation in the financial statements of financial position, changes in net position, and cash flows in conformity with accounting principles generally accepted in the United States of America.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of the date of this representation letter, the following representations made to you during your audit:

- (1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated February 3, 2014, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. We have included all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- (2) We have fulfilled our responsibility, as set out in the terms of the aforementioned audit engagement letter, for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- (3) The financial statements include all assets and liabilities under the entity's control.

- (4) We have made available to you all:
 - (a) Financial records, and related data and all audit or relevant monitoring reports, if any, received from funding sources, as agreed upon in the terms of the aforementioned audit engagement letter.
 - (b) Minutes of the meetings of the City Council and committees of Council members that were held from January 1, 2013 to the date of this letter, or summaries of actions of recent meetings for which minutes have not yet been prepared.
- (5) There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices.
- (6) There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements or schedule of expenditures of federal awards or schedule of state financial assistance. All financial statement misstatements relating to accounts and disclosures identified and discussed with us in the course of the audit (as listed in attachment A - "Schedule of Audit Adjustments") have been corrected. There were no uncorrected misstatements identified in the audit. We have evaluated the propriety of the corrected misstatements based on a review of both the applicable authoritative literature and the underlying supporting evidence from our files and confirm our responsibility for the decision to correct them.
- (7) In regards to the preparation of the CAFR and the cash to accrual adjustments, services performed by you, we have: (1) assumed all management responsibilities, (2) designated an individual (within senior management) with suitable skill, knowledge, or experience to oversee the services, (3) evaluated the adequacy and results of the services performed, and (4) accepted responsibility for the results of the services.
- (8) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. We have no knowledge of any:
 - (a) Fraud or suspected fraud involving management or involving employees who have significant roles in internal control, whether or not perceived to have a material effect on the financial statements.
 - (b) Fraud or suspected fraud involving others where the fraud could have a material effect on the financial statements.
 - (c) Allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, regulatory agencies, law firms, predecessor accounting firms, or other professionals, (except as follows:)
- (9) We have no knowledge of any fraud, illegal acts, violations of provisions of contracts or grant agreements, or abuse.
- (10) We have a process to track the status of audit findings and recommendations.

- (11) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives, and whether related recommendations have been implemented.
- (12) We have provided views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- (13) We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or net asset balances.
- (14) The following, where applicable and material, have been properly recorded or disclosed in the financial statements:
 - (a) The identity of related parties and all related party relationships and transactions of which we are aware, including revenues, expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - (b) Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements.
 - (c) All derivative instruments and any embedded derivative instruments that require bifurcation.
 - (d) Guarantees, whether written or oral, under which the City is contingently liable.
 - (e) Significant estimates and material concentrations known to management that are required to be disclosed. In that regard, all accounting estimates that could be material to the financial statements, including key factors and significant assumptions underlying those estimates, have been identified, and we believe the estimates are reasonable in the circumstances.
 - (f) The effects of all known actual or possible litigation, claims, assessments, and other liabilities or gain or loss contingencies that are required to be accrued or disclosed.
 - (g) Commitments, such as:
 - Major fixed asset purchase agreements;
 - More-than-one-year employment arrangements or contracts with suppliers or customers, or one-year-or-longer term leases;
 - Deferred compensation, bonuses, pensions plans, or severance pay; or
 - Pending sale or merger of all or a portion of the business or of an interest therein or acquisition of all or a portion of the business, assets or securities of another entity;

- (h) For environmental clean-up obligations.
 - (i) Participation in a public entity risk pool.
- (15) There are no:
- (a) Violations or possible violations of budget ordinances, laws, and regulations (including those pertaining to adopting, approving, and amending budgets), and provisions of contracts and grant agreements (including the failure to file reports required by regulatory bodies (e.g., EPA, OCC, FDIC, DOL, Medicare, U.S. Customs Service, HIPAA, IRS, Dept. of Commerce, state and municipal authorities) when the effects of failing to file could be material to the financial statements) whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
 - (b) Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed.
 - (c) Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
- (16) Receivables recorded in the financial statements represent valid claims against debtors for sales or other charges arising on or before the statement of financial position date and have been appropriately reduced to their estimated net realizable value.
- (17) The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- (18) We have complied with all aspects of contractual agreements, including debt covenants, that would have a material effect on the financial statements in the event of noncompliance.
- (19) No discussions have taken place with your firm's personnel regarding employment with the City.
- (20) We are responsible for compliance with laws, regulations and provisions of contracts and grant agreements applicable to us and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts.
- (21) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- (22) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

- (23) The financial statements properly classify all funds and activities.
- (24) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and resented as such and all other funds that are presented as major are particularly important to financial statement users.
- (25) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- (26) Revenues are appropriately classified in the statement of activities within program revenues, general revenues.
- (27) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- (28) Special and extraordinary items are appropriately classified and reported.
- (29) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- (30) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- (31) We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for the purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- (32) With respect to federal and state award programs:
 - (a) We are responsible for understanding and complying with, and have complied with, the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and the State of Alaska Audit Guide and Compliance Supplement for State Single Audits including requirements relating to the preparation of the schedule of expenditures of federal awards (SEFA) and the Schedule of State Financial Assistance (SSFA).
 - (b) We have identified and disclosed to you all of our government programs and related activities subject to OMB Circular A-133 and the State of Alaska Audit Guide and Compliance Supplement for State Single Audits, and included in the SEFA and SSFA expenditures made during the audit period for all awards provided by federal and state agencies in the form of grants, federal or state cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
 - (c) We acknowledge our responsibility for presenting the schedule of expenditures of federal awards and the schedule of state financial assistance in accordance with the requirements of OMB Circular A-133 §310.b and the State of Alaska Audit Guide and

Compliance Supplement for State Single Audits, and we believe the SEFA and SSFA, including their form and content, are fairly presented in accordance with the Circular and the State of Alaska Audit Guide and Compliance Supplement for State Single Audits. The methods of measurement and presentation of the SEFA and SSFA have not changed from those used in the prior period, and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SEFA and SSFA.

- (d) We are responsible for understanding and complying with, and have complied with in all material respects, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal and state programs and have identified and disclosed to you the requirements of laws, regulations and the provisions of contracts and grant agreements considered to have a direct and material effect on each federal and state program.
- (e) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to federal and state programs that provides a reasonable assurance that we are managing our federal and state awards in compliance with laws, regulations and the provisions of contracts and grant agreements that could have a material effect on our federal and state programs. We believe the internal control system is adequate and is functioning as intended. Also, subsequent to the date as of which compliance was audited, no changes have occurred in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies (including material weaknesses) in internal control over compliance as reported in the schedule of findings and questioned costs.
- (f) We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal and state agencies or pass-through entities relating to each major federal and state program.
- (g) We have received no requests from a federal or state agency to audit one or more specific programs as a major program.
- (h) We have complied, in all material respects, with the direct and material compliance requirements, including when applicable, those set forth in the OMB Circular A-133 "Compliance Supplement" and the State of Alaska Audit Guide and Compliance Supplement for State Single Audits relating to federal and state awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material requirements of federal and state awards, including the results of other audits or program reviews.
- (i) We have disclosed to you any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- (j) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal and external monitoring that directly relate to the objectives of the compliance audit, including findings

received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.

- (k) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB Circular A-187, *Cost Principles for State, Local, and Tribal Governments*, and OMB's *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*.
- (l) We have disclosed to you our interpretations of compliance requirements that have varying interpretations, if any.
- (m) We have made available to you all documentation related to compliance with the direct and material requirements, including information related to federal and state program financial reports and claims for advances and reimbursements.
- (n) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- (o) There are no known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- (p) Federal and state program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared, and are prepared on a basis consistent with the schedule of expenditures of federal awards and the schedule of state financial assistance.
- (q) The copies of federal and state program financial reports provided you are true copies of the reports submitted or electronically transmitted, to the respective federal or state agency or pass-through entity, as applicable.
- (r) We have charged costs to federal and state awards in accordance with applicable cost principles.
- (s) We are responsible for, and will accurately prepare, the auditee section of the Data Collection Form as required by OMB Circular A-133.
- (t) We are also responsible for preparing and implementing a corrective action plan for each audit finding.
- (u) We are responsible for, and have accurately prepared, the summary schedule of prior audit findings required to be included by OMB Circular A-133, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.

- (33) We acknowledge our responsibility for the presentation of the required supplementary information, and the required supplementary information is measured and presented in accordance with prescribed guidelines.

The methods of measurement or presentation have not changed from those used in the prior period.

- (34) We acknowledge our responsibility for the presentation of the Schedule of Expenditures of Federal Awards, the Schedule of State Financial Assistance, and the combining and individual fund financial statements and schedules in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation have not changed from those used in the prior period and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

- (35) In connection with any electronic presentation of the financial statements and your audit report thereon on our web site, we acknowledge that:

- We are responsible for the preparation, presentation, and content of the financial statements in the electronic format.
- If your audit report is presented on our web site, the full financial statements upon which you reported and to which you appended your signed report will be presented.
- We will clearly indicate in the electronic presentation on our web site the financial information that is subject to your audit report. We will clearly differentiate any information that may also be presented by us on or in connection with our web site that was contained in the published version of the financial statements and other supplementary information, but which is not part of the audited financial statements or other financial information covered by your audit report.
- We have assessed the security over financial statement information and the audit report presented on our web site, and are satisfied that procedures in place are adequate to ensure the integrity of the information provided. We understand the risk of potential misrepresentation inherent in publishing financial information on our web site through internal failure or external manipulation.
- Our web site, which contains the electronic financial statements, will advise the reader that such financial statements are presented for convenience and information purposes only, and while reasonable efforts have been made to ensure the integrity of such information, they should not be relied on. A copy of the printed financial statements will be provided on request.

To the best of our knowledge and belief, no events, including instances of noncompliance, have occurred subsequent to the statement of financial position date and through the date of this representation letter, as entered on the first page, that would require adjustment to or

disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.

Very truly yours,



Walt Wrede, City Manager



John Li, Finance Director

ATTACHMENT A - SCHEDULE OF AUDIT ADJUSTMENTS

Year End: December 31, 2013

Date: 1/1/2013 To 12/31/2013

Number	Date	Name	Account No	Debit	Credit
AJE 1	12/31/2013	Accounts Receivable State/Fed	415-0000-1162 415		-117,148.92
AJE 1	12/31/2013	State Grant	415-0929-4520 415	117,148.92	
		The reclass revenue to accounts receivable.		117,148.92	-117,148.92
AJE 2	12/31/2013	Accts Payable Clearing (01)	200-0000-2011 200		-21,092.22
AJE 2	12/31/2013	Opr Supplies	200-0406-5202 200	20,052.62	
AJE 2	12/31/2013	Opr Supplies	200-0406-5202 200	1,039.60	
		Auditor identified- Invoice incorrectly excluded from YE AP balance.		21,092.22	-21,092.22
AJE 3	12/31/2013	Bond Reserve	400-0000-1005 400	3,697.30	
AJE 3	12/31/2013	Interest On Investments	400-0600-4801 400		-3,697.30
		Record investment income on Harbor reserve account		3,697.30	-3,697.30
AJE 4	12/31/2013	Loans Payable	205-0000-2139 205	27,558.56	
AJE 4	12/31/2013	CWL Loan #409261 - Kachemak Dr	205-0000-2341 205		-4,821.92
AJE 4	12/31/2013	DWL Loan #409271	205-0000-2342 205		-22,736.64
		Correct ADEC loan balances 409261 and 409271		27,558.56	-27,558.56
AJE 5	12/31/2013	Equipment/Machinery - Utility	710-0000-1640 710	19,031.00	
AJE 5	12/31/2013	GF Building Utility Fund	710-0000-2820 710		-19,031.00
		To book water/sewer fixed assets to amount per TB.		19,031.00	-19,031.00

AJE 6 12/31/2013	Buildings	701-0000-1620 701		-518,254.00
AJE 6 12/31/2013	Improvements Other Than Bldgs	701-0000-1630 701		-174,301.00
AJE 6 12/31/2013	Equipment And Machinery	701-0000-1640 701		-168,368.00
AJE 6 12/31/2013	Construction In Progress	701-0000-1650 701	75,516.00	
AJE 6 12/31/2013	Roads	701-0000-1670 701		-884,214.00
AJE 6 12/31/2013	Invest Gen Fixed Assets-oth Fu	701-0000-2820 701	1,669,621.00	
	To book Governmenatal Fixed Assets to actual		1,745,137.00	-1,745,137.00
<hr/>				
AJE 7 12/31/2013	Equipment And Machinery	400-0000-1640 400	4,400.00	
AJE 7 12/31/2013	Adjustments To Fund Balance	400-0000-2711 400		-4,400.00
	To adjust Port Fixed Assets to actual per schedules		4,400.00	-4,400.00
<hr/>				
AJE 8 12/31/2013	Accumulated Depr-improvmnts	400-0000-1631 400	16,694.02	
AJE 8 12/31/2013	Accumulated Depr Equip&machi	400-0000-1641 400		-880.15
AJE 8 12/31/2013	Depreciation Expense	400-0601-5701 400		-15,813.87
	To adjust depreciation expense to actual per schedule		16,694.02	-16,694.02
<hr/>				
AJE 9 12/31/2013	Loan - Energy Fund	400-0000-2306 400	3,291.00	
AJE 9 12/31/2013	Transfers To Another Fund/Dept	400-0600-5990 400		-3,291.00
	To reduce the payable for the loan payment to the 620 fund that does not need to be booked as a transfer out.		3,291.00	-3,291.00
<hr/>				
AJE 10 12/31/2013	Other Revenue	456-0380-4902 456	14,252.00	
AJE 10 12/31/2013	Transfers(Opert	456-0380-4992 456		-14,252.00
AJE 10 12/31/2013	Revenue - Energy Fund	620-0375-4902 620	44,185.00	
AJE 10 12/31/2013	Other transfers	620-0375-4990 620		-44,185.00
	To move transfers that were recorded in revenue accounts		58,437.00	-58,437.00
<hr/>				
AJE 11 12/31/2013	Water Deferred Assessments	205-0000-2051 205	1,577.90	
AJE 11 12/31/2013	Sewer Deferred Assessments	205-0000-2054 205	10,739.00	

AJE 11	12/31/2013	Assessment Revenue	205-0375-4518 205		-12,316.90
		To tie deferred assessments to actual per schedule		12,316.90	-12,316.90
<hr/>					
AJE 12	12/31/2013	Accts Payable Clearing (01)	600-0000-2011 600		-31,591.66
AJE 12	12/31/2013	Prof & Spec Svc	600-0800-5210 600	3,530.05	
AJE 12	12/31/2013	Health Ins Prem	600-0800-5247 600	28,061.61	
		To record additional accrued A/P Meritain Admin and premiums.		31,591.66	-31,591.66
<hr/>					
AJE 13	12/31/2013	Accts Payable Clearing (01)	400-0000-2011 400		-6,924.65
AJE 13	12/31/2013	Waste Oil Dipos	400-0611-5256 400	6,924.65	
		To record additional accrued A/P Emerald Alaska Inc		6,924.65	-6,924.65
<hr/>					
AJE 14	12/31/2013	Interest Income	100-0025-4801 100		-50,943.50
AJE 14	12/31/2013	Dain Rauscher Investments	999-0000-1026 999		-18,724.83
AJE 14	12/31/2013	Raymond James	999-0000-1035 999		-22,216.53
AJE 14	12/31/2013	U S BANK - INCOME -340	999-0000-1043 999	4,237.78	
AJE 14	12/31/2013	U S BANK - GROWTH - 341	999-0000-1044 999	161,927.51	
AJE 14	12/31/2013	Pro-Equities Investments	999-0000-1045 999		-74,280.43
		To book investments to market value.		166,165.29	-166,165.29
<hr/>					
AJE 15	12/31/2013	Cash Balance	100-0000-1000 100	50,943.50	
AJE 15	12/31/2013	Cash Balance	999-0000-1000 999		-50,943.50
		Book investments to market value		50,943.50	-50,943.50
<hr/>					
AJE 16	12/31/2013	Bond Reserve	400-0000-1005 400	290,000.00	
AJE 16	12/31/2013	2013 - Port Bonds	400-0000-2307 400	482,708.00	
AJE 16	12/31/2013	Unamortized Premium	400-0000-2308 400		-494,506.00
AJE 16	12/31/2013	Bond Issue Fees	400-0375-5613 400	24,057.00	
AJE 16	12/31/2013	Bond Issue Fees	400-0375-5613 400		-290,000.00
AJE 16	12/31/2013	Other Revenue	400-0600-4902 400		-12,259.00

Correct Harbor Bond issue

796,765.00 -796,765.00

AJE 17 12/31/2013	Cash Balance	400-0000-1000 400		-290,000.00
AJE 17 12/31/2013	Bond Reserve	400-0000-1005 400	290,000.00	
AJE 17 12/31/2013	Cash Balance	999-0000-1000 999	290,000.00	
AJE 17 12/31/2013	Bank of New York Mellon	999-0000-1049 999		-290,000.00

Move bond reserve cash to fund 400

580,000.00 -580,000.00

AJE 18 12/31/2013	Cash Balance	400-0000-1000 400		-24,726.00
AJE 18 12/31/2013	Unamortized Premium	400-0000-2308 400	24,726.00	
AJE 18 12/31/2013	Cash Balance	456-0000-1000 456	24,726.00	
AJE 18 12/31/2013	Interest pymt on Loans	456-0382-5608 456		-24,726.00

Amortize bond premium

49,452.00 -49,452.00

AJE 19 12/31/2013	Cash Balance	400-0000-1000 400		-47,251.50
AJE 19 12/31/2013	Construction In Progress	400-0000-1650 400	47,251.50	
AJE 19 12/31/2013	Cash Balance	456-0000-1000 456	47,251.50	
AJE 19 12/31/2013	Interest pymt on Loans	456-0382-5608 456		-47,251.50

To capitalize interest expense
related to CIP projects

94,503.00 -94,503.00

AJE 20 12/31/2013	Cash Balance	100-0000-1000 100		-14,818.57
AJE 20 12/31/2013	Interest Income	100-0025-4801 100	14,818.57	

To reverse interest income

14,818.57 -14,818.57

AJE 21 12/31/2013	Unearned Revenue - Prisoner Care	100-0000-2225 100		-188,352.50
AJE 21 12/31/2013	Prisoner Care	100-0030-4503 100	188,352.50	

Client recognized 5 quarters of
revenue instead of 4 quarters of revenue.
Auditor moved a quarter into unearned
revenue.

188,352.50 -188,352.50

AJE 22 12/31/2013	Cash Balance	100-0000-1000 100		-181,087.16
AJE 22 12/31/2013	Transfers To	100-0100-5990 100	181,087.16	
AJE 22 12/31/2013	Cash Balance	806-0000-1000 806		-1,616,339.96
AJE 22 12/31/2013	US Bank Income Account	806-0000-1043 806	629,080.64	
AJE 22 12/31/2013	US Bank - Growth Account	806-0000-1044 806	1,168,346.48	
AJE 22 12/31/2013	Transfer in	806-0100-4990 806		-181,087.16
AJE 22 12/31/2013	Cash Balance	999-0000-1000 999	1,797,427.12	
AJE 22 12/31/2013	U S BANK - INCOME -340	999-0000-1043 999		-629,080.64
AJE 22 12/31/2013	U S BANK - GROWTH - 341	999-0000-1044 999		-1,168,346.48
	Move Permanent Fund Accounts to the Permanent Fund		3,775,941.40	-3,775,941.40
AJE 23 12/31/2013	Cash	175-0000-1000 175		-1,270,097.45
AJE 23 12/31/2013	Natural Gas Dist Reserve	175-0000-1048 175	1,270,097.45	
AJE 23 12/31/2013	Cash Balance	999-0000-1000 999	1,270,097.45	
AJE 23 12/31/2013	Natural Gas Dist Reserve	999-0000-1048 999		-1,270,097.45
	Move the natural gas line loan reserve account to the gasoline fund		2,540,194.90	-2,540,194.90
AJE 24 12/31/2013	Cash Balance	100-0000-1000 100		-166,165.29
AJE 24 12/31/2013	Interest Income	100-0025-4801 100	166,165.29	
AJE 24 12/31/2013	US Bank Income Account	806-0000-1043 806	4,237.78	
AJE 24 12/31/2013	US Bank - Growth Account	806-0000-1044 806	161,927.51	
AJE 24 12/31/2013	Interest Income	806-0301-4801 806		-166,165.29
AJE 24 12/31/2013	Cash Balance	999-0000-1000 999	166,165.29	
AJE 24 12/31/2013	U S BANK - INCOME -340	999-0000-1043 999		-4,237.78
AJE 24 12/31/2013	U S BANK - GROWTH - 341	999-0000-1044 999		-161,927.51
	To move the fair value adjustment for perm fund adjustments from the general fund to the perm fund		498,495.87	-498,495.87
AJE 25 12/31/2013	Accts Payable Clearing (01)	151-0000-2011 151	9,507.46	
AJE 25 12/31/2013	Construction	151-0792-5261 151		-9,507.46
	To reverse a double payment		9,507.46	-9,507.46
			10,966,430.08	-10,966,430.08

City of Homer, Alaska



Comprehensive Annual Financial Report

Year Ended
December 31, 2013

City of Homer, Alaska

Comprehensive Annual Financial Report

Year Ended December 31, 2013

**Mary E. Wythe
Mayor**

**Walt Wrede
City Manager**

Prepared by the Finance Department

**Zhiyong (John) Li
Finance Director**

City of Homer, Alaska

Comprehensive Annual Financial Report

Year Ended December 31, 2013

City of Homer, Alaska
Comprehensive Annual Financial Report

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Comprehensive Annual Financial Report

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City of Homer

Homer, Alaska

May 19, 2014

To the Honorable Mayor Mary E. Wythe
Members of the City Council,
The Citizens of the City of Homer:

The Finance Department is pleased to submit the Comprehensive Annual Financial Report of the City of Homer, for the fiscal year ended December 31, 2013. The purpose of the report is to provide the council, management, staff, the public, and other interested parties with detailed information reflecting the City's financial condition.

THE REPORT

This report satisfies Title 29 of the Alaska Statutes requiring annual audits of all municipalities. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data is accurate in all material respects and is presented in a manner that fairly sets forth the financial position and results of the City. We also believe all disclosures necessary to enable the reader to gain an understanding of the City's financial affairs have been included. To provide a reasonable basis for making these representations, management of the City of Homer has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Homer's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City of Homer's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City is required to undergo an annual single audit in conformity with the provisions of the Federal and State Single Audit Act. Information related to the single audits, including the auditors' reports on the internal control structure and compliance with applicable laws and regulations are included in this report.

THE REPORTING ENTITY AND ITS SERVICES

The City of Homer is a first class General Law City incorporated in 1964 under Title 29 of the Alaska State Statute. City Code establishes a December 31 year-end.



Under the City's Code of Ordinances, the Council is comprised of a mayor and six council members who enact local legislation, determine policies, and adopt the City's budget. The mayor is elected for a two-year term and council members are elected for three-year terms with two council members being elected each year. The City Manager is appointed by the City Council and is responsible to them for the proper administration of the affairs of the City.

The City provides a full range of municipal services for the citizens of Homer and surrounding areas including planning and zoning, port and harbor, public works, airport terminal, water and wastewater services, library, parks and recreation, police protection, jail facilities, fire and emergency medical services and general administrative services. In addition to general governmental activities, the City provides financial support to certain community service organizations that promote education, health, recreation and economic stability for the citizens of the community.

The annual budget of the City of Homer serves as the foundation for the City's financial planning and control. The budget is prepared by the City Manager and adopted by the City Council in accordance with policies and procedures established by the City's ordinances.¹ Formal budgetary integration is employed as a management control device during the year for the General Fund. Capital projects are budgeted on a project length basis. The objective of these budgetary controls is to insure compliance with legal provisions embodied in the annual appropriated budget approved by the Homer City Council. The legal level of control (that is, the level at which expenditures cannot legally exceed the appropriation) is at the fund level. The City Council may pass subsequent supplemental appropriations. Activities of the General Fund and Enterprise Funds are included in the annual appropriating budget. Appropriations lapse at the end of the year. The City maintains an encumbrance accounting system as one technique of accomplishing budgetary control. The appropriated budget is prepared and presented by fund, department (e.g. police) or function (e.g. debt service), and major cost category (e.g. personal services).

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 54 as part of the required supplementary information for the governmental funds.

¹ Financial policies can be located beginning on page 15 of the City of Homer Annual 2013 Budget.

Capital Projects

A significant portion of economic activity and growth in Homer is directly related to capital investment in infrastructure. Much of this growth is currently fueled by public sector spending. The private sector economy shows signs of recovery and growth, particularly in the marine trades, tourism, and residential construction.

Major capital projects that are planned, or in progress in 2014 and 2015 include the following:

City of Homer Special Assessment District (SAD) Projects

A very significant portion of the City of Homer's financing (and debt) for capital project activity involves carrying out the City's commitment to provide basic water, sewer, and road services to community residents through the Homer Accelerated Water and Sewer Program (HAWSP) and the Homer Accelerated Roads and Trails Program (HART). Funding for projects under these programs is generated through a combination of dedicated sales taxes and assessments that are levied through Special Assessment Districts (SAD). In 2013, the City successfully completed the Kachemak Drive Water and Sewer Improvements (Phase II), Crittenden Drive Road Improvement, and Waddell St. Road Improvement SAD Projects.

In 2013, the City increased its indebtedness by borrowing \$12.7 Million from the Kenai Peninsula Borough to finance construction of a natural gas distribution system throughout the town. The loan will be paid through a special assessment district with assessments paid by benefited property owners.

Special Assessment Districts currently in the planning, design, and construction phase include:

- Kachemak Drive Water and Sewer Improvements (Phase III). This project would close the loop on Kachemak Drive and link water and sewer improvements constructed during Phases I and II. This potential SAD failed at the petition phase but the City anticipates that local property owners will mount another effort. The City plans to close the water loop independently using grant funds. Design work commenced in 2013 and will continue in 2014.
- Gas Utility SAD. In 2012 the Homer City Council approved a natural gas distribution system SAD. The City sold a bond to the Kenai Peninsula Borough in the amount of \$12.7 Million. The revenue from the bond sale will be used to finance construction of gas mains in approximately 73 miles of road within the City limits. Construction of Phase I, the downtown core was completed in 2013. The Homer Spit portion of Phase II was completed in May of 2014, and the remainder of Phase II is scheduled to be completed by August 2014.

OTHER CITY CAPITAL PROJECTS

- Deep Water Dock: The City and the Alaska Department of Transportation and Public Facilities recently entered into a Transfer of Responsibility Agreement (TORA) under which the City will take full responsibility for the project. Under this agreement, a \$2 million dollar federal earmark approved in 2005 will be combined with a \$1 million Legislative Grant to conduct a feasibility study on expanding and strengthening the Deep Water Dock. Feasibility work will commence in 2014.
- Skyline Drive Fire Station: At the City's request, the Legislature re-appropriated a \$2 million grant intended for improvements at the Main St. and Sterling Highway

intersection to construct the long awaited fire station on Skyline Drive. Engineering and design was completed in 2013 and construction is anticipated during the summer of 2014.

- Harbormaster's Office: The legislative re-appropriation described above also provided most of the funding (\$1.5 Million) needed for a new harbormaster's office. The necessary \$500,000 match came from the Port Reserve Account. The City General Fund was tapped for the remaining funds in the form of a \$300,000 loan. The engineering and design phase is complete and construction will commence in the fall of 2014.
- Natural Gas Trunk Line: The 2012 State Capital Budget contained an \$8.15 Million grant to the City of Homer for construction of a natural gas trunk line from Anchor Point, through Homer, and on to Kachemak City. This is the large diameter pipe that will bring gas into Homer and serve the distribution system described above. Construction was completed in 2013 which enabled construction of the distribution system described above.
- Spit Trail: The City has received approximately \$2.1 Million in Legislative and Scenic Byways grants to complete the Spit Trail and make improvements to End of the Road Park. The City and the Department of Transportation and Public Facilities recently entered into a Transfer of Responsibility Agreement (TORA) which enables the City to proceed with the project. Engineering, design, and much of the construction is scheduled for 2013. The project will be completed in the Spring of 2014.
- Load and Launch Ramp: The City and the Alaska Department of Fish and Game recently entered into a Memorandum of Understanding regarding the reconstruction and rehabilitation of the Load and Launch Ramp in the harbor. The state is expected to bring about \$3 million to the table in construction funds and is paying for all of the engineering and design work. The City will be expected to contribute a local match for construction. Engineering and design commenced in 2012 and was completed in 2013. Construction is anticipated in the fall of 2014.
- Harbor Revenue Bond Projects: The City Council has identified several priority harbor improvement projects that total approximately \$ 8.9 million. Engineering and design funds were secured through a Denali Commission grant and a local match of harbor reserve funds. \$ 4.2 Million of the construction cost is was approved in the 2014 State Capital Budget and the City raised another \$4.2 million through the sale of revenue bonds through the Alaska Municipal Bond Bank. Construction activity will be completed in 2014.
- Cruise Ship Passenger Amenities: In 2011 the City received a Legislative Grant in the amount of \$6 million for improvements that directly benefit cruise ship passengers. Improvements will include a pathway around the harbor, a passenger staging area, restrooms at various locations, and improvements at the Deep Water Dock that will make docking and movement of passengers easier and more comfortable. Engineering and Design commenced in 2012. Construction began 2013 and will be completed in 2014.
- The FY 2015 State Capital Budget contained funding for a new sheet pile dock within the confines of the small boat harbor. Engineering and design are expected to occur in 2015.
- The FY 2015 State Capital Budget contained funding for road improvements at Waddell Way. This is Phase I of the larger East-West corridor project contained on the City

Transportation Plan and CIP List. Land Acquisition, engineering, and design are expected in 2015.

- Natural Gas Conversions: The City provided funds to convert six City buildings and facilities to natural gas in 2013. Another two buildings and several restrooms will be converted in 2014.

Kenai Peninsula Borough Projects

- The most significant Borough project in the Homer area at the moment is the closure of the landfill. This is a \$10 Million dollar project expected to be largely completed in 2014. Construction began in 2011.
- The 2014 State Capital Budget contained partial funding to install artificial turf at the Homer High School football field and to improve various Borough roads. The High School Project will be completed in 2014.
- The 2014 State Capital Budget contained funds to convert South Peninsula Hospital to natural gas; which was completed in 2014.

State of Alaska Projects

- A major airport improvement and expansion project is scheduled within the next few years pending the availability of funds.
- Funding to proceed with planned East End Road Improvements (beyond M.P. 3.5) is anticipated.
- The State has made repair and upgrade of Lake Street a priority STIP project and preliminary planning and scoping has begun. Construction is anticipated in 2014. A STIP Amendment currently out for public comment contains a proposal for upgrades to Pioneer Ave. This project could occur in 2015.
- The State is scheduled to undertake Phase II of its Homer Sterling Highway repaving project in 2014. The project will extend from the Sterling Highway intersection with Pioneer Avenue to the end of the Homer Spit. ADOT/PF will also undertake major improvements on the Spit Road where serious erosion has occurred which threatens the road itself.

Major Private Sector Projects

- Due to the overall downturn in the economy, the City did not experience large private capital investments or developments in 2013. Things appeared to be turning around slightly at the end of 2012 with renewed interest in subdivisions and construction. Several new commercial buildings and upgrades to existing buildings are planned.

FACTORS AFFECTING FINANCIAL CONDITION

Economy

Homer's economy is relatively diverse for a community of its size. Major seasonal components of the economy include commercial fishing, sport fishing, recreation, and the visitor industry. The primary employers include South Peninsula Hospital, Homer Electric Association, the Federal, State, Borough, and City governments, the marine trades, the service industry, a thriving non-profit sector, arts and music, independent entrepreneurs, and small, locally owned

businesses. Homer has been the number one commercial halibut port in the state in terms of pounds landed. The community has many economic assets including the largest single basin boat harbor in the state, an open access year around ice free port, an excellent airport, and access to the national highway system. Major attractions include the Pratt Museum, the Islands and Ocean Center, numerous art galleries, and unlimited recreational opportunities.

The City Council recently adopted a new Comprehensive Economic Development Strategy (CEDS). One of the objectives in adopting the Plan was to define and articulate the types of economic development the community supports and how to stimulate it. The Council is presently discussing implementation priorities and strategies. Large prospects for the future that could impact the local economy include green technology and energy development (both renewable and non-renewable), a proposed expansion of the Deep Water Dock, expansion and improvements at the airport, expansion of the Pratt Museum, the prospect of bringing natural gas to Homer, and development of the Pebble Mine. The CEDS places a strong emphasis on local food production, a sustainable economy based upon small local businesses, and building upon what Homer already is.

Economic growth in Homer has slowed over the past few years much as it has in the rest of the country. Economic activity in most sectors has declined. The City of Homer has been able to avoid significant cuts in programs and services so far due to conservative budgeting and fiscal management practices. But additional revenues will be needed in order to provide the high quality services residents expect and to keep up with maintenance, repair, and replacement obligations. It is important for the City to encourage the creation of more year around job opportunities so that young people can remain and working families can afford to live here.

Long-Term Financial Planning

Users of this document as well as others interested in the programs and services offered by the City of Homer are encouraged to read the City's 2013 Annual Budget. The document details the City's long-term goals and financial policies, describes program accomplishments and initiatives, and outlines the City's capital improvement program. The document can be obtained from the City of Homer's Finance Department by calling (907) 235-8121. The Annual Budget can also be accessed through the City's web site at www.ci.homer.ak.us and selecting the Finance Department.

FINANCIAL INFORMATION

Single Audit

As a recipient of federal and state assistance, the City is responsible for providing an independent audit to ensure compliance with applicable laws and regulations related to these programs. The reporting entity that is included in our Comprehensive Annual Financial Report is determined by the criteria set forth in the Codification of Governmental Accounting and Financial Reporting Standard, Section 2100. The criteria deal with the City's responsibility over a governmental organization and the scope of public service. Based on these criteria, the various funds (being all the funds of the City) shown in the Table of Contents are included in this report and there are no component units for which the City has responsibility.

ACCOUNTING SYSTEM AND BUDGETARY CONTROLS

The City's financial records for governmental fund types are maintained on a modified accrual basis. Revenues and other financial resource increments are recognized when they become susceptible to accrual. Expenditures are recognized when the fund liability is incurred except for inventories of materials and supplies, prepaid insurance, and similar items that may be

considered expenditures when consumed. The City's Proprietary Funds are accounted for on the accrual basis. The accrual basis means that financial records are affected when the revenues are earned and expenses are incurred.

Cash Management

All idle funds are invested according to the investment guidelines established by the City Council. Under this policy the City may use any of the following instruments:

1. U.S. Treasury securities - 3 years
2. Other obligations by the U. S. Government, its agencies, and instrumentalities - 3 years.
3. Repurchase agreements of acceptable securities listed in subsections 1 and 2 of this section, which meet a margin requirement of 102%; provided, however, the maturity limitations specified in those subsections do not apply if the securities in the repurchase agreement are marked to market daily.
4. Units of the Alaska Municipal League Investment Pool in accordance with an executed common Investment Agreement and in conformance with AS 37.23.010--37.23.900.
5. Certificates of deposit and other deposits at banks and savings and loan associations collateralized as provided in Section 3.10.070 - 3 years.
6. Uncollateralized deposits at banks and savings and loan associations, to the extent that the deposits are insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation - 3 years.
7. Taxable bonds or notes which are issued by any state or political subdivision thereof, and which are graded AA or higher by Moody's Investor's Service, Inc., or Standard and Poor's Corporation - 3 years.
8. Commercial paper graded A1 or higher by Moody's Investor's Service, Inc., or P1 or higher by Standard and Poor's Corporation - 270 days.
9. Bankers' acceptances offered by banks rated at least "AA" by Moody's or Standard and Poor's.
10. Money market mutual funds whose portfolios consist entirely of instruments specified in subsection 1, 2 and 3 above - with net asset value of \$1.00.

Risk Management

The City undertakes a comprehensive program of risk management including evaluation of potential risks and exposures on an ongoing basis, establishment of employee safety programs and maintenance of appropriate levels of insurance coverage. New OSHA requirements are being met by employee training programs. Employee training continues both with outside institutions and in-house programs.

Awards and Acknowledgements

Certification of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Homer for its comprehensive annual financial report for the fiscal year ended December 31, 2012.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such a report must satisfy both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report

continues to conform to the Certificate of Achievement Program requirements and we are submitting it to the GFOA.

Acknowledgements

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the City of Homer. We would like to particularly express our appreciation to Laurel Moore, Jo Earls, Jenna deLumeau, Joanne Perret, Lori Sorrows, and Juli Swisher of the Finance Department. We appreciate the contributions of the staff of BDO USA LLP and their professional manner, patience and communication skills in conducting our audit.

We would also like to thank the Mayor and City Council for their interest and support in planning and conducting the financial operations of the City in a responsible manner.

Respectfully submitted,



Walt Wrede
City Manager



Zhiyong Li
Finance Director

City of Homer, Alaska

Principal City Officials

Mayor

Mary E. Wythe

City Council

David Lewis
Gus Van Dyke
Bryan Zak

Francie Roberts
Barbara Howard
Beauregard Burgess

City Administration

City Manager
City Attorney
City Clerk
Finance Director
Fire Chief
Library Director
Planning Director
Police Chief
Harbormaster
Public Works Director

Walt Wrede
Thomas Klinkner
Jo Johnson
Zhiyong (John) Li
Bob Painter
Anne Dixon
Rick Abboud
Mark Robl
Bryan Hawkins
Carey Meyer

City of Homer, Alaska

Organizational Chart

People of Homer

Mayor & City Council

Attorney

Auditor

Council Task Forces
and Committees

Advisory Commissions

City Manager

Public Safety
Police and Fire

Public Works

Port and Harbor

Administration
and Finance

City of Homer, Alaska

GFOA Certificate of Achievement for Excellence in Financial Reporting



Government Finance Officers Association

**Certificate of
Achievement for
Excellence in
Financial
Reporting**

Presented to

**City of Homer
Alaska**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

A handwritten signature in black ink, reading "Jeffrey R. Egan". The signature is written in a cursive, flowing style.

Executive Director/CEO



Tel: 907-278-8878
Fax: 907-278-5779
www.bdo.com

3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report

Honorable Mayor and Members of the City Council
City of Homer, Alaska

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of City of Homer, Alaska, as of and for the year ended December 31, 2013 and the related notes to the financial statements, which collectively comprise City of Homer's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of City of Homer, Alaska, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the budgetary comparison schedules be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit for the year ended December 31, 2013 was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Homer's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, the Schedule of State Financial Assistance, and the combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards and the Schedule of State Financial Assistance are required by OMB Circular A-133 and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, respectively.

The accompanying Schedule of Expenditures of Federal Awards, the Schedule of State Financial Assistance, and the combining and individual fund financial statements and schedules listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2013 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2013.

City of Homer's basic financial statements for the year ended December 31, 2012 (not presented herein) were audited by other auditors whose report thereon dated May 7, 2013, expressed unmodified opinions on the respective financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information. The report of the other auditors dated May 7, 2013, stated that the individual fund financial statements and schedules for the year ended December 31, 2012 were subjected to the auditing procedures applied in the audit of the 2012 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or to those basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and, in their opinion, were fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2012.

The accompanying introductory and statistical sections, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2014 on our consideration of City of Homer's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Homer's internal control over financial reporting and compliance.

BDO USA, LLP

Anchorage, Alaska
May 19, 2014

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Management's Discussion and Analysis

City of Homer, Alaska

Management's Discussion and Analysis December 31, 2013

As management of the City of Homer, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the City of Homer for the fiscal year ended December 31, 2013. Readers are encouraged to read this narrative in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section. *All amounts reported in this MD&A, unless otherwise indicated, are expressed in thousands of dollars.*

Financial Highlights

- The assets of the City of Homer exceeded its liabilities at December 31, 2013, by \$126,170 (Net Position). Of this amount, unrestricted net position of \$9,178 may be used to meet the City's ongoing obligations to citizens and creditors. The City's total net position decreased by \$1,036.

As of December 31, 2013, the City's governmental funds reported combined ending fund balances of \$19,769, a decrease of \$638 from the prior year. A combination of factors contributed the decrease. The Capital Projects (including Gas-Line and HART-Road) resulted in a \$1,313 increase to the fund balance; the Utility (Water & Sewer) Special Revenue fund decreased by \$192; the General Fund decrease by \$41; all other Non-Major Funds have an increase of \$217.

- At the end of the current year, the fund balance for the General Fund was \$6,048. Of this amount, \$5,594 was unassigned and available for spending.
- At year-end, the City of Homer's outstanding governmental debt totals \$25,301, an increase of \$7,982 from the previous year due to the issuance of special assessment debt. Business-type debt outstanding was \$4,205 due to the issuance of Harbor bonds.

Overview of the Financial Statements

This annual report is comprised of four segments as dictated by Generally Accepted Accounting Principles (GAAP): management's discussion and analysis (this section), the basic financial statements, required supplementary information and other supplementary information. The basic financial statements include two kinds of statements that present different views of the City of Homer.

- Government-wide financial statements provide both long-term and short-term information about the City's overall condition in a summary format.
- Fund financial statements focus on individual parts of Homer's government, reporting the City's operations in more detail than the government-wide statements.
- The governmental funds statements explain how general government services like public safety were financed in the short-term as well as what remains for future spending.
- Proprietary fund statements offer short-term and long-term financial information about the activities the government operates like businesses, such as the port and harbor fund.

The financial statements also include *notes*, which elaborate on some of the information in the financial statements that provide more detailed data. These financial statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to these required elements, we have included other information such as the City's single audit information, and a statistical section, which, through the use of tables, presents comparative economic and financial data to give users of this report a perspective of the City's financial performance over a number of years.

City of Homer, Alaska

Management's Discussion and Analysis

Illustration A-1			
Major Features of City of Homer's Government-wide and Fund Financial Statements			
	Government-wide Statements	Fund Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire City government	The activities of the City that are not proprietary, such as police, fire, public works, and water/sewer utility	Activities the City operates similar to private businesses; port & harbor
Required financial statements	*Statement of net position *Statement of activities	*Balance sheet *Statement of revenues, expenditures and changes in fund balance	*Statement of net position *Statement of revenues, expenses and changes in net position *Statement of cash flows
Accounting basis and measurement focus	Accrual accounting	Modified accrual accounting and current financial resources focus	Accrual accounting
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

Illustration A-1 summarizes the major features of the City's financial statements. The remainder of this overview section of the management's discussion and analysis explains the structure and contents of each of the statements.

City of Homer, Alaska

Management's Discussion and Analysis

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Homer's finances in a manner similar to a private-sector business. These statements can be located on pages 18-19 of this document.

- The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may indicate the improvement or deterioration of the City's financial position.
- The statement of activities presents information showing how the City's net position changed during the concluded fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The government-wide financial statements of the City are divided into two categories:

- **Governmental activities** - These are functions such as public safety and public works services that are principally supported by taxes and intergovernmental revenue.
- **Business-type activities** - These functions are intended to recover all or a significant portion of their costs through user fees and charges. The City's port & harbor system fall within this category.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Homer, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities. However, unlike the government-wide financial statements, governmental fund financial statements focus on short-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

City of Homer, Alaska

Management's Discussion and Analysis

The City of Homer maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for all major funds. Individual fund data for each of the non-major funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund and Utility Special Revenue Fund. Budgetary comparison statements are provided for these funds to demonstrate compliance with the budgets.

Proprietary Funds - Services for which the City charges customers a fee are generally reported in the proprietary funds. Proprietary funds provide the same type of information as the government-wide statements, only in more detail. The City of Homer maintains two different types of proprietary funds.

- Enterprise funds - Are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses one enterprise fund to account for its port & harbor system.
- Internal service funds - Are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its self-insured health benefit and accrued leave cash-outs.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data presented in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-51 of this report.

Government-wide Financial Analysis

At the close of the 2013 fiscal year, the City's net position (assets exceeding liabilities) totaled \$126,170 (see Table A-1). Of this amount \$108,961, or 86%, represents the City's investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related outstanding debt used to acquire those assets. Because the City of Homer uses these capital assets to provide services to the community, these assets are not available for future spending. The remaining amounts of net position are labeled as restricted or unrestricted.

The restricted balance of \$7,738 in the governmental activities is for debt service and capital projects. The restricted balance of \$294 is for debt service for the business-type activities. The total unrestricted amount totals \$9,178 and is available to meet the City's ongoing obligations to citizens and creditors.

City of Homer, Alaska
Management's Discussion and Analysis

The following schedule provides a summary of the City's net position:

Table A-1
City of Homer's Net Position

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets						
Current assets	\$ 27,431	\$ 24,289	\$ 7,373	\$ 2,665	\$ 34,804	\$ 26,954
Capital assets	82,728	81,072	42,890	40,260	125,618	121,332
Total Assets	110,159	105,361	50,263	42,925	160,422	148,286
Liabilities						
Noncurrent liabilities	26,014	17,281	4,665	407	30,679	17,688
Other liabilities	2,087	1,990	1,486	1,402	3,573	3,392
Total Liabilities	28,101	19,271	6,151	1,809	34,252	21,080
Net Position						
Net investment in capital assets	66,236	63,753	42,725	40,260	108,961	104,013
Restricted	7,737	6,692	294	-	8,031	6,692
Unrestricted	8,085	15,645	1,093	856	9,178	16,501
Total Net Position	\$ 82,058	\$ 86,090	\$ 44,112	\$ 41,116	\$ 126,170	\$ 127,206

Table A-2
City of Homer's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Program Revenues						
Charges for services	\$ 7,712	\$ 4,357	\$ 4,452	\$ 3,917	\$ 12,164	\$ 8,275
Operating grants and contributions	9,835	1,378	135	250	9,970	1,628
Capital grants and contributions	343	1,699	3,523	883	3,866	2,582
General Revenues						
Property taxes	3,225	2,999	-	-	3,225	2,999
Sales taxes	7,307	7,031	-	-	7,307	7,031
Other	573	809	300	233	873	1,042
Total Revenues	28,995	18,273	8,410	5,283	37,405	23,557

City of Homer, Alaska

Management's Discussion and Analysis

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Expenses						
General						
government	\$ 3,509	\$ 3,889	\$ -	\$ -	\$ 3,509	\$ 3,889
Public safety	4,802	4,757	-	-	4,802	4,757
Public works	2,920	2,681	-	-	2,920	2,681
Library	1,038	988	-	-	1,038	988
Airport	267	284	-	-	267	284
Parks and recreation	577	512	-	-	577	512
Community services	7,801	899	-	-	7,801	899
Unallocated interest	441	251	-	-	441	251
Port and harbor	-	-	5,286	4,650	5,286	4,650
Water and sewer	4,607	4,598	-	-	4,607	4,598
Total Expenses	25,962	18,859	5,286	4,650	31,248	23,736
Increase (decrease) in net position before transfers and special item						
	3,033	(586)	3,124	406	6,157	(179)
Transfers	128	-	(128)	-	-	-
Special item	(7,193)	-	-	-	(7,193)	-
Increase (Decrease) In Net Position	(4,032)	(586)	2,996	406	(1,036)	(179)
Net Position, beginning	86,090	86,676	41,116	40,710	127,206	127,384
Net Position, ending \$	\$ 82,058	\$ 86,090	\$ 44,112	\$ 41,116	\$ 126,170	\$ 127,206

As reflected in Table A-2, the City's net position decreased by \$1,036. Expenses exceeded revenues in the governmental activities by \$4,032 and in the business-type activities revenues exceeded expenses by \$2,996. Key elements of the increases and decreases follow:

- Revenues increased, by approximately \$13,848 in 2013 from 2012.
- Sales Taxes reflect an increase from 2012. This breakdown shows the Sales Taxes by fund to receive them. Changes in sales tax dollars from 2013 to 2012 are as follows:

	2013	2012	Increase/ (Decrease)
Fund			
General	\$ 4,873	\$ 4,699	\$ 174
HART - Road	1,096	1,057	39
HART-Trail	122	100	22
Utility(Water & Sewer - HAWSP)	1,217	1,175	42
Total	\$ 7,308	\$ 7,031	\$ 277

City of Homer, Alaska

Management's Discussion and Analysis

- Capital grants and contributions increased by \$1,284.
- Property taxes increased by \$226.
- Expenses in the governmental activities increased by \$7,103 for 2013.

Financial Analysis of the Governmental Funds

Governmental funds - The focus of the City of Homer's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending following the end of the fiscal year.

As of December 31, 2013, the City's governmental funds reported combined ending fund balances of \$19,769, a decrease of \$638 compared to balances a year earlier. Of the ending balance, \$3,768, or 19% is unassigned and is available to the City for future spending. Most of the remaining fund balance is restricted for Roads \$6,467, Permanent Fund, \$1,966, or assigned for future capital projects and other purposes \$6,995; and non-spendable in the form of inventory, interfund loan and prepaid items \$573. The increase of total fund balance during the year is attributed to:

- In the General Fund, expenditures and transfers out to other funds totaled \$11,944 compared to revenues and transfers in of \$11,903. The \$41, decrease in the General Fund balance was actually less than the final budgeted net change in fund balance of \$44. This was primarily due to higher than expected property taxes and sales taxes.
- The City Facilities Capital Projects is utilized for the acquisition, construction, or repair of major capital facilities.
- The Streets and Sidewalks (HART) Project Funds are used for the repair and replacement of streets and sidewalks. The voters designated three fourths ($\frac{3}{4}$)% of all sales tax revenue received to go towards the improvement of streets and sidewalks. In 2013, \$1,096 was received from sales taxes and \$26 was received from interest earned on this revenue. Council designated 10% of sales tax revenue earmarked for HART is designated specifically for trails. In 2013, \$122 was put aside for trails.
- In the Non-major funds category, the City maintains five capital project funds that account for the use of intergovernmental grants, dedicated sales tax, and department transfers to support the construction of capital improvements. Financial resources in these funds are intended to eventually be totally expended once the capital improvements have been completed. Included in this category are:
 - The Depreciation Reserves was set up for the replacement of aged equipment and buildings. Funds are transferred annually from individual departments to keep in savings until equipment/buildings are replaced. In 2013 \$20 was transferred into this fund, \$143 was used to replace/purchase new equipment.
 - The Fleet Reserve Account is used for the planned rotation basis of the City's fleet of vehicles. Funds are transferred from individual departments to keep in savings until vehicles are replaced or purchased. In 2013, \$82 was received in this fund as a transfer.

City of Homer, Alaska

Management's Discussion and Analysis

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget are described below:

- Original expenditures budget was amended to recognize PERS relief for all general fund departments with employees.

Capital Asset and Debt Administration

Capital assets - As detailed in Table A-3 below, the City of Homer's investment in capital assets for its governmental and business-type activities as of December 31, 2013, totals \$125,618 (net of accumulated depreciation). This amount represents a \$4,286 increase over the previous year.

Table A-3
City of Homer's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 10,676	\$ 10,676	\$ 15,254	\$ 15,254	\$ 25,930	\$ 25,930
Buildings	49,622	49,614	13,035	13,035	62,657	62,649
Improvements other than buildings	45,043	44,635	37,696	37,535	82,739	82,170
Machinery and equipment	14,591	14,139	3,176	3,108	17,767	17,247
Infrastructure	30,771	29,421	-	-	30,771	29,421
Construction in progress	4,077	1,002	4,639	852	8,716	1,854
Accumulated depreciation	(72,052)	(68,415)	(30,910)	(29,524)	(102,962)	(97,939)
Total Capital Assets	\$ 82,728	\$ 81,072	\$ 42,890	\$ 40,260	\$ 125,618	\$ 121,332

Major capital asset events during the 2013 year included:

- General Fund:
 - Beluga Slough
 - Boiler Replacement
 - Fishing Lagoon Dredging
 - Airport Front Door Replacement
 - Steamer Unit
 - Vapor Steamer

Construction in progress associated with the General Fund activities include Karen Hornaday Park improvements.

- Utility (Water/Sewer) Special Revenue:
 - Kachemak Dr Phase II water/sewer
 - Belugas Lift Station
 - Steamer Unit
 - Polymer Feed Equipment Replacement
 - Pressure Reducing Station

City of Homer, Alaska

Management's Discussion and Analysis

Construction in progress associated with the Utility Special Revenue Fund activities include:

- Port & Harbor:
 - Fish Cleaning Table
 - Security Gates and Cameras
 - Cruise Ship Enhancements
 - Fish Dock Corrosion and Access Improvements

Additional information on the City's capital assets can be found in note 5 on pages 38-40 of this report.

**Table A-4
City of Homer's Debt**

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Notes payable - library	\$ 1,325	\$ 1,369	\$ -	\$ -	\$ 1,325	\$ 1,369
Notes payable - utility	15,167	15,950	-	-	15,167	15,950
Special assessment bond with government commitment	8,809	-	-	-	8,809	-
General obligation bond payable	-	-	3,735	-	3,735	-
Unamortized bond premium	-	-	470	-	470	-
Total	25,301	17,319	4,205	-	29,506	17,319
Compensated absences	713	752	186	155	899	907
Total Long-Term Debt	\$ 26,014	\$ 18,071	\$ 4,391	\$ 155	\$ 30,405	\$ 18,226

Long-term debt - At the end of the 2013 year, the City of Homer had total debt outstanding of \$29,506 as detailed in Table A-4. This excludes \$899 related to compensated absences.

The notes payables listed under Notes Payable Utility are used to add water and sewer lines and services to areas. Additionally, the new water treatment plant was built utilizing a loan. Loans are received through Alaska Department of Environmental Conservation for 20 year periods at 1.5% interest. Currently seventy five percent of the loans are repaid by the customer through an "LID" (Land Improvement District). Twenty five percent of the loans are paid back by the City of Homer with designated sales tax revenues.

Additional information on the City's long-term debt can be found in note 6 on pages 41-44 of this report.

City of Homer, Alaska

Management's Discussion and Analysis

Economic Factors and Next Year's Budgets and Rates

The number of vacant and unfunded positions continues to be a problem and the uncertainty about the economy and the loss of revenue associated with the sales tax exemption for unprepared foods casts doubt over future revenues.

Overall, the General Fund is showing an increase of revenues over expenditures of \$837, before transferring funds to reserve accounts. The increase is due in part to maintaining staffing levels at the 2012 level and not providing COLA's to personnel since 2009.

The Water and Sewer Utility Fund remains vulnerable because of the basic structural flaws. The City owns a production and distribution system infrastructure that is very expensive to operate and maintain and has relatively few customers to pay for it. The City has a reliable source of funds to build things and expand the infrastructure (dedicated sales tax) but inadequate funds to maintain it all (user fees). There is intense political pressure to keep fees down even though doing so may not be in the best long term interest of the Fund. The Water/Sewer fund shows an excess of revenue over expenditures in the amount of \$631 before capital outlays of \$702 causing a net decrease in Fund Balance of \$70 before transfers and issuance of long-term debt. The Fund's debt load is significant and will limit opportunities to finance new projects or expansion of the distribution and collection system for the next few years. This is a problem because one of the solutions to the revenue problem is to increase the number of customers.

The Port and Harbor Enterprise Fund is showing an excess in revenues over expenditures of \$807 before depreciation due to an increase in rates which were implemented due to anticipated bonded projects. Additionally, there has been an increase in activity at the docks, ramps and tidelands.

Requests for Information

This financial report is designed to provide a general overview of the City of Homer's finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the following:

Finance Department
City of Homer
491 E. Pioneer Ave. Homer, Alaska 99603
Telephone: (907) 235-8121 [email: finance@ci.homer.ak.us](mailto:finance@ci.homer.ak.us)

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Basic Financial Statements

City of Homer, Alaska

Statement of Net Position

<i>December 31, 2013</i>	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	\$ 14,077,227	\$ 1,779,297	\$ 15,856,524
Receivables, net of allowance for doubtful accounts:			
Accounts	196,288	211,923	408,211
Sales and property taxes	1,264,761	-	1,264,761
State and federal grants and loans	2,353,193	1,109,211	3,462,404
Assessments	5,526,306	-	5,526,306
Other	103,854	-	103,854
Internal balances	126,101	(126,101)	-
Inventory	311,822	15,647	327,469
Prepaid items	238,624	48,607	287,231
Restricted cash and investments	3,233,689	4,333,353	7,567,042
Capital assets not being depreciated - land and construction in progress	14,752,721	19,893,452	34,646,173
Other capital assets, net of accumulated depreciation	67,974,783	22,996,753	90,971,536
Total Assets	\$ 110,159,369	\$ 50,262,142	\$ 160,421,511
Liabilities			
Accounts payable	\$ 1,268,921	\$ 644,931	\$ 1,913,852
Accrued payroll and related liabilities	285,946	36,303	322,249
Accrued interest payable	269,433	-	269,433
Prepaid rentals and deposits	52,444	786,897	839,341
Unearned revenue	210,497	18,000	228,497
Noncurrent liabilities:			
Due within one year:			
Accrued leave	102,292	14,398	116,690
Notes payable	858,081	-	858,081
General obligation bonds payable	-	130,000	130,000
Due in more than one year:			
Accrued leave	610,427	171,617	782,044
Notes payable	15,633,871	-	15,633,871
General obligation bonds payable including bond premium	-	4,074,780	4,074,780
Special assessment bond payable with government commitment to Kenai Peninsula Borough	8,809,368	-	8,809,368
Unearned revenue	-	273,710	273,710
Total Liabilities	28,101,280	6,150,636	34,251,916
Net Position			
Net Investment in capital assets	66,235,552	42,725,081	108,960,633
Restricted:			
Roads and trails	6,467,413	-	6,467,413
Bond retirement	1,270,097	293,697	1,563,794
Unrestricted	8,085,027	1,092,728	9,177,755
Total Net Position	82,058,089	44,111,506	126,169,595
Total Liabilities and Net Position	\$ 110,159,369	\$ 50,262,142	\$ 160,421,511

See accompanying notes to basic financial statements.

City of Homer, Alaska
Statement of Activities
Year Ended December 31, 2013

Year Ended December 31, 2013	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Fees, Fines & Charges for Services	Operating Grants & Contri- butions	Capital Grants & Contri- butions	Govern- mental Activities	Business- type Activities	Total
Activities							
Governmental:							
General government	\$ 3,509,077	\$ 662,367	\$ 1,204,212	\$ 333,568	\$ (1,308,930)	\$ -	\$ (1,308,930)
Public safety	4,801,462	329,021	821,489	-	(3,650,952)	-	(3,650,952)
Public works	2,920,106	-	-	-	(2,920,106)	-	(2,920,106)
Library	1,037,518	-	648	9,003	(1,027,867)	-	(1,027,867)
Airport	267,179	137,177	-	-	(130,002)	-	(130,002)
Parks and recreation	576,656	140,960	314,120	-	(121,576)	-	(121,576)
Community services	7,800,998	33,565	7,494,343	-	(273,090)	-	(273,090)
Water	2,682,608	3,303,929	-	-	621,321	-	621,321
Sewer	1,924,466	3,105,293	-	-	1,180,827	-	1,180,827
Unallocated interest	440,827	-	-	-	(440,827)	-	(440,827)
Total Governmental Activities	25,960,897	7,712,312	9,834,812	342,571	(8,071,202)	-	(8,071,202)
Business-type - Port and harbor	5,286,008	4,451,839	134,811	3,523,302	-	2,823,944	2,823,944
Total	\$ 31,246,905	\$ 12,164,151	\$ 9,969,623	\$ 3,865,873	(8,071,202)	2,823,944	(5,247,258)
General Revenues and Transfers							
Property taxes					\$ 3,224,520	-	3,224,520
Sales taxes					7,307,475	-	7,307,475
Grants and entitlements not restricted to a specific purpose					412,954	-	412,954
Investment income					149,444	-	149,444
Other					10,262	299,564	309,826
Transfers					128,000	(128,000)	-
Total General Revenues and Transfers					11,232,655	171,564	11,404,219
Special item - construction of gas pipeline on behalf of third parties					(7,192,924)	-	(7,192,924)
Change in Net Position					(4,031,471)	2,995,508	(1,035,963)
Net Position, beginning					86,089,560	41,115,998	127,205,558
Net Position, ending					\$ 82,058,089	\$ 44,111,506	\$ 126,169,595

See accompanying notes to basic financial statements.

City of Homer, Alaska

Governmental Funds
Balance Sheet

	Major Funds						Total Governmental Funds
	General	Utility Special Revenue	City Facilities Capital Project	Gas Line Capital Project	HART Roads Capital Project	Nonmajor Funds	
<i>December 31, 2013</i>							
Assets							
Cash and investments	\$ 3,569,630	\$ 957,317	\$ -	\$ 346,497	\$ 5,852,924	\$ 2,978,485	\$ 13,704,853
Receivables, net of allowance:							
Accounts	-	196,288	-	-	-	-	196,288
Property taxes	112,310	-	-	-	-	-	112,310
Sales taxes	768,292	192,081	-	-	172,867	19,211	1,152,451
Assessments	348,605	5,177,701	-	-	-	-	5,526,306
State and federal grants and loans	-	1,803,926	549,267	-	-	-	2,353,193
Interfund loan	-	-	-	-	-	22,712	22,712
Other	102,588	-	-	-	-	1,266	103,854
Due from other funds	1,963,406	-	-	-	-	-	1,963,406
Inventory	76,245	235,577	-	-	-	-	311,822
Prepaid items	206,415	32,209	-	-	-	-	238,624
Restricted cash and investments	-	-	-	1,270,097	-	1,963,592	3,233,689
Total Assets	\$ 7,147,491	\$ 8,595,099	\$ 549,267	\$ 1,616,594	\$ 6,025,791	\$ 4,985,266	\$ 28,919,508
Liabilities							
Accounts payable	\$ 182,458	\$ 331,454	\$ 425,062	\$ 53	\$ -	\$ 78,787	\$ 1,017,814
Accrued payroll and related liabilities	248,497	37,449	-	-	-	-	285,946
Customer deposits	16,602	35,842	-	-	-	-	52,444
Unearned revenue	194,674	-	-	-	-	15,823	210,497
Due to other funds	-	-	1,862,119	-	-	86,147	1,948,266
Total Liabilities	642,231	404,745	2,287,181	53	-	180,757	3,514,967
Deferred Inflows							
Deferred property taxes	108,871	-	-	-	-	-	108,871
Deferred assessments	348,605	5,177,701	-	-	-	-	5,526,306
Total Deferred Inflows	457,476	5,177,701	-	-	-	-	5,635,177
Total Liabilities and Deferred Inflows	1,099,707	5,582,446	2,287,181	53	-	180,757	9,150,144
Fund Balances							
Nonspendable:							
Inventory	76,245	235,577	-	-	-	-	311,822
Prepaid items	206,415	32,209	-	-	-	-	238,624
Interfund loan	-	-	-	-	-	22,712	22,712
Restricted - roads and trails	-	-	-	-	6,025,791	441,622	6,467,413
Committed - Permanent fund	-	-	-	-	-	1,966,031	1,966,031
Assigned:							
Library	-	-	-	-	-	32,524	32,524
Fire	-	-	-	-	-	88,063	88,063
Community schools	-	-	-	-	-	892	892
Sustainability	-	-	-	-	-	14,780	14,780
Water and sewer	-	2,744,867	-	-	-	-	2,744,867
PERS benefits	171,314	-	-	-	-	14,639	185,953
Capital and land	-	-	-	1,616,541	-	2,310,653	3,927,194
Unassigned (deficit)	5,593,810	-	(1,737,914)	-	-	(87,407)	3,768,489
Total Fund Balances	6,047,784	3,012,653	(1,737,914)	1,616,541	6,025,791	4,804,509	19,769,364
Total Liabilities, Deferred Inflows and Fund Balances	\$ 7,147,491	\$ 8,595,099	\$ 549,267	\$ 1,616,594	\$ 6,025,791	\$ 4,985,266	\$ 28,919,508

See accompanying notes to basic financial statements.

City of Homer, Alaska
Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Position
December 31, 2013

Total fund balances for governmental funds		\$ 19,769,364
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
These assets, net of accumulated depreciation consist of:		
Land and land improvements	\$ 10,676,104	
Construction in progress	4,076,617	
Buildings	49,621,871	
Improvements other than buildings	45,042,794	
Machinery and equipment	14,591,185	
Infrastructure	30,770,602	
Accumulated depreciation	<u>(72,051,669)</u>	
Total Capital Assets		<u>82,727,504</u>
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Delinquent property taxes receivable	108,871	
Special assessments not yet due	<u>5,526,306</u>	
Total Other Long-Term Assets		<u>5,635,177</u>
Internal service funds are used by the City to charge the cost of certain activities, such as insurance, to individual funds. A portion of the assets and liabilities of the internal service funds is included in the governmental activities in the Statement of Net Position.		
		209,516
Long-term liabilities, including notes payable, bonds payable, and accrued leave, are not due and payable in the current period and therefore are not reported as fund liabilities. These liabilities consist of:		
Accrued interest	(269,433)	
Note payable to Kenai Peninsula Borough	(8,809,368)	
Notes payable	(16,491,952)	
Accrued leave	<u>(712,719)</u>	
Total Long-Term Liabilities		<u>(26,283,472)</u>
Total Net Position of Governmental Activities		<u>\$ 82,058,089</u>

See accompanying notes to basic financial statements.

City of Homer, Alaska
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended December 31, 2013	Major Funds					Nonmajor Funds	Total Governmental Funds
	General	Utility Special Revenue	City Facilities Capital Project	Gas Line Capital Project	HART Roads Capital Project		
Revenues							
Property taxes	\$ 3,209,009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,209,009
Sales taxes	4,872,983	1,217,246	-	-	1,095,521	121,725	7,307,475
Licenses and permits	35,706	-	-	-	-	-	35,706
Intergovernmental	1,826,564	333,068	8,299,798	-	-	12,654	10,472,084
Charges for services	1,991,509	3,422,912	-	-	-	-	5,414,421
Special assessments	52,875	243,824	-	-	-	-	296,699
Investment income (loss)	(108,152)	-	-	97	25,966	231,533	149,444
Fines and forfeitures	10,469	-	-	-	-	-	10,469
Donations	-	-	-	-	-	1,189	1,189
Other	11,850	10,262	-	-	-	117,064	139,176
Total Revenues	11,902,813	5,227,312	8,299,798	97	1,121,487	484,165	27,035,672
Expenditures							
Current							
General government	3,162,929	-	4,696	-	75,137	8,834	3,251,596
Public safety	4,304,647	-	-	-	-	14,771	4,319,418
Public works	1,938,933	-	-	-	-	18,000	1,956,933
Library	771,638	-	-	-	-	-	771,638
Airport	195,109	-	-	-	-	-	195,109
Parks and recreation	365,830	-	-	-	-	17,609	383,439
Community services	226,801	-	7,491,344	-	-	82,853	7,800,998
Water	-	1,862,937	-	-	-	-	1,862,937
Sewer	-	1,773,753	-	-	-	-	1,773,753
Debt service:							
Principal	43,361	811,620	-	-	-	-	854,981
Interest	56,463	147,094	-	-	-	-	203,557
Capital outlay	-	702,255	2,738,625	-	1,349,975	452,850	5,243,705
Total Expenditures	11,065,711	5,297,659	10,234,665	-	1,425,112	594,917	28,618,064
Excess of Revenues Over (Under) Expenditures	837,102	(70,347)	(1,934,867)	97	(303,625)	(110,752)	(1,582,392)
Other Financing Sources (Uses)							
Issuance of special assessment bond							
Kenai Peninsula Borough	-	-	-	8,809,368	-	-	8,809,368
Transfers in	-	-	-	-	-	327,412	327,412
Transfers out	(877,930)	(121,482)	-	-	-	-	(999,412)
Net Other Financing Sources (Uses)	(877,930)	(121,482)	-	8,809,368	-	327,412	8,137,368
Special item - construction of gas pipeline on behalf of third parties							
	-	-	-	7,192,924	-	-	7,192,924
Net Change in Fund Balances	(40,828)	(191,829)	(1,934,867)	1,616,541	(303,625)	216,660	(637,948)
Fund Balances, beginning	6,088,612	3,204,482	196,953	-	6,329,416	4,587,849	20,407,312
Fund Balances (Deficit), ending	\$ 6,047,784	\$ 3,012,653	\$ (1,737,914)	\$ 1,616,541	\$ 6,025,791	\$ 4,804,509	\$ 19,769,364

See accompanying notes to basic financial statements.

City of Homer, Alaska
Reconciliation of the Change in Fund Balances of Governmental Funds
to Statement of Activities
Year Ended December 31, 2013

Net change in fund balances - total governmental funds	\$ (637,948)
The change in net position reported for governmental activities in the Statement of Activities is different because:	
Governmental funds report capital outlays as expenditures. However on the Statement of Activities, depreciation expense is recognized to allocate the cost of these items over their estimated useful lives. This is the amount by which capital outlays (\$5,292,296) exceeded depreciation (\$3,636,793).	1,655,503
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the amount of the increase in other long-term assets.	2,746,147
Issuance of long-term debt (\$8,836,927) provides current financial resources to governmental funds, while the repayment of the principal of the long-term debt (\$854,981) consumes current financial resources in governmental funds. Neither of these transactions has any effect on net position.	(7,981,946)
Accrued interest on long-term debt is not reported in the funds until the liability matures. This is the increase in accrued interest payable.	(237,270)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the amount of decrease in accrued leave.	39,151
Internal service funds are used by management to charge the cost of health insurance and accrued leave cash-outs to individual funds. A portion of the net income of these activities is reported with governmental activities.	384,892
Change in Net Position of Governmental Activities	\$ (4,031,471)

See accompanying notes to basic financial statements.

City of Homer, Alaska
Proprietary Funds
Statement of Net Position

	Major Enterprise Fund Port of Homer	Internal Service Funds
<i>December 31, 2013</i>		
Assets		
Current Assets		
Cash and investments	\$ 1,779,297	\$ 372,374
Accounts receivable, net of allowance for doubtful accounts	211,923	-
State and federal grants receivable	1,109,211	-
Inventory	15,647	-
Prepaid items	48,607	-
Total Current Assets	3,164,685	372,374
Noncurrent Assets		
Capital assets, net of accumulated depreciation	42,890,205	-
Restricted cash and investments	4,333,353	-
Total Noncurrent Assets	47,223,558	-
Total Assets	\$ 50,388,243	\$ 372,374
Liabilities		
Current Liabilities		
Accounts payable	\$ 644,931	\$ 251,107
Accrued payroll and related liabilities	36,303	-
Accrued leave	14,398	-
General obligation bonds payable	130,000	-
Prepaid rentals and deposits	786,897	-
Due to other funds	-	15,140
Unearned lease revenue	18,000	-
Interfund loan	3,291	-
Total Current Liabilities	1,633,820	266,247
Noncurrent Liabilities, Net of Current Portion		
Unearned lease revenue	252,000	-
Unearned grant revenue	21,710	-
Interfund loan	19,421	-
General obligation bonds payable including bond premium	4,074,780	-
Accrued leave	171,617	-
Total Noncurrent Liabilities	4,539,528	-
Total Liabilities	6,173,348	266,247
Net Position		
Net investment in capital assets	42,725,081	-
Restricted for bond retirement	293,697	-
Unrestricted	1,196,117	106,127
Total Net Position	44,214,895	106,127
Total Liabilities and Net Position	50,388,243	\$ 372,374
Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund	(103,389)	
Net Position of Business-Type Activities	\$ 44,111,506	

See accompanying notes to basic financial statements.

City of Homer, Alaska
Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position

	Major Enterprise Fund	Internal Service Funds
<i>Year Ended December 31, 2013</i>	Port of Homer	
Operating Revenues		
Port and harbor charges for services	\$ 4,451,839	\$ -
Interfund charges	-	2,097,520
Employee health contributions	-	144,483
Total Operating Revenues	4,451,839	2,242,003
Operating Expenses		
Operations	2,299,743	250,228
Administration	1,345,200	89,059
Depreciation	1,386,053	-
Claims	-	1,978,754
Insurance premiums	-	394,881
Total Operating Expenses	5,030,996	2,712,922
Operating loss	(579,157)	(470,919)
Nonoperating Revenues (Expenses)		
State PERS relief	134,811	-
Other income	299,564	-
Bond issuance costs	(37,807)	-
Miscellaneous repairs	(161,394)	-
Net Nonoperating Revenues (Expenses)	235,174	-
Loss before capital contributions and transfers	(343,983)	(470,919)
Capital contributions	3,523,302	-
Transfers in (out)	(128,000)	800,000
Change in net position	3,051,319	329,081
Net Position, beginning	41,163,576	(222,954)
Net Position, ending	44,214,895	\$ 106,127
Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund	(55,811)	
Change in Net Position of Business-Type Activities	\$ 2,995,508	

See accompanying notes to basic financial statements.

City of Homer, Alaska
Proprietary Funds
Statement of Cash Flows

<i>Year Ended December 31, 2013</i>	Major Enterprise Fund <hr/> Port of Homer	Internal Service Funds
Cash Flows from Operating Activities		
Receipts from customers and users	\$ 4,880,427	\$ -
Receipts from interfund services provided and employee contributions	-	2,242,003
Payments to suppliers	(2,076,537)	-
Payments to employees	(1,454,879)	(250,228)
Payments for insurance claims and administration	-	(2,340,022)
Net cash flows from operating activities	1,349,011	(348,247)
Cash Flows from Noncapital Financing Activities		
Transfers in (out)	(128,000)	800,000
Decrease in due to other funds	-	(83,251)
Nonoperating grants and cruise ship tax received	117,149	-
Net cash flows from noncapital financing activities	(10,851)	716,749
Cash Flows from Capital and Related Financing Activities		
Proceeds from bond issuance	4,166,973	-
Capital contributions received	3,076,932	-
Acquisition of property, plant and equipment	(4,016,361)	-
Decrease in interfund loan	(3,291)	-
Net cash flows from capital and related financing activities	3,224,253	-
Net Increase in Cash and Investments	4,562,413	368,502
Cash and Investments, beginning	1,550,237	3,872
Cash and Investments, ending	\$ 6,112,650	\$ 372,374

See accompanying notes to basic financial statements.

City of Homer, Alaska
Proprietary Funds
Statement of Cash Flows, continued

	Major Enterprise Fund	Internal Service Funds
<i>Year Ended December 31, 2013</i>	Port of Homer	
Reconciliation of Operating Loss to Net Cash		
Provided (Used) by Operating Activities		
Operating loss	\$ (579,157)	\$ (470,919)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	1,386,053	-
Noncash expense - PERS relief	134,811	-
Increase in allowance for doubtful accounts	4,579	-
Amortization of deferred lease revenue	(18,000)	-
Miscellaneous nonoperating revenues	138,170	-
(Increase) decrease in assets:		
Accounts receivable	129,043	-
Inventory	(935)	-
Prepaid items	(626)	-
Increase in liabilities:		
Accounts payable	52,249	122,672
Accrued payroll and related liabilities	200	-
Unearned grant revenue	21,710	-
Accrued leave	30,975	-
Prepaid rentals and deposits	49,939	-
Net Cash Flows from Operating Activities	\$ 1,349,011	\$ (348,247)

See accompanying notes to basic financial statements.

City of Homer, Alaska

Notes to Basic Financial Statements

December 31, 2013

1. Summary of Significant Accounting Policies

Organization and Services Provided

The City of Homer, Alaska was incorporated March 31, 1964 as a first-class city and operates under a Council-Manager form of government. The City provides the full range of municipal services as provided for by Alaska Statute. This includes police and fire protection, ambulance and emergency medical service, water and wastewater service, library, parks and recreation, public improvements, planning and zoning, port and harbor, airport facilities, and general administrative services.

Scope and Presentation

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units.

Reporting Entity

The City has reviewed the standards established by the Governmental Accounting Standards Board (GASB) and determined that the City has no component units.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the City. In general, the effect of interfund activity has been removed from these statements to minimize the double-counting of internal activities. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely primarily on fees and charges to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) fees, fines and charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

City of Homer, Alaska

Notes to Basic Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City generally considers all revenues except reimbursement grants to be available if they are collected within 60 days after year end. Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only to the extent they have matured.

Property and sales taxes, charges for services, intergovernmental revenues, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue in the current period. Most other revenue items are considered to be measurable and available only when received by the government.

The City reports the following major funds:

Major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be reported in another fund.

The *Utility Special Revenue Fund* accounts for the activities of the water and sewer facility operations including collection and treatment of sewage, and distribution and transmission of water.

The *City Facilities Capital Project Fund* accounts for building and facilities capital improvements.

The *Gas Line Capital Project Fund* accounts for all activities related to the construction of the gas line.

The *HART Roads Capital Project Fund* accounts for operating grants and capital improvement projects for streets and sidewalks.

Major proprietary fund:

The *Port of Homer Enterprise Fund* accounts for all activities related to the operation of the City's port and harbor.

The City also reports Internal Service Funds which account for the activities relating to the City's self-insured health benefit plan and accrued leave cash-outs. These funds report revenues charged to the other funds based on estimated amounts to cover actual costs of benefits.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are allocated administration fees and charges between the enterprise fund and the various other funds and departments. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

City of Homer, Alaska

Notes to Basic Financial Statements

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. In addition, general revenues include all taxes (including the City's restricted sales taxes), investment income, and State entitlement revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Port of Homer Enterprise Fund are charges to customers for sales and services. Operating expenses for the enterprise fund include the costs of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Revenues reported in the Utility Special Revenue Fund are comprised primarily of user charges for services. However, the fund also receives significant funding from sales tax. Lesser amounts are reflected from grants and local assessments. All revenues reported in the fund are committed to the Utility service, including operations, maintenance, and debt service.

Budgets and Budgetary Accounting

The City Council is required to pass an appropriation ordinance for the General Fund and Utility Special Revenue Fund which becomes the expenditure budget for each fund for the fiscal year. The City Council may pass subsequent supplemental appropriations which are added to the expenditure budget. Expenditures may not legally exceed the fund appropriations. The City Manager may transfer amounts between departments within a fund or between cost centers within a department's budget classification. Appropriations on annual budgets lapse at year-end. The City's legally prescribed budgetary basis of accounting is consistent with generally accepted accounting principles and, accordingly, where budgetary data are presented, the budget and actual information conform to the same basis of accounting.

Encumbrance accounting is employed during the year under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year-end are reported as appropriate constraints of fund balance if they meet the definitions and criteria described later in these footnotes.

Cash and Investments

A central treasury is used to account for all the City's cash and investments to maximize interest income. Investment earnings are allocated to various funds based on average central treasury balances.

For purposes of the statement of cash flows, the City has defined cash and cash equivalents as the demand deposits and all investments maintained in the central treasury, regardless of maturity period, since the various funds use the central treasury essentially as a demand deposit account.

Investments are recorded at fair value.

City of Homer, Alaska

Notes to Basic Financial Statements

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either “due to / from other funds” (i.e., the current portion of interfund loans) or “advances to / from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to / from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Property Taxes

Property taxes are a lien on the assessed value of taxable property as of January 1. Pursuant to Alaska Statute, Title 29.45.240, the City establishes the mill rate levy by June 15. The City is located within the Kenai Peninsula Borough, which acts as the City’s agent in the billing and collection of property taxes. Tax bills for one-half of the taxes are mailed prior to July 1 and are payable on August 15; tax bills for the second half of the taxes are mailed by October 1 and are payable on November 15. City property tax revenues in the fund financial statements are recognized in the fiscal year in which they are collectible and available (collected within sixty days after year-end) to finance expenditures of the fiscal period.

At December 31, the delinquent real and personal taxes not currently available are reflected as deferred inflows of the General Fund.

Unbilled Service Revenues

Utility revenues are based on cycle billings rendered monthly to customers. As a result of this cycle billing method, the utilities do not accrue revenues at the end of any fiscal period for services sold but not billed at such date. The Port of Homer bills annual moorage charges in advance, which are presented as unearned revenue at year-end.

Inventory

Inventory of the Enterprise Fund is carried at average cost and is charged to expense in accordance with the consumption method of accounting for inventory.

Supplies or materials acquired by governmental fund types are recorded at cost (specific identification) and are charged as expenditures as used in accordance with the consumption method of accounting for inventory. Accordingly, reported inventory for governmental fund types are equally offset by nonspendable fund balance.

Prepaid Items

Prepaid items primarily represent costs of insurance and similar services allocated to succeeding periods and rents paid in advance of the period to which they apply. The City’s policy is to charge such costs to the period benefited. Accordingly, reported prepaid items for governmental fund types are equally offset by nonspendable fund balance.

City of Homer, Alaska

Notes to Basic Financial Statements

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. In the case of the initial capitalization of infrastructure assets, the City chose to include all such items, regardless of their acquisition date.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Interest capitalized in 2013 was 47,252.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the useful life of the asset are not capitalized.

Property, plant, and equipment of the City is depreciated using the straight line method over the following estimated useful lives:

	Years
Buildings and improvements	30-40
System infrastructure	15-40
Machinery and equipment	5
Infrastructure	20-30

Accrued Leave

The City allows employees to accumulate earned but unused personal leave benefits up to a maximum accumulation of 720 hours. All personal leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental fund financial statements only if they have matured (e.g. the employee has terminated employment).

Long-Term Debt

In the government-wide and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium, discount, or deferred loss.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

City of Homer, Alaska

Notes to Basic Financial Statements

Fund Balances

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form—prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of fund balances comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance - These amounts can only be used for specific purposes pursuant to constraints imposed by formal ordinances of the City Council—the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the City Council removes the specified use through ordinance. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance - This classification reflects the amounts constrained by the City’s “intent” to be used for specific purposes, but are neither restricted nor committed. The City Council has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance - This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use externally restricted resources first, then unrestricted resources—committed, assigned, and unassigned—in order as needed.

Comparative Data

Comparative data for the prior year have been presented in some of the individual fund statements in order to provide an understanding of the changes in the financial position and operations of the City. Certain amounts in the prior year data have been reclassified to conform to the current year’s presentation.

2. Cash and Investments

The City of Homer utilizes a central treasury that is available for use by all funds. Each fund’s portion of the central treasury is displayed on the balance sheet as “cash and investments” or in the case of “negative cash,” is included in “due to other funds.”

City of Homer, Alaska

Notes to Basic Financial Statements

Reconciliation of Deposit and Investment Balances

The following is a reconciliation of the City's deposit and investment balances to the financial statements as of December 31, 2013.

December 31, 2013

Bank deposits	\$ 383,227
Investments	23,040,339
	<hr/>
	\$ 23,423,566
	<hr/>
Cash and investments	\$ 15,856,524
Restricted cash and investments	7,567,042
	<hr/>
	\$ 23,423,566
	<hr/>

Restricted cash and investments primarily represent funds set aside for capital projects, including unspent bond proceeds.

General Investments

Investment Policy

The City's investment policy authorizes investment in the following:

1. U.S. Treasury securities;
2. Other obligations of the U.S. Government, its agencies and instrumentalities;
3. Repurchase agreements of acceptable securities listed in (1) or (2) above which meet a margin requirement of 102%;
4. Units of the Alaska Municipal League Investment Pool;
5. Certificates of deposit;
6. Uncollateralized deposits to the extent that the deposits are insured by the FDIC or FSLIC;
7. Taxable bonds or notes; graded AA or higher;
8. Commercial paper; graded A1 or higher;
9. Bankers' acceptances; rated at least AA; and
10. Money market mutual funds.

Investments in taxable bonds and notes, commercial paper, or bankers' acceptances must meet a minimum rating as determined by Moody's Investor Services or Standard and Poor's.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Aside from the investment policy stated above, the City has no specific policy with respect to interest rate risk.

City of Homer, Alaska

Notes to Basic Financial Statements

Investment maturities at December 31, 2013 are as follows:

<i>Investment Type</i>	Fair Value	Investment Maturities (in Years)		
		Less Than 1	1 - 5	5 - 10
U.S. government agencies:				
U.S. Treasuries	\$ 1,551,579	\$ 1,551,579	\$ -	\$ -
FHLM	803,847	-	803,847	-
FNMA	1,596,193	-	1,596,193	-
<hr/>				
Total U.S. government agencies	3,951,619	1,551,579	2,400,040	-
Corporate bonds	258,231	35,637	160,322	62,272
Foreign bonds	77,649	-	77,649	-
Pooled investments (AMLIP)	10,535,617	10,535,617	-	-
<hr/>				
Total Subject to Interest Rate Risk	14,823,116	\$ 12,122,833	\$ 2,638,011	\$ 62,272
<hr/>				
Money market	666,928			
Certificate of deposit	7,550,295			
<hr/>				
Total Investments	\$ 23,040,339			

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy specifies the types of investments which can be purchased, in order to limit credit risk, as described above. All of the U.S. government agency investments are rated AAA by Standard and Poor's.

Pooled investments are invested with the Alaska Municipal League Investment Pool, Inc. (AMLIP). The AMLIP is an external investment pool which is rated AAAM by Standard and Poor's for credit risk purposes. Alaska Statute 37.23 establishes regulatory oversight of the Pool. The law sets forth numerous requirements regarding authorized investments and reporting. At December 31, 2013, the share value of investments in the AML pool is approximately equal to fair value.

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City of Homer, Alaska

Notes to Basic Financial Statements

3. Accounts Receivable, Valuation Allowances, Deferred Inflows and Unearned Revenues

The City maintains accounts receivable balances of which a portion is reserved as an allowance for doubtful accounts. At December 31, 2013, receivables for the City's individual major funds and nonmajor and internal service funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

	General	Utility Special Revenue	City Facilities Capital Project	HART Roads Capital Project	Port of Homer Enterprise	Nonmajor and Other Funds	Totals
Receivables:							
Accounts	\$ -	\$ 254,492	\$ -	\$ -	\$ 252,575	\$ -	\$ 507,067
Sales taxes	768,292	192,081	-	172,867	-	19,211	1,152,451
Property taxes	119,175	-	-	-	-	-	119,175
State and federal grants and loans	-	1,803,926	549,267	-	1,109,211	-	3,462,404
Special assessments	348,605	5,177,701	-	-	-	-	5,526,306
Other	183,585	-	-	-	-	23,978	207,563
Total receivables	1,419,657	7,428,200	549,267	172,867	1,361,786	43,189	10,974,966
Less allowance for uncollectibles	(87,862)	(58,204)	-	-	(40,652)	-	(186,718)
Net Receivables	\$ 1,331,795	\$ 7,369,996	\$ 549,267	\$ 172,867	\$ 1,321,134	\$ 43,189	\$ 10,788,248

At December 31, 2013, the various components of *deferred inflows and unearned revenue* reported in the governmental funds were as follows:

Deferred Inflows

Delinquent property taxes receivable - General Fund	\$ 108,871
Special assessments not yet due:	
General Fund	348,605
Utility Special Revenue Fund	5,177,701
Total Deferred Inflows	\$ 5,635,177

Unearned Revenue

Intergovernmental revenue collected in advance	\$ 188,352
Grant drawdowns prior to meeting all eligibility requirements	7,582
Other unearned revenue	14,563
Total Unearned Revenue	\$ 210,497

City of Homer, Alaska

Notes to Basic Financial Statements

4. Interfund Receivables, Payables, and Transfers

A schedule of interfund balances and transfers for the year ended December 31, 2013 follows. Interfund transfers are routinely recorded throughout the year and are typically to fund capital depreciation reserves and other operating subsidies.

Due from Other Funds

Due to General Fund from:	
City Facilities Capital Project Fund	\$ 1,862,119
Nonmajor governmental funds	86,147
Internal Service Fund	15,140
<hr/>	
Total Due from Other Funds	\$ 1,963,406

Transfers

From General Fund to:	
Internal Service Fund	\$ 584,000
Nonmajor governmental funds	293,930
From Utility Special Revenue Fund to:	
Nonmajor governmental funds	33,482
Internal Service Fund	88,000
From Port of Homer Enterprise Fund to Internal Service Fund	128,000
<hr/>	
Total Transfers to Other Funds	\$ 1,127,412

Interfund Loan

In 2011 the City underwent an extensive energy audit with the goal of identifying areas for energy savings and efficiencies. Numerous minor upgrades or repairs were conducted in this effort. Most of these costs were funded by fund balances set aside in the prior year along with grant funds. The City approved and recorded an interfund loan from the Energy Revolving Loan Capital Project Fund to the Port of Homer Enterprise Fund in the amount of \$29,294 to fund a portion of the Port related upgrades. The Port will repay the loan in \$3,291 annual installments over nine years. The loan had a balance of \$22,712 as of December 31, 2013.

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City of Homer, Alaska

Notes to Basic Financial Statements

5. Capital Assets

Capital asset activity for the year ended December 31, 2013 follows:

	Balance January 1, 2013	Additions and Reclas- sifications	Deletions and Reclas- sifications	Balance December 31, 2013
Governmental activities				
<i>Capital assets not being depreciated:</i>				
Land and land improvements	\$ 10,676,104	\$ -	\$ -	\$ 10,676,104
Construction in progress	1,002,153	3,074,464	-	4,076,617
Total assets not being depreciated	11,678,257	3,074,464	-	14,752,721
<i>Capital assets being depreciated:</i>				
Buildings	49,614,014	7,857	-	49,621,871
Improvements other than buildings	44,635,404	407,390	-	45,042,794
Machinery and equipment	14,138,576	452,609	-	14,591,185
Infrastructure	29,420,626	1,349,976	-	30,770,602
Total assets being depreciated	137,808,620	2,217,832	-	140,026,452
<i>Less accumulated depreciation for:</i>				
Buildings	27,378,617	723,763	-	28,102,380
Improvements other than buildings	18,550,175	1,351,180	-	19,901,355
Machinery and equipment	8,143,330	791,192	-	8,934,522
Infrastructure	14,342,754	770,658	-	15,113,412
Total accumulated depreciation	68,414,876	3,636,793	-	72,051,669
Total assets being depreciated, net	69,393,744	(1,418,961)	-	67,974,783
Governmental Activity Capital Assets, Net	\$ 81,072,001	\$ 1,655,503	\$ -	\$ 82,727,504

City of Homer, Alaska

Notes to Basic Financial Statements

Business-type activities	Balance January 1, 2013	Additions and Reclas- sifications	Deletions and Reclas- sifications	Balance December 31, 2013
<i>Capital assets not being depreciated:</i>				
Land and land improvements	\$ 15,254,041	\$ -	\$ -	\$ 15,254,041
Construction in progress	852,243	3,892,999	105,831	4,639,411
Total assets not being depreciated	16,106,284	3,892,999	105,831	19,893,452
<i>Capital assets being depreciated:</i>				
Buildings	13,034,836	-	-	13,034,836
Improvements other than buildings	37,534,654	161,055	-	37,695,709
Machinery and equipment	3,107,995	68,138	-	3,176,133
Total assets being depreciated	53,677,485	229,193	-	53,906,678
Less accumulated depreciation for:				
Buildings	8,167,348	293,349	-	8,460,697
Improvements other than buildings	18,580,863	1,013,615	-	19,594,478
Machinery and equipment	2,775,661	79,089	-	2,854,750
Total accumulated depreciation	29,523,872	1,386,053	-	30,909,925
Total capital assets being depreciated, net	24,153,613	(1,156,860)	-	22,996,753
Business-Type Activity				
Capital Assets, Net	\$ 40,259,897	\$ 2,736,139	\$ 105,831	\$ 42,890,205

City of Homer, Alaska
Notes to Basic Financial Statements

<i>Year Ended December 31, 2013</i>	Depreciation
Governmental activities	
General government	\$ 194,619
Public safety	347,155
Public works	973,812
Library	230,467
Airport	70,085
Parks and recreation	186,620
Water utility	1,083,405
Sewer utility	550,630
Total Depreciation Expense - Governmental Activities	\$ 3,636,793
Business-type activities	
Port and harbor	\$ 1,386,053
Total Business-Type Activities	\$ 1,386,053

The Port of Homer Enterprise Fund received a building from the State of Alaska in 1993 in exchange for the use of land by the State Ferry System until the year 2031. The building houses the Port Maintenance Shop. The value of the building and related unearned revenue are as follows:

Original cost assigned to building	\$ 630,000
Revenue recognized on cumulative basis	(360,000)
	\$ 270,000
Current unearned revenue	\$ 18,000
Noncurrent unearned revenue	252,000
Total Unearned Lease Revenue	\$ 270,000

City of Homer, Alaska

Notes to Basic Financial Statements

6. Long-Term Debt

The following is a summary of long-term debt transactions of the City for the year ended December 31, 2013:

Governmental activities	Balance January 1, 2013	Additions	Retired	Balance December 31, 2013	Due Within One Year
Notes payable:					
\$1,700,000 USDA library note payable, due in annual installments of \$99,824, including interest at 4.125% through September 2033.	\$ 1,368,811	-	\$ 43,361	\$ 1,325,450	\$ 45,149
\$3,462,403 2002 Sewer Utility Alaska Clean Water loan, due in annual installments of \$121,973 plus interest at 1.5% through August 18, 2025.	1,585,641	-	121,973	1,463,668	121,972
\$3,389,321 2002 Water Utility Alaska Drinking Water loan, due in annual installments of \$143,078 plus interest at 1.5% through August 18, 2025	1,860,007	-	143,077	1,716,930	143,078
\$2,100,000 (maximum) 2012 Sewer Utility Alaska Clean Water loan, due in annual installments of \$79,587 plus interest at 1.5%	1,564,173	27,559	79,587	1,512,145	79,587
\$3,250,000 (maximum) 2006 Sewer Utility Alaska Clean Water loan, terms not yet established; interest at 1.5%	2,245,316	-	-	2,245,316	-
\$2,150,000 (maximum) 2012 Water Utility Alaska Drinking Water loan, due in annual installments of \$143,077 plus interest at 1.5% through August 18, 2025	2,023,006	-	87,486	1,935,520	88,798

City of Homer, Alaska

Notes to Basic Financial Statements

Governmental activities	Balance January 1, 2013	Additions	Retired	Balance December 31, 2013	Due Within One Year
Notes payable, continued:					
\$470,000 (maximum) 2006 Water Utility Alaska Drinking Water loan, terms not yet established; interest at 1.5%	\$ 422,412	\$ -	\$ -	\$ 422,412	\$ -
\$8,000,000 (maximum) 2006 Water Utility Alaska Drinking Water loan, due in annual installments of \$364,001, plus interest at 1.5% through December 28, 2029	6,188,025	-	364,001	5,824,024	364,002
\$148,047 2003 Sewer Utility Alaska Clean Water loan, due in annual installments of \$15,496 plus interest at 1.5% through August 28, 2016	61,983	-	15,496	46,487	15,495
\$12,700,000 (maximum) special assessment bond payable to the Kenai Peninsula Borough in two payments of interest only April 1, 2014 and April 1, 2015 and ten equal principal and interest payments beginning April 1, 2016, interest at 4% through April 1, 2025	-	8,809,368	-	8,809,368	-
Accrued leave	751,870	700,099	739,250	712,719	102,292
Total Governmental Activities Long-Term Liabilities	\$ 18,071,244	\$ 9,537,026	\$ 1,594,231	\$ 26,014,039	\$ 960,373

City of Homer, Alaska

Notes to Basic Financial Statements

Business-type Activities	Balance January 1, 2013	Additions	Retired	Balance December 31, 2013	Due Within One Year
\$3,375,000 Series 2013 Harbor General Obligation Bonds, due in annual installments of \$130,000 plus interest at 2% through June of 2033.	\$ -	\$ 3,735,000	\$ -	\$ 3,735,000	\$ 130,000
Unamortized bond premium		494,506	24,726	469,780	-
Accrued leave	155,040	96,099	65,124	186,015	14,398
Total Business-type Activities Long-Term Liabilities	\$ 155,040	\$ 4,325,605	\$ 89,850	\$ 4,390,795	\$ 144,398

Annual debt service requirements to maturity for long-term debt exclusive of the notes except for the Clean Water loans, Drinking Water loans and note payable to Kenai Peninsula Borough that are not yet in repayment status follow:

Governmental Activities <i>Year Ending December 31,</i>	Notes Payable		
	Principal	Interest	Total
2014	\$ 858,081	\$ 241,165	\$ 1,099,246
2015	861,278	228,100	1,089,378
2016	864,568	213,947	1,078,515
2017	852,465	199,693	1,052,158
2018	855,959	185,569	1,041,528
2019-2023	4,336,126	712,063	5,048,189
2024-2028	3,646,275	352,947	3,999,222
2029-2033	1,549,472	84,142	1,633,614
	<u>13,824,224</u>	<u>\$ 2,217,626</u>	<u>\$ 16,041,850</u>
Payment terms not yet established	<u>2,667,728</u>		
Total Governmental Activities Notes Payable	\$ 16,491,952		

City of Homer, Alaska

Notes to Basic Financial Statements

Annual debt service requirements to maturity for the bonds follow:

Business-type Activities <i>Year Ending December 31,</i>	G. O. Bonds Payable		
	Principal	Interest	Total
2014	\$ 130,000	\$ 158,650	\$ 288,650
2015	130,000	156,050	286,050
2016	135,000	153,400	288,400
2017	140,000	149,950	289,950
2018	140,000	145,750	285,750
2019-2023	790,000	648,375	1,438,375
2024-2028	1,000,000	447,500	1,447,500
2029-2033	1,270,000	165,000	1,435,000
	\$ 3,735,000	\$ 2,024,675	\$ 5,759,675

In 2013, the City issued \$3,375,000 in general obligation (GO) bonds to provide funds for Harbor improvements. GO bonds are direct obligations and pledge the full faith and credit of the City.

In 2013, the City entered into a loan agreement with the Kenai Peninsula Borough to borrow up to \$12,700,000 for the design and construction of natural gas distribution improvements in the City. At December 31, 2013, the City had drawn \$8,809,368 on the loan.

Concurrent with the issuance of the loan with the Borough, the City issued a \$12,700,000 natural gas distribution special assessment bond. The bond proceeds are to be used for the design and construction of natural gas distribution improvements in the City. After completion of the project, the City will establish an assessment district. This bond will be repaid from amounts to be levied against the property owners benefited by this construction in the assessment district. Those amounts, including interest, are 100 percent pledged to pay the scheduled principal and interest payments on the special assessment bonds. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the government must provide resources to cover the deficiency until other resources, for example, foreclosure proceeds, are received.

City of Homer, Alaska

Notes to Basic Financial Statements

7. Fund Balances

Fund balances, reported for the major funds and the nonmajor funds in the aggregate on the governmental funds balance sheet are subject to the following constraints:

	General	Utility Special Revenue	City Facilities Capital Project	Gas Line Capital Project	HART Roads Capital Project	Nonmajor and Other Funds	Totals
Nonspendable:							
Inventory	\$ 76,245	\$ 235,577	-	-	-	-	311,822
Prepaid items	206,415	32,209	-	-	-	-	238,624
Interfund loan	-	-	-	-	-	22,712	22,712
Total nonspendable	282,660	267,786	-	-	-	22,712	573,158
Restricted - Roads and trails	-	-	-	-	6,025,791	441,622	6,467,413
Committed - Permanent fund	-	-	-	-	-	1,966,031	1,966,031
Assigned:							
Library	-	-	-	-	-	32,524	32,524
Fire	-	-	-	-	-	88,063	88,063
Community schools	-	-	-	-	-	892	892
Sustainability	-	-	-	-	-	14,780	14,780
Water and sewer	-	2,744,867	-	-	-	-	2,744,867
PERS benefits	171,314	-	-	-	-	14,639	185,953
Capital and land	-	-	-	1,616,541	-	2,310,653	3,927,194
Total assigned	171,314	2,744,867	-	1,616,541	-	2,461,551	6,994,273
Unassigned (deficit)	5,593,810	-	(1,737,914)	-	-	(87,407)	3,768,489
Total Fund Balances	\$ 6,047,784	\$ 3,012,653	\$(1,737,914)	\$ 1,616,541	\$ 6,025,791	\$ 4,804,509	\$ 19,769,364

At December 31, 2013, the following nonmajor funds had a fund deficit:

Non-capital Projects Special Revenue Fund	\$ 87,138
Land Reserve Capital Projects Fund	269
Leave Cash-out Internal Service Fund	15,140

Expenditures in the Utility Special Revenue Fund exceed appropriations by \$840,976.

City of Homer, Alaska

Notes to Basic Financial Statements

8. Accounting for Health Self-Insurance

The City provides health insurance on a self-insured basis up to \$90,000 each occurrence or \$2,077,184 in aggregate for all medical claims during the year. Coverage in excess of these amounts is insured by a private carrier up to lifetime claims of \$1,000,000 per each individual.

The City contracts with a third-party administrator for health claims servicing. The City charges each department a premium based on the employees and their selected coverage. This premium is based on actual claims paid by the City. An equal amount is recorded as revenue by the Risk Management Internal Service Fund which is then responsible for paying all claims. The City accrues a liability for claims incurred but not reported at year-end.

A schedule of the changes in the claims liability for the years ended December 31, 2013 and 2012 follows:

	Balance at Beginning of Year	Claims Expense	Claims Paid	Balance at End of Year
2013 Health Insurance	\$ 128,435	\$ 1,978,754	\$ 1,856,082	\$ 251,107
2012 Health Insurance	\$ 93,812	\$ 1,780,281	\$ 1,745,658	\$ 128,435

9. Risk Management

The City is exposed to various risks of loss including (a) damage to and loss of buildings and contents, (b) employee torts, (c) professional liability; i.e., errors and omissions, (d) workers' compensation; i.e., employee injuries, and (e) medical insurance costs of employees.

The City is a member of the Alaska Municipal League Joint Insurance Association (JIA), a governmental insurance pool established by the Alaska Municipal League. The JIA provides the City coverage for property, including building and contents, automobiles, mobile equipment and data processing equipment; casualty, including general liability, and public officials, law enforcement professional liability, auto liability and employee benefit liability; and workers' compensation, including employer's liability. In addition, commercial insurance policies are purchased that transfer the risk of loss, except for relatively low deductibles for marina keepers legal liability, and underground tank liability. The City has no coverage for potential losses from environmental damages.

The JIA is a public entity risk pool organized to share risks among its members. The Association's bylaws provide for the assessment of supplemental contributions from members in the event that losses and expenses for any coverage year exceed the annual contributions and income earned on such contributions for the year. Such supplemental contributions shall be based upon each member's deposit contribution in comparison to the aggregate deposit contributions of all members. The Association made no supplemental assessments during the year ended December 31, 2013.

The JIA provides loss control services and conducts periodic inspections to ensure safe operations. The Finance Director coordinates risk management activities with the other City Directors and City Manager. The General Fund fund balance is sufficient to meet potential losses related to the JIA basic core coverage and coverage deductibles. The amount of settlements for the past three years did not materially exceed the City's insurance coverage.

City of Homer, Alaska

Notes to Basic Financial Statements

10. Defined Benefit Pension Plan

The City participates in the Public Employees' Retirement System (PERS). PERS is a cost-sharing multiple employer plan which covers eligible State and local government employees, other than teachers. The Plan was established and is administered by the State of Alaska Department of Administration to provide pension, postemployment healthcare, death, and disability benefits. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature.

The Plan is included in a comprehensive annual financial report that includes financial statements and other required supplemental information. The report is available at the following address:

Department of Administration
Division of Retirement and Benefits
P.O. Box 110203
Juneau, Alaska 99811-0203

Conversion to Cost Sharing

In April 2008, the Alaska Legislature passed legislation which converted the existing Public Employees Retirement System (PERS) from an agent-multiple employer plan to a cost-sharing plan with an effective date of July 1, 2008. Under the cost-sharing arrangement, the State of Alaska Division of Retirement and Benefits no longer tracks individual employer assets and liabilities. Rather, all plan costs and past service liabilities are shared among all participating employers.

That same year, the State of Alaska passed additional legislation which statutorily capped the employer contribution, established a state funded "on-behalf" contribution, and required that employer contributions be calculated against all PERS eligible wages, including wages attributable to the defined contribution plan described later in these footnotes.

Employee Contribution Rates

Regular employees are required to contribute 6.75% of their annual covered salary (2.97% for pension and 3.78% for healthcare). Police and firefighters are required to contribute 7.5% of their annual covered salary (3.29% for pension and 4.21% for healthcare).

Employer and Other Contribution Rates

There are three contribution rates associated with the pension and healthcare contributions and related liabilities:

Contractual Rate: This is the required funding rate for participating employers. The contractual rate is statutorily capped at 22% of eligible wages, subject to a wage floor, and other termination events. This 22% rate includes all PERS participating wages, including those wages attributable to employees in the defined contribution plan.

ARM Board Adopted Rate: This is the rate formally adopted by the Alaska Retirement Management Board. This rate is actuarially determined to calculate annual funding requirements of the Plan, without regard to the statutory rate cap. There are no constraints or restrictions on the actuarial cost method or other assumptions used in this valuation, other than those established and agreed to by the ARM Board.

City of Homer, Alaska

Notes to Basic Financial Statements

Current legislation provides that the State of Alaska will contribute the difference between the ARM Board adopted rate and the contractual (statutory) rate. These additional contributions are recognized by each employer as an on-behalf payment and are reflected as revenue and expense/expenditures within the financial statements.

GASB 43 Rate: This is the rate used to determine the long-term pension and healthcare liability for plan accounting purposes in accordance with generally accepted accounting principles as established by GASB. Certain actuarial methods and assumptions for this rate calculation are mandated by GASB. For State fiscal year FY14 (six months ended December 2013), the rate uses an 8.00% pension discount rate and a 6.88% healthcare discount rate. Additionally, the GASB 43 rate disregards all future Medicare Part D payments.

The GASB 43 rate differs significantly from the ARM Board adopted rate as a direct result of differences in the actuarial valuation methodology and assumptions.

Contribution rates for the six months ended June 30, 2013 were determined as part of the June 30, 2010 actuarial valuation. Rates for the six months ended December 31, 2013 (State FY14) were determined in the June 30, 2011 valuation.

	Contractual Rate	ARM Board Adopted Rate	GASB 43 Rate
<i>January to June 2013</i>			
Pension	9.67%	15.75%	24.95%
Postemployment healthcare	12.33%	20.09%	39.93%
Total Contribution Rate	22.00%	35.84%	64.88%
<i>July to December 2013</i>			
Pension	10.64%	18.38%	24.95%
Postemployment healthcare	11.36%	17.30%	39.93%
Total Contribution Rate	22.00%	35.68%	64.88%

* Note the State of Alaska will be implementing new GASB rules for pension accounting beginning in FY15. These new rules will change the accounting and disclosure requirements at the plan level.

Annual Pension and Postemployment Healthcare Cost

The City is required to contribute 22% of covered payroll, subject to a wage floor. In addition, the State of Alaska is required to contribute approximately 13.84% and 13.68% of covered payroll for each six month period noted above. In accordance with the provisions of GASB Statement Number 24, the City has recorded the State contribution in the amount of \$915,801 as revenue and expense/expenditures in these financial statements. However, because the City is not statutorily obligated for these payments, this amount is excluded from the annual pension and OPEB cost required by the City, as reported below:

City of Homer, Alaska

Notes to Basic Financial Statements

<i>Year Ended December 31,</i>	Annual Pension Cost	Annual OPEB Cost	Total Benefit Cost (TBC)	City Contributions	% of TBC Contributed
2013	\$ 606,589	\$ 571,025	\$ 1,177,614	\$ 1,177,614	100%
2012	526,358	671,272	1,197,630	1,197,630	100%
2011	550,105	604,927	1,155,032	1,155,032	100%

11. Defined Contribution Pension Plan

Employees hired after July 1, 2006 participate in PERS Tier IV, a defined contribution plan. The Plan is administered by the State of Alaska, Department of Administration. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature. The Alaska Retirement Management Board may also amend contribution requirements. Included in the Plan are individual pension accounts, retiree medical insurance plan and a separate Health Reimbursement Arrangement account that will help retired members pay medical premiums and other eligible medical expenses not covered by the medical plan.

Employee Contribution Rates

Employees are required to contribute 8.0% of their annual covered salary. This amount goes directly to the individual's account.

Employer Contribution Rates

The City is required to contribute the following amounts based on covered salary:

<i>January to June 2013</i>	Other Tier IV	Police/Fire Tier IV
Individual account	5.00%	5.00%
Retiree medical plan	0.48%	0.48%
Occupational death and disability benefits	0.14%	0.99%
Contribution Rate	5.62%	6.47%

July to December 2013

Individual account	5.00%	5.00%
Retiree medical plan	0.48%	0.48%
Occupational death and disability benefits	0.20%	1.14%
Contribution Rate	5.68%	6.62%

In addition, the employer must contribute to the Health Reimbursement Arrangement. AS 39.30.370 establishes this contribution amount as "three percent of the average annual employee compensation of *all employees of all employers* in the plan". As of July 1, 2013, for actual remittance, this amount is calculated as a flat rate for each full time or part-time employee per pay period and approximates \$1,897 per year for each full-time employee, and \$1.22 per hour for part-time employees.

City of Homer, Alaska

Notes to Basic Financial Statements

Finally, the total employer contribution must equal 22% of covered payroll. After subtracting the defined contribution (DC) rates and the HRA contribution, any residual amount of the 22% will be deposited into the defined benefit (DB) plan. Known as the DBUL payment, this amount is intended to mitigate against the declining payroll base that resulted from the creation of the DC plan.

Employees are immediately vested in their own contributions and vest 25% per year in employer contributions. The City and employee contributions to PERS including the HRA contribution for the year ended December 31, 2013 were \$208,337 and \$179,098, respectively.

12. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The deferred compensation plan permits all employees to defer a portion of their salary. The deferred compensation is not available for distribution to employees until termination, retirement, death or unforeseeable emergency. Internal Revenue Code provisions require that all assets and income of the plan be held in trust for the exclusive benefit of participants and their beneficiaries.

13. Contingencies and Subsequent Events

The City is involved in various claims and pending litigation as part of the normal course of its activities. In the opinion of management, the disposition of these matters is not expected to have a material adverse effect on the City's financial statements.

Grants

Amounts received or receivable from grantors are subject to audit and adjustment by the grantor agencies. Any disallowed claims, including amounts already collected, would become a liability of the General Fund or other applicable fund.

14. Designated Sales Tax

City of Homer sales tax is designated for the following purposes:

Water, sewer, and related debt service	0.75%
Road and trail projects	0.75%
General Fund - undesignated	3.00%
Kenai Peninsula Borough	3.00%
<hr/>	
Total Sales Tax Percentage	7.50%

Effective January 1, 2009, Ordinance 08-32(s)(A-2) exempts sales tax on non-prepared foods from September 1 through May 31 annually.

City of Homer, Alaska

Notes to Basic Financial Statements

15. Homer Natural Gasline Project

In March 2013, the City Council approved a Contribution in Aid of Construction Agreement (CIAC), Ordinance 13-03, between the City of Homer and Enstar Natural Gas Company for construction and improvements within the Homer natural gas distribution system. In connection with the project, a special assessment district was authorized. The City's share of the Homer Natural Gasline project is being financed through a \$12.7 million loan obtained from Kenai Peninsula Borough. Once the project is completed, local assessments will be issued and allocated among the individual benefiting property owners. These assessment revenues will be dedicated to repayment of the loan.

16. New Accounting Pronouncements

The Governmental Accounting Standards Board has passed several new accounting standards with upcoming implementation dates. Management has not fully evaluated the potential effects of these statements, but believes that that GASB Statement 68 will result in the biggest reporting change. Actual impacts have not yet been determined:

GASB 67 - Financial Reporting for Pension Plans - Effective for year-end December 31, 2014 - This statement contains certain revisions to prior GASB statements on the topic of improving financial reporting by state and local governmental pension plans.

GASB 68 - Accounting and Financial Reporting for Pensions - Effective for year-end December 31, 2015 - This statement contains certain revisions to prior GASB statements on the topics of Net Pension Liability and Pension Expense.

GASB 69 - Government Combinations and Disposals of Government Operations - Effective for year-end December 31, 2014 - This statement contains certain disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and effects of these transactions.

GASB 70 - Accounting and Financial Reporting for Nonexchange Financial Guarantees - Effective for year-end December 31, 2014 - This statement contains reporting requirements when a government financially guarantees the obligations of another government, non-profit, or private entity without receiving equal value in exchange.

GASB 71 - Pension Transition for Contributions Made Subsequent to the Measurement Date - Effective for year-end December 31, 2015 - This statement is a companion to GASB Statement 68 and clarifies treatment of contributions made by a contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

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Required Supplementary Information

City of Homer, Alaska
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended December 31, 2013</i>	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 7,792,553	\$ 7,741,971	\$ 8,093,842	\$ 351,871
Licenses and permits	24,900	24,900	35,706	10,806
Intergovernmental	1,639,297	1,674,879	1,826,564	151,685
Charges for services	2,025,015	2,040,015	1,991,509	(48,506)
Special assessments	-	-	52,875	52,875
Investment income (loss)	25,000	25,000	(108,152)	(133,152)
Fines and forfeitures	17,500	17,500	10,469	(7,031)
Total Revenues	11,524,265	11,524,265	11,902,813	378,548
Expenditures				
General government	3,133,601	3,178,255	3,162,929	15,326
Public safety	4,468,784	4,418,433	4,304,647	113,786
Public works	2,121,654	2,069,383	1,938,933	130,450
Library	825,681	825,681	771,638	54,043
Airport	233,313	222,741	195,109	27,632
Parks and recreation	401,136	401,137	365,830	35,307
Community services	133,454	236,304	226,801	9,503
Debt service:				
Principal	43,361	43,361	43,361	-
Interest	56,463	56,463	56,463	-
Total Expenditures	11,417,447	11,451,758	11,065,711	386,047
Excess of Revenues Over Expenditures	106,818	72,507	837,102	764,595
Other Financing Uses - transfers out	(151,656)	(112,843)	(877,930)	(765,087)
Net Change in Fund Balance	\$ (44,838)	\$ (40,336)	(40,828)	\$ (492)
Fund Balance, beginning			6,088,612	
Fund Balance, ending			\$ 6,047,784	

City of Homer, Alaska
Utility Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended December 31, 2013</i>	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Sales taxes	\$ 1,176,549	\$ 1,176,549	\$ 1,217,246	\$ 40,697
Intergovernmental	-	-	333,068	333,068
Charges for services	3,490,807	3,490,807	3,422,912	(67,895)
Special assessments	45,000	45,000	243,824	198,824
Investment income	11,000	11,000	-	(11,000)
Other	112,810	112,810	10,262	(102,548)
Total Revenues	4,836,166	4,836,166	5,227,312	391,146
Expenditures				
Water	1,828,789	1,828,789	1,862,937	(34,148)
Sewer	1,629,639	1,629,639	1,773,753	(144,114)
Debt service:				
Principal	859,226	859,226	811,620	47,606
Interest	204,276	204,276	147,094	57,182
Total debt service	1,063,502	1,063,502	958,714	104,788
Capital outlay	390,000	390,000	702,255	(312,255)
Total Expenditures	4,911,930	4,911,930	5,297,659	(385,729)
Excess of Revenues Over (Under)				
Expenditures	(75,764)	(75,764)	(70,347)	5,417
Other Financing Uses - transfers out	(67,697)	(67,697)	(121,482)	(53,785)
Net Change in Fund Balance	\$ (143,461)	\$ (143,461)	(191,829)	\$ (48,368)
Fund Balance, beginning			3,204,482	
Fund Balance, ending			\$ 3,012,653	

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Supplementary Information

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Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

A Special Revenue Fund is established to finance particular activities and is created from proceeds of specific revenue sources that are restricted or committed for specific purposes.

Library Donations - This fund accounts for donations made to the library that have been earmarked for supplies.

Fire Department Donations - This fund accounts for donations made to the fire department that have been earmarked for supplies.

Retainage Reimbursements - This fund accounts for deposits customers have provided for specific projects until their completion.

Community Schools - This fund accounts for donations to be used for community schools.

Sustainability - This fund accounts for donations for sustainable global warming.

Noncapital Projects - This fund accounts for projects and grant-related activities that are not capitalized.

Permanent Fund - This fund accounts for the payment received as a result of the Exxon Valdez oil spill settlement.

PERS Funding - This fund accounts for funds set aside for future PERS obligation.

CAPITAL PROJECT FUNDS

Capital Project Funds are established to account for the financial resources expended to acquire or construct major capital assets of a relatively permanent nature. Such financial resources include grants, contributions, bond proceeds, and operating transfers from other funds.

Capital Project Funds provide a formal mechanism to ensure that revenues dedicated to a certain project are used only for that project and enable the City administration to report to grantors of Capital Project Fund revenue that their requirements regarding the use of the revenues are fully satisfied.

HART Trails - This fund accounts for improvements to City trails. It is funded by 10% of HAWSP sales tax designated specifically for City trails.

Depreciation Reserves - This fund accounts for monies set aside each year from the General Fund to be used for the maintenance of City buildings and the purchase of General Fund equipment.

Land Reserve - This fund accounts for the accumulation of capital to purchase land.

Energy Revolving Loan - This fund accounts for forward funding of energy efficiency improvement projects with corpus to be reinstated through future repayments.

Fleet Reserve Allocation - This fund accounts for the accumulation of capital to purchase vehicles.

City of Homer, Alaska
Nonmajor Governmental Funds
Combining Balance Sheet

	Special Revenue Funds									Capital Project Funds						Total Nonmajor Govern- mental Funds
	Library Donations	Fire Depart- ment Donations	Retainage Reimburse- ments	Com- munity Schools	Sustain- ability	Non- capital Projects	Permanent Fund	PERS Funding	Total Special Revenue Funds	HART Trails	Depre- ciation Reserves	Land Reserve	Energy Revolving Loan	Fleet Reserve Allocation	Total Capital Project Funds	
<i>December 31, 2013</i>																
Assets																
Cash and investments	\$ 32,524	\$ 88,063	\$ 13,363	\$ 892	\$ 14,780	\$ -	\$ 2,439	\$ 14,639	\$ 166,700	\$ 422,411	\$ 1,758,562	\$ -	\$ 53,331	\$ 577,481	\$ 2,811,785	\$ 2,978,485
Receivables, net:																
Sales taxes	-	-	-	-	-	-	-	-	-	19,211	-	-	-	-	19,211	19,211
Interfund loan	-	-	-	-	-	-	-	-	-	-	-	22,712	-	-	22,712	22,712
Other	-	-	1,266	-	-	-	-	-	1,266	-	-	-	-	-	-	1,266
Restricted cash and investments	-	-	-	-	-	-	1,963,592	-	1,963,592	-	-	-	-	-	-	1,963,592
Total Assets	\$ 32,524	\$ 88,063	\$ 14,629	\$ 892	\$ 14,780	\$ -	\$ 1,966,031	\$ 14,639	\$ 2,131,558	\$ 441,622	\$ 1,758,562	\$ -	\$ 76,043	\$ 577,481	\$ 2,853,708	\$ 4,985,266
Liabilities																
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 78,787	\$ -	\$ -	\$ -	\$ 78,787	\$ 78,787
Unearned revenue	-	-	14,563	-	-	1,260	-	-	15,823	-	-	-	-	-	-	15,823
Due to other funds	-	-	-	-	-	85,878	-	-	85,878	-	-	269	-	-	269	86,147
Total Liabilities	-	-	14,563	-	-	87,138	-	-	101,701	-	78,787	269	-	-	79,056	180,757
Fund Balances																
Nonspendable - interfund loan	-	-	-	-	-	-	-	-	-	-	-	-	22,712	-	22,712	22,712
Restricted - roads and trails	-	-	-	-	-	-	-	-	-	441,622	-	-	-	-	441,622	441,622
Committed - Permanent fund	-	-	-	-	-	-	1,966,031	-	1,966,031	-	-	-	-	-	-	1,966,031
Assigned:																
Library	32,524	-	-	-	-	-	-	-	32,524	-	-	-	-	-	-	32,524
Fire	-	88,063	-	-	-	-	-	-	88,063	-	-	-	-	-	-	88,063
Community schools	-	-	-	892	-	-	-	-	892	-	-	-	-	-	-	892
Global warming	-	-	-	-	14,780	-	-	-	14,780	-	-	-	-	-	-	14,780
PERS benefits	-	-	-	-	-	-	-	14,639	14,639	-	-	-	-	-	-	14,639
Capital and land	-	-	66	-	-	-	-	-	66	-	1,679,775	-	53,331	577,481	2,310,587	2,310,653
Unassigned (deficit)	-	-	-	-	-	(87,138)	-	-	(87,138)	-	-	(269)	-	-	(269)	(87,407)
Total Fund Balances (Deficits)	32,524	88,063	66	892	14,780	(87,138)	1,966,031	14,639	2,029,857	441,622	1,679,775	(269)	76,043	577,481	2,774,652	4,804,509
Total Liabilities and Fund Balances	\$ 32,524	\$ 88,063	\$ 14,629	\$ 892	\$ 14,780	\$ -	\$ 1,966,031	\$ 14,639	\$ 2,131,558	\$ 441,622	\$ 1,758,562	\$ -	\$ 76,043	\$ 577,481	\$ 2,853,708	\$ 4,985,266

City of Homer, Alaska
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)

Year Ended December 31, 2013	Special Revenue Funds								Capital Project Funds						Total Nonmajor Governmental Funds
	Library Donations	Fire Department Donations	Retainage Reimbursements	Community Schools	Sustainability	Non-capital Projects	Permanent Fund	PERS Funding	Total Special Revenue Funds	HART Trails	Depreciation Reserves	Land Reserve	Energy Revolving Loan	Fleet Reserve Allocation	
Revenues															
Sales taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 121,725	\$ -	\$ -	\$ -	\$ -	\$ 121,725
Intergovernmental	-	-	-	-	-	12,654	-	-	12,654	-	-	-	-	-	-
Investment income	9	3	-	-	1	-	219,565	27	219,605	1,448	7,218	-	-	3,262	11,928
Donations	370	319	-	-	-	-	-	-	689	-	500	-	-	-	500
Other	-	-	-	-	-	2,112	-	-	2,112	-	110,677	-	-	4,275	114,952
Total Revenues	379	322	-	-	1	14,766	219,565	27	235,060	123,173	118,395	-	-	7,537	249,105
Expenditures															
Current:															
General government	-	-	-	-	-	-	-	-	-	8,415	419	-	-	-	8,834
Public safety	-	-	-	-	-	14,771	-	-	14,771	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-	-	-	-	18,000	18,000
Community services	-	-	-	200	-	-	82,653	-	82,853	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-	-	17,609	-	-	-	-	17,609
Capital outlay	-	-	-	-	-	24,745	-	-	24,745	18,103	142,543	-	-	267,459	428,105
Total Expenditures	-	-	-	200	-	39,516	82,653	-	122,369	44,127	142,962	-	-	285,459	472,548
Excess of Revenues Over (Under) Expenditures	379	322	-	(200)	1	(24,750)	136,912	27	112,691	79,046	(24,567)	-	-	(277,922)	(223,443)
Other Financing Sources															
Transfers in	-	-	-	-	-	-	181,087	-	181,087	-	20,000	-	44,185	82,140	146,325
Net Change in Fund Balances	379	322	-	(200)	1	(24,750)	317,999	27	293,778	79,046	(4,567)	-	44,185	(195,782)	(77,118)
Fund Balances (Deficits), beginning	32,145	87,741	66	1,092	14,779	(62,388)	1,648,032	14,612	1,736,079	362,576	1,684,342	(269)	31,858	773,263	2,851,770
Fund Balances (Deficits), ending	\$ 32,524	\$ 88,063	\$ 66	\$ 892	\$ 14,780	\$ (87,138)	\$ 1,966,031	\$ 14,639	\$ 2,029,857	\$ 441,622	\$ 1,679,775	\$ (269)	\$ 76,043	\$ 577,481	\$ 2,774,652
															\$ 4,804,509

General Fund

The General Fund accounts for the financial operations of the City of Homer which are not accounted for in any other fund. Principal sources of revenues are sales taxes, property taxes, charges for services, and intergovernmental revenues. Primary expenditures in the General Fund are for general government, public safety, and public works.

City of Homer, Alaska

General Fund
Balance Sheet

<i>December 31,</i>	2013	2012
Assets		
Cash and investments	\$ 3,569,630	\$ 4,904,951
Receivables		
Property taxes - delinquent, net of allowance for doubtful accounts of \$6,866 (\$14,006 in 2012)	112,310	105,210
Sales taxes	768,292	776,443
Assessments	348,605	376,771
Other, net of allowance for doubtful accounts of \$80,996 (\$102,210 in 2012)	102,588	88,734
Total Receivables	1,331,795	1,347,158
Due from other funds	1,963,406	624,307
Inventory	76,245	60,507
Prepaid items	206,415	195,758
Total Assets	\$ 7,147,491	\$ 7,132,681
Liabilities		
Accounts payable	\$ 182,458	\$ 240,258
Accrued payroll and related liabilities	248,497	304,728
Unearned revenue	194,674	-
Customer deposits	16,602	17,102
Total Liabilities	642,231	562,088
Deferred Inflows		
Deferred property taxes	108,871	105,210
Deferred assessments	348,605	376,771
Total Deferred Inflows	457,476	481,981
Total Liabilities and Deferred Inflows	1,099,707	1,044,069
Fund Balance		
Nonspendable - inventory and prepaid items	282,660	256,265
Assigned - PERS benefits	171,314	171,314
Unassigned	5,593,810	5,661,033
Total Fund Balance	6,047,784	6,088,612
Total Liabilities, Deferred Inflows and Fund Balance	\$ 7,147,491	\$ 7,132,681

City of Homer, Alaska
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended December 31,</i>	2013			2012
	Budget	Actual	Variance	Actual
Revenues				
Taxes:				
Property taxes	\$ 3,026,069	\$ 3,209,009	\$ 182,940	\$ 2,991,230
Sales taxes	4,709,902	4,872,983	163,081	4,698,866
Penalties and interest	6,000	11,850	5,850	18,346
Total taxes	7,741,971	8,093,842	351,871	7,708,442
Licenses and permits	24,900	35,706	10,806	22,248
Intergovernmental:				
Revenue - sharing	375,000	341,161	(33,839)	485,141
State PERS relief	480,159	630,058	149,899	563,877
Utility cooperative	28,582	49,343	20,761	27,672
Alcohol beverage tax	22,000	22,450	450	25,750
Public safety	723,138	782,674	59,536	584,863
Library grant	6,500	278	(6,222)	6,500
Public works	34,000	-	(34,000)	34,000
Other grants	5,500	600	(4,900)	13,500
Total intergovernmental	1,674,879	1,826,564	151,685	1,741,303
Charges for services:				
Administrative services	1,320,790	1,320,955	165	1,387,140
Ambulance services	225,000	194,877	(30,123)	99,508
Fire contracts	65,000	70,800	5,800	72,148
Camping fees	160,000	140,960	(19,040)	129,070
Rents and leases	-	9,000	9,000	3,000
Airport services	164,000	137,177	(26,823)	170,609
Community school fees	32,500	33,565	1,065	28,345
Miscellaneous services	72,725	84,175	11,450	86,551
Total charges for services	2,040,015	1,991,509	(48,506)	1,976,371
Special assessments	-	52,875	52,875	67,367

City of Homer, Alaska
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual, continued

<i>Year Ended December 31,</i>	2013			2012
	Budget	Actual	Variance	Actual
Revenues, continued				
Investment income (loss)	\$ 25,000	\$ (108,152)	\$ (133,152)	\$ 28,423
Fines and forfeitures	17,500	10,469	(7,031)	8,065
Total Revenues	11,524,265	11,902,813	378,548	11,552,219
Expenditures				
General government:				
City council/mayor:				
Salaries and benefits	4,907	4,757	150	4,946
Supplies	2,500	2,001	499	1,692
Other services and charges	308,817	366,983	(58,166)	606,068
Total city council/mayor	316,224	373,741	(57,517)	612,706
City clerk:				
Salaries and benefits	331,409	335,383	(3,974)	312,631
Supplies	3,900	2,946	954	2,273
Other services and charges	59,583	40,292	19,291	26,584
Total city clerk	394,892	378,621	16,271	341,488
City manager:				
Salaries and benefits	226,219	231,333	(5,114)	269,734
Supplies	4,000	4,209	(209)	3,529
Other services and charges	16,254	16,147	107	11,824
Total city manager	246,473	251,689	(5,216)	285,087
Administrative services:				
Salaries and benefits	1,199,208	1,195,124	4,084	1,092,068
Supplies	11,530	8,515	3,015	13,399
Other services and charges	264,168	246,543	17,625	211,491
Total administrative services	1,474,906	1,450,182	24,724	1,316,958

City of Homer, Alaska
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual, continued

<i>Year Ended December 31,</i>	2013			2012
	Budget	Actual	Variance	Actual
Expenditures, continued				
General government, continued:				
Planning and zoning/property management:				
Salaries and benefits	\$ 418,475	\$ 412,429	\$ 6,046	\$ 393,520
Supplies	2,900	1,588	1,312	4,341
Other services and charges	27,042	20,611	6,431	24,085
Total planning and zoning/ property management	448,417	434,628	13,789	421,946
City hall complex:				
Supplies	28,300	21,163	7,137	25,221
Other services and charges	127,388	111,250	16,138	170,191
Total city hall complex	155,688	132,413	23,275	195,412
Non-departmental - salaries and benefit	141,655	141,655	-	113,352
Total general government	3,178,255	3,162,929	15,326	3,286,949
Public safety:				
Police department:				
Salaries and benefits	2,202,899	2,162,510	40,389	2,096,621
Supplies	40,350	32,159	8,191	35,727
Other services and charges	311,087	313,455	(2,368)	283,542
Total police department	2,554,336	2,508,124	46,212	2,415,890
Jail:				
Salaries and benefits	568,252	573,037	(4,785)	526,836
Supplies	25,200	37,979	(12,779)	27,830
Other services and charges	113,366	111,245	2,121	115,453
Total jail	706,818	722,261	(15,443)	670,119
Animal control:				
Supplies	22,500	24,631	(2,131)	24,363
Other services and charges	143,313	137,329	5,984	135,356
Total animal control	165,813	161,960	3,853	159,719

City of Homer, Alaska
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual, continued

<i>Year Ended December 31,</i>	2013			2012
	Budget	Actual	Variance	Actual
Expenditures, continued				
Public safety, continued:				
Emergency services:				
Salaries and benefits	\$ 675,384	\$ 687,070	\$ (11,686)	\$ 702,001
Supplies	52,000	40,446	11,554	40,208
Other services and charges	264,082	184,786	79,296	213,567
Total emergency services	991,466	912,302	79,164	955,776
Total public safety	4,418,433	4,304,647	113,786	4,201,504
Public works:				
Administration:				
Salaries and benefits	353,410	287,591	65,819	289,086
Supplies	6,400	8,207	(1,807)	4,932
Other services and charges	80,194	80,380	(186)	75,703
Total administration	440,004	376,178	63,826	369,721
Maintenance:				
Salaries and benefits	193,086	209,701	(16,615)	195,775
Supplies	21,850	17,300	4,550	17,565
Other services and charges	112,100	89,078	23,022	83,943
Total maintenance	327,036	316,079	10,957	297,283
Streets:				
Salaries and benefits	215,528	219,708	(4,180)	247,266
Supplies	183,000	183,389	(389)	148,824
Other services and charges	61,506	41,075	20,431	56,628
Total streets	460,034	444,172	15,862	452,718
Motor pool:				
Salaries and benefits	169,646	156,181	13,465	162,280
Supplies	116,360	101,492	14,868	121,095
Other services and charges	200,400	204,031	(3,631)	199,414
Total motor pool	486,406	461,704	24,702	482,789

City of Homer, Alaska
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual, continued

<i>Year Ended December 31,</i>	2013			2012
	Budget	Actual	Variance	Actual
Expenditures, continued				
Public works, continued:				
Engineer/inspector:				
Salaries and benefits	\$ 306,103	\$ 296,229	\$ 9,874	\$ 294,649
Supplies	16,500	14,397	2,103	14,553
Other services and charges	33,300	30,174	3,126	28,612
Total engineer/inspector	355,903	340,800	15,103	337,814
Total public works	2,069,383	1,938,933	130,450	1,940,325
Library:				
Salaries and benefits	603,621	575,921	27,700	515,163
Supplies	47,597	40,722	6,875	47,531
Other services and charges	174,463	154,995	19,468	144,909
Total library	825,681	771,638	54,043	707,603
Airport:				
Salaries and benefits	63,332	74,857	(11,525)	63,907
Supplies	43,500	25,694	17,806	43,356
Other services and charges	115,909	94,558	21,351	102,596
Total airport	222,741	195,109	27,632	209,859
Parks and recreation:				
Salaries and benefits	238,382	239,333	(951)	228,718
Supplies	34,500	36,923	(2,423)	34,976
Other services and charges	128,255	89,574	38,681	83,413
Total parks and recreation	401,137	365,830	35,307	347,107
Community services:				
Community service contributions:				
Museum	69,000	69,054	(54)	78,439
Homer Foundation Non-Profit	19,000	19,000	-	19,000
Haven House	-	-	-	12,350
Other	14,850	14,631	219	11,367
Total community service contributions	102,850	102,685	165	121,156

City of Homer, Alaska
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual, continued

<i>Year Ended December 31,</i>	2013			2012
	Budget	Actual	Variance	Actual
Expenditures, continued				
Community services, continued:				
Community schools:				
Salaries and benefits	\$ 108,599	\$ 100,387	\$ 8,212	\$ 88,127
Supplies	3,000	1,752	1,248	1,370
Other services and charges	21,855	21,977	(122)	18,117
Total community schools	133,454	124,116	9,338	107,614
Total community services	236,304	226,801	9,503	228,770
Debt service on loans:				
Principal	43,361	43,361	-	41,643
Interest	56,463	56,463	-	58,181
Total debt service	99,824	99,824	-	99,824
Total Expenditures	11,451,758	11,065,711	386,047	11,021,941
Excess of Revenues Over Expenditures	72,507	837,102	764,595	530,278
Other Financing Uses - transfers out	(112,843)	(877,930)	(765,087)	(1,169,512)
Net Change in Fund Balance	<u>\$ (40,336)</u>	(40,828)	<u>\$ (492)</u>	(639,234)
Fund Balance, beginning		<u>6,088,612</u>		<u>6,727,846</u>
Fund Balance, ending		<u>\$ 6,047,784</u>		<u>\$ 6,088,612</u>

Utility Special Revenue Fund

The Utility Special Revenue Fund accounts for the activities of the water and sewer facility operations, including collection and treatment of sewage, and distribution and transmission of water.

City of Homer, Alaska
Utility Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended December 31, 2013</i>	Budget	Actual	Variance
Revenues			
Sales taxes	\$ 1,176,549	\$ 1,217,246	\$ 40,697
Intergovernmental:			
Capital grants	-	182,136	182,136
State of Alaska PERS relief	-	150,932	150,932
Total intergovernmental	-	333,068	333,068
Charges for services:			
Water charges and connection fees	1,843,475	1,810,774	(32,701)
Sewer charges and connection fees	1,647,332	1,612,138	(35,194)
Total charges for services	3,490,807	3,422,912	(67,895)
Water and sewer special assessments	45,000	243,824	198,824
Investment income	11,000	-	(11,000)
Other	112,810	10,262	(102,548)
Total Revenues	4,836,166	5,227,312	391,146
Expenditures			
Water:			
Pumping system	99,313	107,927	(8,614)
Treatment plant and operations testing	486,811	492,004	(5,193)
Distribution system and reservoir	381,688	394,578	(12,890)
Water meters	136,407	116,200	20,207
Water hydrants	91,761	96,450	(4,689)
Administration	632,809	655,778	(22,969)
Total water	1,828,789	1,862,937	(34,148)
Sewer:			
Pumping system	782,910	843,575	(60,665)
Collection system	150,278	152,027	(1,749)
Administration	696,451	778,151	(81,700)
Total sewer	1,629,639	1,773,753	(144,114)
Debt service:			
Principal	859,226	811,620	47,606
Interest	204,276	147,094	57,182
Total debt service	1,063,502	958,714	104,788
Capital outlay	390,000	702,255	(312,255)
Total Expenditures	4,911,930	5,297,659	(385,729)
Excess of Revenues Over (Under) Expenditures	(75,764)	(70,347)	5,417
Other Financing Uses - transfers out	(67,697)	(121,482)	(53,785)
Change in Fund Balance	<u>\$ (143,461)</u>	(191,829)	<u>\$ (48,368)</u>
Fund Balance, beginning		<u>3,204,482</u>	
Fund Balance, ending		<u>\$ 3,012,653</u>	

City of Homer, Alaska
Utility Special Revenue Fund
Combining Balance Sheet

<i>December 31, 2013</i>	Utility Operations	HAWSP Debt Service	Utility Capital Projects	Utility Reserves	Total Utility Fund
Assets					
Cash and investments	\$ 2,615,779	\$ (4,560,303)	\$ (1,191,944)	\$ 4,093,785	\$ 957,317
Receivables					
Accounts	196,288	-	-	-	196,288
Sales taxes	-	192,081	-	-	192,081
Assessments	-	5,177,701	-	-	5,177,701
State and federal grants and loans	-	1,580,014	223,912	-	1,803,926
Total Receivables	196,288	6,949,796	223,912	-	7,369,996
Inventory	235,577	-	-	-	235,577
Prepaid items	32,209	-	-	-	32,209
Total Assets	\$ 3,079,853	\$ 2,389,493	\$ (968,032)	\$ 4,093,785	\$ 8,595,099
Liabilities					
Accounts payable	\$ 126,844	\$ -	\$ 93,324	\$ 111,286	\$ 331,454
Accrued payroll and related liabilities	37,449	-	-	-	37,449
Customer deposits	35,842	-	-	-	35,842
Total Liabilities	200,135	-	93,324	111,286	404,745
Deferred Inflows					
Deferred assessments	-	5,177,701	-	-	5,177,701
Total Liabilities and Deferred Inflows	200,135	5,177,701	93,324	111,286	5,582,446
Fund Balances (Deficits)					
Nonspendable - inventory and prepaid items	267,786	-	-	-	267,786
Assigned - water and sewer	2,611,932	(2,788,208)	(1,061,356)	3,982,499	2,744,867
Total Fund Balances (Deficits)	2,879,718	(2,788,208)	(1,061,356)	3,982,499	3,012,653
Total Liabilities, Deferred Inflows and Fund Balances (Deficits)	\$ 3,079,853	\$ 2,389,493	\$ (968,032)	\$ 4,093,785	\$ 8,595,099

City of Homer, Alaska
Utility Special Revenue Fund
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits)

Year Ended December 31, 2013	Utility Operations	HAWSP Debt Service	Utility Capital Projects	Utility Reserves	Total Utility Fund
Revenues					
Sales tax	\$ -	\$ 1,217,246	\$ -	\$ -	\$ 1,217,246
Intergovernmental:					
Capital grants	-	-	182,136	-	182,136
State of Alaska PERS relief	150,932	-	-	-	150,932
Total intergovernmental	150,932	-	182,136	-	333,068
Charges for services:					
Water charges and connection fees	1,810,774	-	-	-	1,810,774
Sewer charges and connection fees	1,612,138	-	-	-	1,612,138
Total charges for services	3,422,912	-	-	-	3,422,912
Water and sewer special assessments	-	243,824	-	-	243,824
Other	9,611	-	81	570	10,262
Total Revenues	3,583,455	1,461,070	182,217	570	5,227,312
Expenditures					
Water:					
Pumping system	107,927	-	-	-	107,927
Treatment plant and operations testing	492,004	-	-	-	492,004
Distribution system and reservoir	394,578	-	-	-	394,578
Water meters	116,200	-	-	-	116,200
Water hydrants	96,450	-	-	-	96,450
Adminstration	584,272	71,506	-	-	655,778
Total water	1,791,431	71,506	-	-	1,862,937
Sewer:					
Pumping system	843,575	-	-	-	843,575
Collection system	152,027	-	-	-	152,027
Administration	706,645	71,506	-	-	778,151
Total sewer	1,702,247	71,506	-	-	1,773,753
Debt service:					
Principal	-	811,620	-	-	811,620
Interest	1,659	145,435	-	-	147,094
Total debt service	1,659	957,055	-	-	958,714
Capital outlay	-	-	332,821	369,434	702,255
Total Expenditures	3,495,337	1,100,067	332,821	369,434	5,297,659
Excess of Revenues Over (Under)					
Expenditures	88,118	361,003	(150,604)	(368,864)	(70,347)
Other Financing Sources (Uses)					
Eliminating transfers	(45,015)	(149,926)	149,926	45,015	-
Transfers out	(121,482)	-	-	-	(121,482)
Change in Fund Balances	(78,379)	211,077	(678)	(323,849)	(191,829)
Fund Balances (Deficits), beginning	2,958,097	(2,999,285)	(1,060,678)	4,306,348	3,204,482
Fund Balances (Deficits), ending	\$ 2,879,718	\$ (2,788,208)	\$ (1,061,356)	\$ 3,982,499	\$ 3,012,653

Enterprise Fund

Enterprise Funds account for operations that are financed and operated in a manner similar to private business operations. The City of Homer utilizes one Enterprise Fund.

Port of Homer - This fund accounts for the operations of the port and harbor.

City of Homer, Alaska
Port of Homer Enterprise Fund
Statement of Net Position

December 31,	2013	2012
Assets		
Current Assets		
Cash and investments	\$ 1,779,297	\$ 1,550,237
Receivables:		
Accounts, net of allowance for doubtful accounts of \$40,652 (\$36,073 in 2012)	211,923	345,545
State and federal grants	1,109,211	779,990
Inventory	15,647	14,712
Prepaid items	48,607	47,981
Total Current Assets	3,164,685	2,738,465
Restricted Cash and Investments		
Unspent bond proceeds	4,039,656	-
Bond reserves	293,697	-
Total Restricted Cash	4,333,353	-
Property, Plant and Equipment		
Property, plant and equipment in service	53,906,678	53,677,485
Land and land improvements	15,254,041	15,254,041
Construction work in progress	4,639,411	852,243
Less accumulated depreciation	(30,909,925)	(29,523,872)
Net Property, Plant and Equipment	42,890,205	40,259,897
Total Assets	\$ 50,388,243	\$ 42,998,362
Liabilities		
Current Liabilities		
Accounts payable	\$ 644,931	\$ 592,682
Accrued payroll and related liabilities	36,303	36,103
Accrued leave	14,398	17,751
General obligation bonds payable	130,000	-
Prepaid berth rentals and deposits	786,897	736,958
Unearned lease revenue	18,000	18,000
Interfund loan	3,291	3,291
Total Current Liabilities	1,633,820	1,404,785
Noncurrent Liabilities, net of current portion:		
Unearned lease revenue	252,000	270,000
Unearned grant revenue	21,710	-
Accrued leave	171,617	137,289
Interfund loan	19,421	22,712
General obligation bonds payable including bond premium	4,074,780	-
Total Noncurrent Liabilities	4,539,528	430,001
Total Liabilities	6,173,348	1,834,786
Net Position		
Net investment in capital assets	42,725,081	40,259,897
Restricted for bond retirement	293,697	-
Unrestricted	1,196,117	903,679
Total Net Position	44,214,895	41,163,576
Total Liabilities and Net Position	\$ 50,388,243	\$ 42,998,362

City of Homer, Alaska
Port of Homer Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position

<i>Year Ended December 31,</i>	2013	2012
Operating Revenues		
Harbor	\$ 2,235,358	\$ 2,151,063
Main dock	398,581	242,442
Fish dock	731,751	676,351
Deep water dock	652,166	430,201
Rents, leases and storage	425,168	407,027
Fish grinder	8,815	10,515
Total Operating Revenues	4,451,839	3,917,599
Operating Expenses		
Harbor	1,448,251	1,311,272
Main dock	74,159	67,750
Fish dock	628,882	595,308
Deep water dock	136,225	84,155
Fish grinder	12,226	21,792
Administration	1,345,200	1,191,671
Depreciation	1,386,053	1,369,668
Total Operating Expenses	5,030,996	4,641,616
Operating Loss	(579,157)	(724,017)
Nonoperating Revenues (Expenses)		
Investment income	-	16,181
State PERS relief	134,811	118,644
Other income	299,564	216,430
FEMA repairs grant	-	131,335
Miscellaneous repairs	(161,394)	(124,797)
Bond issuance costs	(37,807)	-
Harbormaster conference expense	-	(13,337)
Net Nonoperating Revenues	235,174	344,456
Loss before Capital Contributions and Transfers	(343,983)	(379,561)
Capital contributions	3,523,302	883,031
Transfers out	(128,000)	-
Change in Net Position	3,051,319	503,470
Net Position, beginning	41,163,576	40,660,106
Net Position, ending	\$ 44,214,895	\$ 41,163,576

City of Homer, Alaska
Port of Homer Enterprise Fund
Statement of Cash Flows

<i>Year Ended December 31,</i>	2013	2012
Cash Flows from Operating Activities		
Receipts from customers and users	\$ 4,880,427	\$ 4,010,933
Payments to suppliers	(2,076,537)	(1,082,926)
Payments to employees	(1,454,879)	(1,772,535)
Net cash flows from operating activities	1,349,011	1,155,472
Cash Flows from Noncapital Financing Activities		
Transfer out	(128,000)	-
Nonoperating grants and cruise ship tax received	117,149	82,386
Net cash flows from noncapital financing activities	(10,851)	82,386
Cash Flows from Capital and Related Financing Activities		
Proceeds from bond issuance	4,166,973	-
Capital contributions received	3,076,932	269,671
Acquisition of property, plant and equipment	(4,016,361)	(1,032,199)
(Decrease) increase in interfund loan	(3,291)	(3,291)
Net cash flows from capital and related financing activities	3,224,253	(765,819)
Cash Flows from Investing Activities		
Investment income received	-	16,181
Net Increase in Cash and Investments	4,562,413	488,220
Cash and Investments, beginning	1,550,237	1,062,017
Cash and Investments, ending	\$ 6,112,650	\$ 1,550,237
Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities		
Operating loss	\$ (579,157)	\$ (724,017)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	1,386,053	1,369,668
Noncash expense - PERS relief	134,811	118,644
Increase (decrease) in allowance for doubtful accounts	4,579	(21,836)
Amortization of deferred lease revenue	(18,000)	(18,000)
Miscellaneous nonoperating revenues and expense, net	138,170	78,296
(Increase) decrease in assets:		
Accounts receivable	129,043	(113,671)
Inventory	(935)	878
Prepaid items	(626)	(14,011)
Increase (decrease) in liabilities:		
Accounts payable	52,249	448,370
Accrued payroll and related liabilities	200	(14,731)
Unearned grant revenue	21,710	-
Accrued leave	30,975	15,471
Prepaid berth rentals and deposits	49,939	30,411
Net Cash Flows from Operating Activities	\$ 1,349,011	\$ 1,155,472

Internal Service Funds

Internal Service Funds account for the financing of goods or services provided to other City departments on a cost-reimbursement basis.

Health Insurance Fund - This fund accounts for the cost of medical, dental, vision and self-insurance claims.

Leave Cash-out Fund - This fund accounts for anticipated employee leave cash outs.

City of Homer, Alaska
Internal Service Funds
Combining Statement of Net Position

<i>December 31, 2013</i>	Health Insurance	Leave Cash-out	Total
Assets			
Cash and investments	\$ 372,374	\$ -	\$ 372,374
Liabilities			
Current Liabilities			
Accounts payable	\$ 251,107	\$ -	\$ 251,107
Due to other funds	-	15,140	15,140
Total Current Liabilities	251,107	15,140	266,247
Net Position			
Unrestricted (deficit)	121,267	(15,140)	106,127
Total Liabilities and Net Position	\$ 372,374	\$ -	\$ 372,374

City of Homer, Alaska

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Net Position

<i>Year Ended December 31, 2013</i>	Health Insurance	Leave Cash-out	Total
Operating Revenues			
Interfund charges	\$ 1,866,304	\$ 231,216	\$ 2,097,520
Employee health contributions	144,483	-	144,483
Total Operating Revenues	2,010,787	231,216	2,242,003
Operating Expenses			
Personnel	-	250,228	250,228
Claims	1,978,754	-	1,978,754
Insurance premiums	394,881	-	394,881
Administration	89,059	-	89,059
Total Operating Expenses	2,462,694	250,228	2,712,922
Operating Loss	(451,907)	(19,012)	(470,919)
Transfers in	800,000	-	800,000
Change in Net Position	348,093	(19,012)	329,081
Net Position (Deficit), beginning	(226,826)	3,872	(222,954)
Net Position (Deficit), ending	\$ 121,267	\$ (15,140)	\$ 106,127

City of Homer, Alaska
Internal Service Funds
Combining Statement of Cash Flows

<i>Year Ended December 31, 2013</i>	Health Insurance	Leave Cash-out	Total
Cash Flows from Operating Activities			
Receipts from interfund services provided	\$ 2,010,787	\$ 231,216	\$ 2,242,003
Payments to employees	-	(250,228)	(250,228)
Payments for insurance claims and administration	(2,340,022)	-	(2,340,022)
Net cash flows from operating activities	(329,235)	(19,012)	(348,247)
Cash Flows from Noncapital Financing Activities			
Increase (decrease) in due to other funds	(98,391)	15,140	(83,251)
Transfers in	800,000	-	800,000
Net cash flows from noncapital financing activities	701,609	15,140	716,749
Net Increase (Decrease) in Cash and Investments	372,374	(3,872)	368,502
Cash and Investments, beginning	-	3,872	3,872
Cash and Investments, ending	\$ 372,374	\$ -	\$ 372,374
Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities			
Operating loss	\$ (451,907)	\$ (19,012)	\$ (470,919)
Adjustments to reconcile operating loss to net cash flows from operating activities - increase in accounts payable	122,672	-	122,672
Net Cash Flows from Operating Activities	\$ (329,235)	\$ (19,012)	\$ (348,247)

City of Homer, Alaska
Health Insurance Internal Service Fund
Statement of Net Position

<i>December 31,</i>	2013	2012
Assets		
Cash and investments	\$ 372,374	\$ -
Liabilities		
Current Liabilities		
Accounts payable	\$ 251,107	\$ 128,435
Due to other funds	-	98,391
Total Current Liabilities	251,107	226,826
Net Position		
Unrestricted (deficit)	121,267	(226,826)
Total Liabilities and Net Position	\$ 372,374	\$ -

City of Homer, Alaska
Health Insurance Internal Service Fund
Statement of Revenues, Expenses and Changes in Net Position

<i>Year Ended December 31,</i>	2013	2012
Operating Revenues		
Interfund insurance charges	\$ 1,866,304	\$ 1,559,289
Employee health contributions	144,483	117,930
Total Operating Revenues	2,010,787	1,677,219
Operating Expenses		
Claims	1,978,754	1,780,281
Insurance premiums	394,881	438,910
Administration	89,059	99,143
Total Operating Expenses	2,462,694	2,318,334
Operating Loss	(451,907)	(641,115)
Transfers in	800,000	-
Change in Net Position	348,093	(641,115)
Net Position (Deficit), beginning	(226,826)	414,289
Net Position (Deficit), ending	\$ 121,267	\$ (226,826)

City of Homer, Alaska
Health Insurance Internal Service Fund
Statement of Cash Flows

<i>Year Ended December 31,</i>	2013	2012
Cash Flows from Operating Activities		
Receipts from interfund services provided and employee contributions	\$ 2,010,787	\$ 1,677,219
Payments for insurance claims and administration	(2,340,022)	(2,283,711)
Net cash flows from operating activities	(329,235)	(606,492)
Cash Flows from Noncapital Financing Activities		
Transfers in	800,000	-
Increase (decrease) in due to other funds	(98,391)	98,391
Net cash flows from noncapital financing activities	701,609	98,391
Net Increase (Decrease) in Cash and Investments	372,374	(508,101)
Cash and Investments, beginning	-	508,101
Cash and Investments, ending	\$ 372,374	\$ -
Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities		
Operating loss	\$ (451,907)	\$ (641,115)
Adjustments to reconcile operating loss to net cash flows from operating activities - increase in accounts payable	122,672	34,623
Net Cash Flows from Operating Activities	\$ (329,235)	\$ (606,492)

City of Homer, Alaska
Leave Cash-out Internal Service Fund
Statement of Net Position

<i>December 31,</i>	2013	2012
Assets		
Cash and investments	\$ -	\$ 3,872
Liabilities		
Current Liabilities - due to other funds	\$ 15,140	\$ -
Net Position		
Unrestricted (deficit)	(15,140)	3,872
Total Liabilities and Net Position	\$ -	\$ 3,872

City of Homer, Alaska
Leave Cash-out Internal Service Fund
Statement of Revenues, Expenses and Changes in Net Position

<i>Year Ended December 31,</i>	2013	2012
Operating Revenues - interfund leave cash-out charges	\$ 231,216	\$ 184,999
Operating Expenses - salaries and benefits	250,228	144,549
Change in Net Position	(19,012)	40,450
Net Position (Deficit), beginning	3,872	(36,578)
Net Position (Deficit), ending	\$ (15,140)	\$ 3,872

City of Homer, Alaska
Leave Cash-out Internal Service Fund
Statement of Cash Flows

<i>Year Ended December 31,</i>	2013	2012
Cash Flows from Operating Activities		
Receipts from interfund services provided	\$ 231,216	\$ 184,999
Payments to employees	(250,228)	(144,549)
Net cash flows from operating activities	(19,012)	40,450
Cash Flows from Noncapital Financing Activities		
Increase (decrease) in due to other funds	15,140	(36,578)
Net Increase (Decrease) in Cash and Investments	(3,872)	3,872
Cash and Investments, beginning	3,872	-
Cash and Investments, ending	\$ -	\$ 3,872
Reconciliation of Operating Loss to Net Cash		
Flows from Operating Activities		
Change in net position	\$ (19,012)	\$ 40,450

**Schedule of Expenditures of Federal Awards and Schedule of
State Financial Assistance**

City of Homer, Alaska
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2013

Federal Grant Title	Grant Number	Catalog of Federal Domestic Assistance Number	Total Grant Award	January 1, 2013 Receivable (Unearned)	Federal Share of Expenditures	Federal Receipts	December 31, 2013 Receivable (Unearned)
DEPARTMENT OF HOMELAND SECURITY							
Passed through the Alaska Division of Homeland Security and Emergency Management:							
FEMA	FEMA-DR-4054-AK	97.036	\$ 131,335	\$ 117,149	\$ -	\$ 117,149	\$ -
Emergency Management Performance	12EMPG-GR35585	97.042	3,102	-	3,102	3,102	-
Total Department of Homeland Security				117,149	3,102	120,251	-
DENALI COMMISSION							
*Small Boat Harbor Float Replacement Design	01412-01	90.100	440,000	67,113	307,180	318,313	55,980
DEPARTMENT OF COMMERCE							
Passed through the State of Alaska Department of Education and Early Development:							
Alaska Owl Project IT Aid Award Funds - ARRA	OWL 13-738-01	11.557	4,760	(4,286)	3,266	(1,020)	-
Alaska Owl Project Early Literacy - ARRA	OWL 13-738-02	11.557	5,906	-	5,906	5,906	-
Alaska Owl Project Video Conference Program Training - ARRA	OWL 13-738-01	11.557	379	-	379	379	-
Total Department of Commerce				(4,286)	9,551	5,265	-
ENVIRONMENTAL PROTECTION AGENCY							
Passed through the State of Alaska Department of Environmental Conservation:							
Clean Water Loan	409081	66.458	2,697,500	958,268	-	958,268	-
Clean Water Loan - 90% Loan portion	409261	66.458	1,533,841	34,132	-	34,132	-
Clean Water Loan - 10% ARRA subsidy	409261	66.458	150,000	35,241	-	35,241	-
Total CFDA 66.458				1,027,641	-	1,027,641	-
Drinking Water Loan	409101	66.468	385,400	349,581	-	349,581	-
Drinking Water Loan	409271	66.468	1,432,994	60,003	-	60,003	-
Total CFDA 66.468				409,584	-	409,584	-
City of Homer Water and Sewer	XP-00J67801	66.202	485,000	-	182,136	-	182,136
DEPARTMENT OF TRANSPORTATION							
AMHS Bike & Pedestrian Trail/Homer Terminal	2006-01	20.205	59,673	52,242	-	52,242	-
DEPARTMENT OF THE INTERIOR							
Passed through the Kenai Peninsula Borough:							
Beluga Slough Trail	271-21135-11067-43011	15.668	65,351	65,351	-	65,351	-
Passed through the State of Alaska Department of Commerce, Community, and Economic Development CCIAP -							
Beluga Slough Trail Reconstruction to Restore Wetland:	10-CIAP-017	15.668	448,116	426,653	270	426,923	-
Total Federal Financial Assistance				\$ 2,161,447	\$ 502,239	\$ 2,425,570	\$ 238,116

* Major Program

City of Homer, Alaska
Schedule of State Financial Assistance
Year Ended December 31, 2013

State Grant Title	Grant Number	Total Grant Award	January 1, 2013 Receivable (Unearned)	State Share of Expenditures	State Receipts	December 31, 2013 Receivable (Unearned)
DEPARTMENT OF ADMINISTRATION						
* PERS Relief	N/A	\$ 915,801	\$ -	\$ 915,801	\$ 915,801	\$ -
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT						
* Karen Hornaday Park Improvements	11-DC-234	250,000	38,247	120,545	77,136	81,656
Spit Trail Completion	08-DC-288	65,000	21,373	43,305	64,678	-
Fishing Lagoon Improvements	13-DC-129	100,000	100,000	-	100,000	-
* Spit Trail Completion/Harbor Pathway	09-DC-210	150,000	-	150,000	16,528	133,472
Port and Harbor Building & Skyline Fire Station	14-RR-052	2,000,000	-	81,951	5,458	76,493
* South Peninsula Natural Gas Pipeline	13-DC-617	8,150,000	113,790	7,491,210	7,605,000	-
* Cruise Ship Dock and Passenger Facility Improvements	12-DC-609	6,000,000	669,169	3,431,460	2,979,601	1,121,028
* Revenue sharing	N/A	341,161	-	341,161	341,161	-
Total Department of Commerce, Community, and Economic Development			942,579	11,659,632	11,189,562	1,412,649
DEPARTMENT OF REVENUE						
Fish Tax	N/A	41,501	-	41,501	41,501	-
Electric and Telephone Co-op Tax	N/A	49,343	-	49,343	49,343	-
Liquor Licenses	N/A	22,450	-	22,450	22,450	-
Total Department of Revenue			-	113,294	113,294	-
DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT						
Public Library Assistance	PLA-14-738-32	6,600	-	278	6,600	(6,322)
DEPARTMENT OF ENVIRONMENTAL CONSERVATION						
Hazardous Materials Safety Training	2012 MOU	8,000	-	7,330	7,330	-
DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES						
* Homer Harbor Improvements	14-HG-001	270,002	-	189,850	-	189,850
Total State Financial Assistance			\$ 942,579	\$ 12,886,185	\$ 12,232,587	\$ 1,596,177

* Major Program

City of Homer, Alaska

Notes to the Schedule of Expenditures of Federal Awards and Schedule of State Financial Assistance Year Ended December 31, 2013

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards and Schedule of State Financial Assistance include the grant activity of City of Homer and are presented on the modified accrual basis of accounting. The information in the schedules is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*.

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City of Homer, Alaska

Statistical Section (Unaudited)

This part of the City of Homer's comprehensive annual financial report presents detailed information as a context for understanding this year's financial statements, note disclosures, and required supplementary information. This information has not been audited by the independent auditor.

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Financial Trends

These tables contain trend information that may assist the reader in assessing the City's current financial performance by placing it in historical perspective.

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Revenue Capacity

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Debt Capacity

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Demographic and Economic Information

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City of Homer, Alaska
Statistical Section, continued
(Unaudited)

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Operating Information

These tables contain service and infrastructure indicators that can inform one's understanding of how the information in the City's financial statements relates to the services the City provides and the activities it performs.

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Source:

Unless otherwise noted, the information in these tables is derived from the annual financial reports for the relevant year.

City of Homer, Alaska
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

<i>Fiscal Year</i>	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities										
Invested in capital assets, net of related debt	\$ 66,235,552	\$ 63,752,627	\$ 63,616,675	\$ 62,427,809	\$ 43,615,673	\$ 43,848,027	\$ 43,879,310	\$ 42,266,274	\$ 39,633,946	\$ 34,744,914
Restricted	7,737,510	6,691,992	7,284,209	5,610,035	3,350,187	4,334,477	3,350,187	3,601,605	3,768,592	3,237,361
Unrestricted	8,085,027	15,644,941	15,774,292	16,833,035	10,482,882	8,149,368	6,014,887	4,932,592	3,919,540	3,000,843
Total Governmental Activities Net Position	\$ 82,058,089	\$ 86,089,560	\$ 86,675,176	\$ 84,870,879	\$ 57,448,742	\$ 56,331,872	\$ 53,244,384	\$ 50,800,471	\$ 47,322,078	\$ 40,983,118
Business-type Activities										
Invested in capital assets, net of related debt	\$ 42,725,081	\$ 40,259,897	\$ 40,597,366	\$ 41,762,236	\$ 63,567,468	\$ 65,571,218	\$ 62,275,608	\$ 63,457,140	\$ 65,800,613	\$ 66,667,055
Restricted	293,697	-	-	-	4,347,509	7,677,436	7,736,778	3,583,803	2,870,245	2,316,028
Unrestricted	1,092,728	856,101	112,282	(186,693)	1,448,400	(1,289,199)	(806,158)	3,406,230	1,486,971	3,048,076
Total Business-type Activities Net Position	\$ 44,111,506	\$ 41,115,998	\$ 40,709,648	\$ 41,575,543	\$ 69,363,377	\$ 71,959,455	\$ 69,206,228	\$ 70,447,173	\$ 70,157,829	\$ 72,031,159
Primary government										
Invested in capital assets, net of related debt	\$ 108,960,633	\$ 104,012,524	\$ 104,214,041	\$ 104,190,045	\$ 107,183,141	\$ 109,419,245	\$ 106,154,918	\$ 105,723,414	\$ 105,434,559	\$ 101,411,969
Restricted	8,031,207	6,691,992	7,284,209	5,610,035	7,697,696	12,011,913	11,086,965	7,185,408	6,638,837	5,553,389
Unrestricted	9,177,755	16,501,042	15,886,574	16,646,342	11,931,282	6,860,169	5,208,729	8,338,822	5,406,511	6,048,919
Total Primary Government Net Position	\$ 126,169,595	\$ 127,205,558	\$ 127,384,824	\$ 126,446,422	\$ 126,812,119	\$ 128,291,327	\$ 122,450,612	\$ 121,247,644	\$ 117,479,907	\$ 113,014,277

Notes:

In 2010, the City converted its Water and Sewer Utility from an Enterprise Fund to a Special Revenue Fund. Prior years presentation has not been reclassified or restated to reflect this change.

In 2012 the City implemented GASB 63. Net assets have been retitled.

City of Homer, Alaska

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses										
Governmental Activities:										
General government	\$ 3,509,077	\$ 3,889,598	\$ 3,907,607	\$ 3,722,993	\$ 2,066,529	\$ 1,761,505	\$ 1,621,298	\$ 1,453,282	\$ 1,800,060	\$ 1,870,428
Public safety	4,801,462	4,757,442	4,451,784	4,168,529	4,409,769	4,546,766	3,989,765	3,912,322	3,322,075	3,101,937
Public works	2,920,106	2,680,878	2,612,530	2,676,839	2,955,896	2,637,639	2,422,038	2,405,097	1,066,319	2,136,469
Library	1,037,518	987,638	943,075	931,139	932,552	890,800	805,570	370,404	293,831	473,298
Airport	267,179	283,619	281,351	207,701	239,214	233,176	200,331	152,414	149,341	173,258
Parks & recreation	576,656	512,081	387,924	468,782	427,271	494,083	410,556	391,303	356,721	377,010
Community services	7,800,998	899,357	586,195	263,224	266,144	321,970	235,831	211,894	582,677	180,964
Water	2,682,608	2,724,923	2,607,880	2,231,144	-	-	-	-	-	-
Sewer	1,924,466	1,872,736	1,655,405	2,339,709	-	-	-	-	-	-
Unallocated interest	440,827	250,842	225,572	225,553	63,870	141,014	113,536	64,676	70,829	90,915
Total Governmental Activities Expenses	25,960,897	18,859,114	17,659,323	17,235,613	11,361,245	11,026,953	9,798,925	8,961,392	7,641,853	8,404,279
Business-type Activities:										
Port & Harbor	5,286,008	4,876,870	4,649,705	4,501,480	4,794,367	4,529,886	4,406,311	4,075,045	3,885,187	3,709,842
Water & Sewer	-	-	-	-	6,145,835	5,820,558	5,318,033	4,737,887	4,615,144	4,250,305
Total Business-type Activities Expenses	5,286,008	4,876,870	4,649,705	4,501,480	10,940,202	10,350,444	9,724,344	8,812,932	8,500,331	7,960,147
Total Activities Expenses	\$ 31,246,905	\$ 23,735,984	\$ 22,309,028	\$ 21,737,093	\$ 22,301,447	\$ 21,377,397	\$ 19,523,269	\$ 17,774,324	\$ 16,142,184	\$ 16,364,426
Program Revenues										
Governmental Activities:										
Charges for services										
General Government	\$ 662,367	\$ 515,737	\$ 511,997	\$ 211,625	\$ 185,215	\$ 116,606	\$ 290,197	\$ 437,696	\$ 433,860	\$ 377,892
Public Safety	329,021	234,527	258,804	198,119	633,372	317,835	462,050	323,916	389,826	815,935
Public Works	-	6,048	9,427	12,090	62,544	34,715	71,864	62,633	61,572	90,436
Library	-	-	-	-	4,869	499,189	-	-	-	-
Airport	137,177	170,609	168,569	166,666	165,781	169,196	170,944	143,604	125,316	131,072
Parks and Recreation	140,960	129,070	145,587	175,859	165,849	157,264	183,310	173,204	181,924	157,362
Community Services	33,565	28,345	31,767	32,292	28,166	27,058	38,696	18,549	-	-
Water	3,303,929	1,718,767	1,765,551	2,067,751	-	-	-	-	-	-
Sewer	3,105,293	1,554,324	1,521,740	1,483,423	-	-	-	-	-	-
Operating grants & contributions	9,834,812	1,377,909	734,045	665,150	607,284	697,372	638,290	640,601	729,240	401,998
Capital grants & contributions	342,571	1,698,849	2,982,510	1,632,234	376,375	746,803	339,482	1,616,075	4,361,468	1,273,362
Total Governmental Activities Revenues	17,889,695	7,434,185	8,129,997	6,645,209	2,229,455	2,766,038	2,194,833	3,416,278	6,283,206	3,248,057
Business-type Activities:										
Charges for services Port&Harbor	4,451,839	3,917,599	3,563,431	3,504,442	3,347,738	3,288,715	2,791,713	2,632,892	2,507,815	2,679,831
Charges for services Water/Sewer	-	-	-	-	3,039,391	3,023,126	2,734,564	2,745,335	2,605,377	2,569,494
Operating grants & contributions P&H	134,811	249,979	103,169	48,469	-	-	-	-	-	-
Capital grants & contributions P&H	3,523,302	883,031	59,176	-	-	-	55,187	-	68,090	723,375
Capital grants & contributions W/S	-	-	-	-	317,159	4,571,058	1,333,867	2,274,619	221,412	227,808
Total Business-type Activities Revenues	8,109,952	5,050,609	3,725,776	3,552,911	6,704,288	10,882,899	6,915,331	7,652,846	5,402,694	6,200,508
Total Primary Government	\$ 25,999,647	\$ 12,484,794	\$ 11,855,773	\$ 10,198,120	\$ 8,933,743	\$ 13,648,937	\$ 9,110,164	\$ 11,069,124	\$ 11,685,900	\$ 9,448,565
Net (Expense)Revenue										
Governmental Activities	\$ (8,071,202)	\$ (11,424,929)	\$ (9,529,326)	\$ (10,590,404)	\$ (9,131,790)	\$ (8,260,915)	\$ (7,604,092)	\$ (5,545,114)	\$ (1,358,647)	\$ (5,156,222)
Business-type Activities	2,823,944	173,739	(923,929)	(948,569)	(4,235,914)	532,455	(2,809,013)	(1,160,086)	(3,097,637)	(1,759,639)
Total Primary Government	\$ (5,247,258)	\$ (11,251,190)	\$ (10,453,255)	\$ (11,538,973)	\$ (13,367,704)	\$ (7,728,460)	\$ (10,413,105)	\$ (6,705,200)	\$ (4,456,284)	\$ (6,915,861)
General Revenues and Other										
Changes in Net Position										
Governmental Activities:										
Taxes:										
Property Taxes	\$ 3,224,520	\$ 2,999,341	\$ 2,922,246	\$ 3,051,919	\$ 2,889,856	\$ 2,976,794	\$ 2,529,614	\$ 2,406,263	\$ 2,091,977	\$ 1,888,761
Sales Taxes	7,307,475	7,031,266	7,059,404	6,613,640	5,361,109	6,334,758	6,173,478	5,670,638	5,119,528	3,770,288
Other	572,660	808,706	1,220,638	1,272,273	2,113,103	967,635	1,195,849	487,481	376,102	207,628
Transfers	128,000	-	131,335	(24,925)	(115,408)	(30,000)	149,064	459,125	110,000	50,685
Special items	(7,192,924)	-	-	-	-	1,099,216	-	-	-	-
Total Governmental Activities Revenue	4,039,731	10,839,313	11,333,623	10,912,907	10,248,660	11,348,403	10,048,005	9,023,507	7,697,607	5,917,362
Business-type Activities:										
Sales tax	-	-	-	-	1,072,222	1,266,790	1,235,022	1,134,096	1,031,167	1,019,645
Other	299,564	232,611	189,369	235,444	452,206	409,544	482,110	774,459	303,140	214,766
Transfers	(128,000)	-	(131,335)	24,925	115,408	30,000	(149,064)	(459,125)	(110,000)	(50,685)
Special item write-off NPO	-	-	-	-	-	514,438	-	-	-	-
Total Business-type Activities Revenue	171,564	232,611	58,034	260,369	1,639,836	2,220,772	1,568,068	1,449,430	1,224,307	1,183,726
Total Primary Government General and Transfers Revenue	\$ 4,211,295	\$ 11,071,924	\$ 11,391,657	\$ 11,173,276	\$ 11,888,496	\$ 13,569,175	\$ 11,616,073	\$ 10,472,937	\$ 8,921,914	\$ 7,101,088
Changes in Net Position										
Governmental Activities	\$ (4,031,471)	\$ (585,616)	\$ (1,804,297)	\$ (322,503)	\$ (1,116,870)	\$ 3,087,488	\$ 2,443,913	\$ 3,478,393	\$ 6,338,960	\$ 761,140
Business-type Activities	2,995,508	406,350	(865,895)	(688,200)	(2,596,078)	2,753,227	(1,240,945)	289,344	(1,873,330)	(575,913)
Total Primary Government	\$ (1,035,963)	\$ (179,266)	\$ 938,402	\$ (365,697)	\$ (1,479,208)	\$ 5,840,715	\$ 1,202,968	\$ 3,767,737	\$ 4,465,630	\$ 185,227

Notes:

The City implemented GASB 34 in 2003.

In 2010, the City converted its Water and Sewer Utility from an Enterprise Fund to a Special Revenue Fund. Prior years presentation has not been reclassified or restated to reflect this change.

In 2012 the City implemented GASB 63. Net assets have been retitled.

Special items - 2008 - Write off NPO, 2013 - Construction of gas pipeline on-behalf of third parties

City of Homer, Alaska
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	Property Tax	Sales Tax	Total
2013	\$ 3,224,520	\$ 7,307,475	\$ 10,531,995
2012	2,999,341	7,031,266	10,030,607
2011	2,999,341	7,031,266	10,030,607
2010	3,051,919	6,613,640	9,665,559
2009	2,889,856	5,361,109	8,250,965
2008	2,976,794	6,334,758	9,311,552
2007	2,501,693	6,173,478	8,675,171
2006	2,382,936	5,670,638	8,053,574
2005	2,102,170	5,119,528	7,221,698
2004	1,888,761	3,737,944	5,626,705

Source: A2 pg 19

City of Homer, Alaska
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

<i>Fiscal Year</i>	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Fund										
Nonspendable	\$ 282,660	\$ 256,265	\$ 244,317	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	171,314	171,314	171,314	-	-	-	-	-	-	-
Unassigned	5,593,810	5,661,033	6,312,215	-	-	-	-	-	-	-
Total General Fund	\$ 6,047,784	\$ 6,088,612	\$ 6,727,846	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Governmental Funds										
Nonspendable	\$ 290,498	\$ 250,313	\$ 334,666	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	6,467,413	6,691,992	7,284,209	-	-	-	-	-	-	-
Committed	1,966,031	1,648,032	-	-	-	-	-	-	-	-
Assigned	6,822,959	5,790,954	5,987,998	-	-	-	-	-	-	-
Unassigned	(1,825,321)	(62,591)	(97,653)	-	-	-	-	-	-	-
Total Other governmental Funds	\$ 13,721,580	\$ 14,318,700	\$ 13,509,220	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ 255,883	\$ 297,291	\$ 353,901	\$ 296,910	\$ 260,274	\$ 280,743	\$ 313,959
Unreserved, designated:										
Interfund Loan Animal Shelter	-	-	-	-	200,000	250,000	300,000	350,000	400,000	450,000
PERS	-	-	-	171,314	171,314	171,314	171,314	-	-	-
Designated for subsequent year's expenditures	-	-	-	-	-	-	-	-	-	-
Undesignated	-	-	-	5,146,617	4,226,615	3,825,104	4,230,983	3,282,823	2,186,409	1,248,052
Total Unreserved General Fund	-	-	-	5,317,931	4,597,929	4,246,418	4,702,297	3,632,823	2,586,409	1,698,052
Total General Fund	-	-	-	5,573,814	4,895,220	4,600,319	4,999,207	3,893,097	2,867,152	2,012,011
Other Governmental Funds										
Reserved	-	-	-	5,929,657	4,367,506	4,334,477	3,350,187	3,601,605	3,768,592	3,237,361
Unreserved:										
Library	-	-	-	31,519	31,501	31,326	29,289	27,750	8,982	471,148
Fire Department	-	-	-	68,324	64,110	62,965	53,948	11,482	15,522	11,697
Animal Shelter	-	-	-	-	7,382	7,352	7,173	6,796	10,088	-
Community Schools	-	-	-	1,136	1,792	509	699	197	-	-
Sustainability Global Warming	-	-	-	14,774	15,257	15,162	107	-	-	-
PERS	-	-	-	-	14,436	-	-	-	-	-
Permanent Fund	-	-	-	1,531,315	1,150,377	-	-	-	-	-
Special Revenue Funds	-	-	-	3,434,211	-	-	-	-	-	-
Capital Project Funds/land	-	-	-	2,560,121	2,973,118	3,116,382	1,857,872	1,784,965	1,435,923	421,066
Capital Project Deficit	-	-	-	-	(47,379)	(20,873)	(3,744)	(31,147)	(455,223)	(69,805)
Total Unreserved Other Governmental Funds	-	-	-	7,641,400	4,210,594	3,212,823	1,945,344	1,800,043	1,015,292	834,106
Total Other Governmental Funds	-	-	-	13,571,057	8,578,100	7,547,300	5,295,531	5,401,648	4,783,884	4,071,467
Total General Fund and Other Governmental Funds	\$ 19,769,364	\$ 20,407,312	\$ 20,237,066	\$ 19,144,871	\$ 13,473,320	\$ 12,147,619	\$ 10,294,738	\$ 9,294,745	\$ 7,651,036	\$ 6,083,478
Change in Fund Balances	(637,948)	170,246	1,092,195	2,031,354	1,325,701	1,852,881	999,993	1,643,709	1,567,558	(148,020)
Percentage of Change	-3.1%	0.8%	5.7%	11.9%	10.9%	18.0%	10.8%	21.5%	25.8%	-2.4%

Notes:

In 2010, the City converted its Water and Sewer Utility from an Enterprise Fund to a Special Revenue Fund. Prior years presentation has not been reclassified or restated to reflect this change.

In 2011, the City adopted the provisions of GASB statement 54. Prior year presentation has not been reclassified or restated to reflect the change.

City of Homer, Alaska
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

<i>Fiscal Year</i>	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues										
Property taxes	\$ 3,209,009	\$ 2,991,230	\$ 2,916,176	\$ 2,954,829	\$ 2,930,696	\$ 2,975,448	\$ 2,501,693	\$ 2,382,936	\$ 2,102,170	\$ 1,888,761
Sales taxes	7,307,475	7,031,266	7,059,404	6,613,640	5,361,109	6,334,758	6,173,478	5,670,638	5,119,528	3,737,944
Licenses and permits	35,706	22,248	25,040	22,965	19,614	26,219	43,765	46,096	42,717	88,411
Intergovernmental	10,472,084	3,573,807	4,779,839	2,937,975	1,854,305	1,778,519	1,873,233	2,247,343	3,740,329	1,966,565
Charges for services	5,414,421	5,246,446	5,202,621	5,139,533	2,629,639	2,337,323	2,382,465	2,136,838	2,183,048	2,028,181
Special assessments	296,699	329,958	308,497	415,625	110,543	127,876	14,802	11,180	15,462	16,517
Investment income	149,444	240,083	115,862	162,146	82,117	156,429	290,987	233,998	150,223	47,793
Fines and forfeitures	10,469	8,065	17,460	15,551	16,065	34,193	19,941	19,435	23,269	24,444
Contributions and donations	1,189	19,044	6,516	4,224	2,910	9,181	42,256	64,412	1,362,374	170,864
Legal settlement	-	-	-	266,027	1,150,878	-	-	740,404	-	-
Sale of property and equipment	-	-	-	4,917	4,869	499,189	-	-	-	-
Other	139,176	56,825	41,080	199,703	45,092	170,538	19,970	24,207	23,362	172,876
Total Revenues	27,035,672	19,518,972	20,472,495	18,737,135	14,207,837	14,449,673	13,362,590	13,577,487	14,762,482	10,142,356
Expenditures										
General government	3,251,596	3,533,983	3,639,834	3,010,375	3,380,193	2,964,905	2,585,147	2,220,086	2,689,530	2,554,078
Public safety	4,319,418	4,212,716	3,989,471	3,939,507	4,096,996	4,189,377	3,622,296	3,549,911	3,053,686	2,894,621
Public works	1,956,933	1,944,267	1,905,736	1,822,923	2,023,907	2,108,115	1,750,045	1,688,688	1,491,893	1,350,580
Library	771,638	707,603	705,152	716,824	724,150	681,983	593,027	449,289	374,932	341,287
Airport	195,109	209,859	216,035	201,118	230,934	228,720	196,710	179,504	146,221	128,278
Parks and recreation	383,439	347,107	299,631	377,280	359,683	422,251	384,697	367,027	338,359	340,471
Community services	7,800,998	899,357	586,195	261,435	266,144	321,970	235,831	211,894	582,677	180,964
Water	1,862,937	1,951,063	1,894,144	1,697,751	-	-	-	-	-	-
Sewer	1,773,753	1,745,959	1,650,640	1,647,605	-	-	-	-	-	-
Debt service:										
Principal retirement	854,981	876,324	1,017,807	1,049,248	57,934	470,615	608,431	655,016	513,640	479,979
Interest and fiscal charges	203,557	218,679	229,263	225,553	63,870	75,812	113,536	64,676	70,829	90,915
Capital outlay	5,243,705	4,267,539	5,540,169	2,265,965	1,612,185	1,103,044	2,421,941	5,153,413	4,043,157	1,976,460
Total Expenditures	28,618,064	20,914,456	21,674,077	17,215,584	12,815,996	12,566,792	12,511,661	14,539,504	13,304,924	10,337,633
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(1,582,392)	(1,395,484)	(1,201,582)	1,521,551	1,391,841	1,882,881	850,929	(962,017)	1,457,558	(195,277)
Special item - construction of gas pipeline	7,192,924	-	-	-	-	-	-	-	-	-
Other Financing Sources (Uses)										
Proceeds from long-term debt	8,809,368	1,565,730	2,162,442	534,728	14,536	-	-	2,146,601	-	-
Transfers in	327,412	1,359,935	1,440,006	434,460	413,609	2,183,992	2,499,222	2,160,007	2,498,261	879,211
Transfers out	(999,412)	(1,359,935)	(1,308,671)	(459,385)	(494,285)	(2,213,992)	(2,350,158)	(1,700,882)	(2,388,261)	(828,526)
Net Other Financing Sources (Uses)	8,137,368	1,565,730	2,293,777	509,803	(66,140)	(30,000)	149,064	2,605,726	110,000	50,685
Net Change in Fund Balance	\$ (637,948)	\$ 170,246	\$ 1,092,195	\$ 2,031,354	\$ 1,325,701	\$ 1,852,881	\$ 999,993	\$ 1,643,709	\$ 1,567,558	\$ (144,592)
Debt service as a % of noncapital expenditures	4.54%	6.58%	7.70%	8.40%	1.06%	4.78%	7.37%	8.03%	7.65%	6.79%

Notes:
 In 2010, the City converted its Water and Sewer Utility from an Enterprise Fund to a Special Revenue Fund. Prior years presentation has not been reclassified or restated to reflect this change.

City of Homer, Alaska
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Year	Real Property Less Tax Exempt Property	Personal Property Less Tax Exempt Property	Total Taxable Assessed Value	Tax Direct Rate	Estimated Full Value	Assessed Value as a Percent of Actual Value
2004	\$ 333,843,562	\$ 19,148,462	\$ 352,992,024	5.00%	\$ 497,201,500	74.17%
2005	399,827,162	26,893,341	426,720,503	4.50%	587,914,700	71.00%
2006	461,018,162	24,598,683	485,616,845	4.50%	646,448,500	72.58%
2007	489,448,562	22,811,263	512,259,825	4.50%	717,875,400	75.12%
2008	588,595,562	24,988,891	613,584,453	4.50%	777,118,400	71.36%
2009	631,527,262	31,030,146	662,557,408	4.50%	850,068,000	78.96%
2010	606,704,342	38,412,787	645,117,129	4.50%	850,068,600	77.94%
2011	603,338,212	25,118,151	628,456,363	4.50%	987,433,007	75.89%
2012	691,321,600	186,215,500	877,537,100	4.50%	983,993,300	89.18%
2013	615,478,812	25,948,461	641,427,273	4.50%	1,046,894,294	61.27%

Source: State of Alaska Assessor Office - Taxable Alaska

Notes: In 1998, the Kenai Peninsula Borough adopted Borough Ordinance 97-73 that created a flat tax for watercraft, creating \$100,000 personal property tax exemption, and increasing the motor vehicle tax.

City of Homer, Alaska
Property Tax Rates
Direct and Overlapping Government
Last Ten Fiscal Years
Tax Rates (Mils)

Fiscal Year	City of Homer (3)		Kenai Peninsula Borough (2)		
	Operating	Special Districts (4)	Operating	Special Districts	
2004	5.00	1.75	6.50	0.10	
2005	4.50	1.75	6.50	0.10	
2006	4.50	1.75	6.50	0.10	
2007	4.50	1.75	6.50	0.00	
2008	4.50	2.00	5.50	0.00	
2009	4.50	2.30	4.50	0.00	(1)
2010	4.50	2.30	4.50	0.00	
2011	4.50	2.30	4.50	0.00	
2012	4.50	2.30	4.50	0.00	
2013	4.50	2.30	4.50	0.00	

Notes: Overlapping rates are those of the City of Homer and Kenai Peninsula Borough
Restrictions: Tax rates can only be changed by the vote of the people.

- (1) The mill rate for the special district, the Post Secondary Fund, was combined into the Operating Fund mill rate
- (2) Data provided by the Kenai Peninsula Borough Clerk's Office
- (3) Data provided by the City of Homer Clerk's Office
- (4) The Homer Special Districts include fire and emergency response, higher education, and support for hospitals.

City of Homer, Alaska
Principal Property Taxpayers
December 31, 2013
and December 31, 2004

Owner	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Value
Homer Spit Properties, LLC	\$ 10,710,900	1	20.93%	\$ 4,086,300	2	12%
Alaska Growth Properties LLC	6,096,200	2	11.91%	-		0%
Lands End Acquisition Corp.	6,084,000	3	11.89%	3,425,200	4	10%
Alaska USA Federal Credit Union	4,668,100	4	9.12%	1,931,900	10	6%
CGF Properties, Inc	4,481,800	5	8.76%	-		0%
Homer Hotels LLC	4,396,000	6	8.59%	-		0%
Moore Kenneth & Roseleen Trust	4,175,100	7	8.16%	2,275,800	6	7%
Wells Fargo (National Bank of AK)	3,740,200	8	7.31%	2,729,400	5	8%
Valentin Caspaar LLC	3,416,500	9	6.68%	-		0%
Harbor Enterprises	3,396,800	10	6.64%	-		0%
ACS of the Northland Inc				9,345,179	1	27%
Tulin Charles E & Helen				4,064,500	3	12%
Johnson John R & Judith E				2,166,700	7	6%
Meritaime Helicopters				2,158,904	8	6%
Total	\$ 51,165,600		100.00%	\$ 32,183,883		94%

Source: Kenai Peninsula Borough

Note: Total Taxable Assessed Values are utilized from Table 6

City of Homer, Alaska
Property Tax Levies and Collections
Last Ten Fiscal Years

<i>Fiscal Year Ended December 31,</i>	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collected in Subsequent Years Amount	Total Tax Collected to Date	
		Amount	% of Levy		Amount	% of Levy
2004	\$ 1,829,389	\$ 1,768,120	96.65%	\$ 34,012	\$ 1,802,132	100.00%
2005	2,013,518	1,989,890	98.83%	23,628	2,013,518	98.51%
2006	2,342,439	2,299,478	98.17%	32,081	2,331,559	100.00%
2007	2,383,617	2,339,720	98.16%	10,970	2,350,690	99.54%
2008	2,678,567	2,678,150	99.97%	417	2,678,567	98.62%
2009	2,678,567	2,658,526	99.25%	6,959	2,665,485	99.51%
2010	2,862,172	2,815,749	98.38%	41,043	2,856,792	99.52%
2011	2,869,743	2,764,751	96.34%	100,863	2,865,614	99.81%
2012	2,858,559	2,718,294	95.09%	19,748	2,738,041	95.78%
2013	2,806,719	2,719,474	96.89%	44,370	2,763,845	98.47%

Source: Kenai Peninsula Borough

City of Homer, Alaska
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Assessment Bonds	Notes Payable	Capital Leases	Revenue Bonds	General Obligation Bonds	Notes Payable	Capital Leases			
2004	\$ 1,340,000	\$ 15,807	\$ -	\$ 300,617	\$ 1,105,000	\$ -	\$ 5,388,839	\$ -	\$ 8,150,263	6.66%	\$ 1,529
2005	920,000	10,527	-	212,257	870,000	-	7,479,081	-	9,491,865	7.50%	1,746
2006	475,000	5,280	1,992,753	163,044	620,000	-	9,539,106	208,909	13,004,092	10.09%	2,384
2007	-	-	1,955,878	71,768	365,000	-	10,160,611	153,810	12,707,067	9.63%	2,310
2008	-	-	1,529,282	27,749	185,000	-	11,567,201	95,720	13,404,952	10.12%	2,487
2009	-	-	1,507,077	6,703	-	-	14,489,912	34,045	16,037,737	13.24%	2,889
2010	-	-	15,489,024	-	-	-	-	-	15,489,024	11.70%	3,096
2011	-	-	16,629,968	-	-	-	-	-	16,629,968	15.14%	3,292
2012	-	-	17,319,000	-	-	-	-	-	17,319,000	15.45%	3,361
2013	-	8,809,368	16,491,952	-	-	4,204,780	-	-	29,506,100	28.17%	5,674

Population per Alaska Department of Community and Economic Development

In 2010, the City converted its Water and Sewer Utility from an Enterprise Fund to a Special Revenue Fund. Prior years have not been reclassified or restated.

City of Homer, Alaska
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)

Fiscal Year	Population	Assessed Value	Gross Bonded Debt	Debt Service Funds Available	Net Bonded Debt	Percent of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2013	5153	\$ 615,479	\$ 3,735	\$ 294	\$ 3,441	0.56%	668
2012	5239	626,606	-	-	-	0.00%	-
2011	5051	504,558	-	-	-	0.00%	-
2010	5003	662,557	-	-	-	0.00%	-
2009	5551	631,527	-	-	-	0.00%	-
2008	5390	588,595	-	-	-	0.00%	-
2007	5502	551,814	-	-	-	0.00%	-
2006	5454	520,542	475	307	168	0.03%	31
2005	5435	447,448	920	281	639	0.14%	118
2004	5332	365,877	1,340	269	1,071	0.29%	201

Note: Population per Alaska Department of Community and Economic Development

Gross Bonded Debt includes all long-term general obligation bonded debt. It excludes special assessment bonds. In 2013, the General Obligation debt is in the Harbor Enterprise Fund.

City of Homer, Alaska

Ratios of Annual Debt Service Expenditures for General Bonded Debt to Total General Fund Expenditures Last Ten Fiscal Years

Fiscal Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Percent of Debt Service to General Fund Expenditures
2013	\$ -	\$ -	\$ -	\$ 11,065,711	0.00%
2012	-	-	-	11,021,941	0.00%
2011	-	-	-	10,140,595	0.00%
2010	-	-	-	9,989,455	0.00%
2009	-	-	-	10,807,821	0.00%
2008	-	-	-	11,046,268	0.00%
2007	475,000	21,082	496,082	9,356,829	5.30%
2006	445,000	39,916	484,916	8,414,502	5.76%
2005	420,000	57,766	477,766	8,018,872	5.96%
2004	390,000	73,854	463,854	7,474,417	6.21%
2003	365,000	88,734	453,734	6,594,445	6.88%
2002	345,000	101,831	446,831	6,287,847	7.11%

Note: Principal and interest does not include debt service paid by the Water & Sewer, and Port Enterprise Funds. The City had no bonded debt payable from the general fund in 2013.

City of Homer, Alaska
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	(1) Population	(2) Annual Average Wage Per Worker	Per Capita Income	(1) Median Age	(3) School Enrollment	(2) Unemployment Rate
2013	5,153	\$ 36,000	\$ 20,330	44.0	1,427	9.0%
2012	5,239	32,035	21,750	40.6	1,198	9.9%
2011	5,051	32,035	21,750	40.6	765	9.9%
2010	5,003	32,120	21,823	38.8	1,329	11.5%
2009	5,551	31,601	21,823	38.8	1,462	14.8%
2008	5,390	31,625	24,565	38.8	1,445	7.5%
2007	5,502	30,795	23,985	39.7	1,135	6.7%
2006	5,454	31,164	23,630	38.8	1,119	8.6%
2005	5,435	30,696	23,280	38.8	1,248	8.6%
2004	5,332	34,663	22,936	38.8	1,238	11.1%

Sources:

- (1) Alaska Department of Community and Economic Development
- (2) State of Alaska, Department of Labor
- (3) Kenai Peninsula Borough School District

City of Homer, Alaska

Principal Employers - Lower Kenai Peninsula

Employer	2013		Percentage of Total Employment
	Number of Employees	Rank	

* The State of Alaska passed legislation that prevents disclosure of employer ranking and or the the number of employees for each employer.

Source: Alaska Department of Labor and Workforce Development

City of Homer, Alaska
City Employees by Function/Program
Last Ten Fiscal Years

<i>Fiscal Year</i>	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Function/Program										
Administration	30	30	30	29	30	29	29	34	27	27
Public Safety:										
Fire Department	5	5	5	5	6	6	6	6	6	6
Police Department	24	24	24	24	26	21	24	27	26	27
Public Works:										
PW General Fund	22	22	21	15	17	16	13	11	14	14
PW Water/Sewer	11	11	11	17	18	18	19	23	25	25
Port and Harbor	20	20	20	20	20	13	11	13	18	18
Total	112	112	111	110	117	103	102	114	116	117

Notes: Above statistical information taken directly from the 2013 City of Homer Adopted Budget

City of Homer, Alaska
Operating Indicators by Function
Last Ten Fiscal Years

<i>Fiscal Year</i>	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Function/Program										
General Government										
Registered voters	4,337	4,436	4,277	4,289	4,270	4,161	4,172	4,073	4,022	4,098
Building permits issued	63	49	40	45	55	62	87	83	103	109
Police										
Requests for service	7,067	5,604	6,584	6,661	6,139	7,532	6,052	5,987	5,878	6,141
Physical arrests	662	619	712	572	471	391	425	428	507	429
Traffic citations	194	204	650	660	662	731	515	450	464	525
Animal control impounds	44	66	65	361	3	415	864	1,048	1,065	967
Fire										
Emergency responses	526	523	438	536	641	599	566	472	469	439
Fires calls	74	73	75	combined	combined	83	100	79	111	107
Parks & Recreation										
Camping permits - Tents	3,878	3,386	3,778	9,145	9,172	3,852	3,934	3,830	3,888	4,559
Camping permits - RV's	3,631	3,668	4,090	combined	combined	4,988	5,621	5,250	5,515	6,662
Library										
Number of Visitors	124,102	115,118	123,015	126,030	125,441	132,402	133,186	91,301	88,372	88,136
Number of Library cards	852	793	10,695	11,717	10,720	10,405	10,055	9,812	9,073	9,013
Internet Users	48,184	49,640	48,270	45,887	44,987	-	40,041	-	19,145	18,359
Public Works										
Work orders	6,975	7,737	7,426	7,509	6,573	6,553	6,761	6,852	6,758	6,573
Water										
Number of Consumers	1,780	1,585	1,559	1,541	1,450	1,445	1,406	1,406	1,373	1,337
Water usage in millions gal	129.9	121.9	135	1,308.0	1,503.0	142.2	145.1	137.5	179.0	161.0
Wastewater										
Number of Consumers	1,657	1,513	1,490	1,445	1,444	1,432	1,354	1,354	1,280	1,374
Port & Harbor										
Harbor Assists	698	253	333	196	150	143	197	220	298	302
Dock Landings	1,669	911	843	150	421	226	202	162	139	113
Ice sales (ton)	2,723	2,584	3,182	4,385	4,434	3,776	3,826	3,333	4,261	3,869
Crane hours billed	2,599	2,270	2,364	2,795	3,134	2,672	2,574	2,535	2,819	2,979
Halibut landings (million tons)	7	4	6	11	12	9	10	10	10	10

Notes: Above statistical information received directly from the various City of Homer Departments.

City of Homer, Alaska
Operating Assets Indicators by Function
Last Ten Fiscal Years

<i>Fiscal Year</i>	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Function by Program										
Emergency Services										
Number of Stations	2	1	1	1	1	1	1	1	1	1
Number of Fire Trucks	5	4	4	4	4	4	3	3	2	2
Number of Ambulances	2	2	2	2	2	2	2	2	2	2
Number of Employees/ Volunteers	5 38	5 43	5 46	5 41	5 39	5 39	5 39	5 38	5 37	5 54
Police Protection										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	12	13	0	12	12	12	11	10	9	9
Number of Employees	24	22	24	26	26	21	24	27	28	27
Public Works										
Miles of City-maintained streets	48.75	48.75	47.1	47.1	46.5	46.5	46.9	46.9	46.5	45.0
Water/ Sewer										
Miles of Water Lines	51.53	46.37	42.5	42.5	42.4	42.4	42.4	42.3	42.1	46.5
Miles of Sewer Lines	60.3	54.98	49.2	49.2	49.2	49.2	49.2	49.2	48.7	39.5
Parks & Recreation										
Number of Parks	23	18	18	18	18	18	18	18	18	18
Acres	518.6	285.9	285.9	285.9	518.2	518.2	518.2	267.4	267.4	267.4
Library										
Volumes	43,424	49,609	47,748	44,072	43,148	42,812	40,181	36,984	34,791	34,080
Circulation	108,146	105,387	104,299	108,166	101,290	99,511	98,815	99,020	89,964	91,886
Public use computers	20	19	20	18	18	18	18	6	6	6
Port & Harbor										
Small Boat Harbor - stalls	105	920	920	920	920	920	920	920	920	920
Transient space square feet	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000

Notes: Above statistical information received directly from the various City of Homer Departments.

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3601 C Street, Suite 600
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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Honorable Mayor and Members of the City Council
City of Homer, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Homer, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise City of Homer's basic financial statements, and have issued our report thereon dated May 19, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Homer's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Homer's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Homer's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control that we consider to be a significant deficiency. (Item 2013-001)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Homer's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Homer's Response to Findings

City of Homer's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. City of Homer's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City of Homer's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Homer's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, LLP

Anchorage, Alaska
May 19, 2014



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3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance Required by OMB Circular A-133

Honorable Mayor and Members of the City Council
City of Homer, Alaska

Report on Compliance for Each Major Federal Program

We have audited City of Homer's (the City's) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2013. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of City of Homer's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, City of Homer complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

Report on Internal Control Over Compliance

Management of City of Homer is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Homer's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

BDO USA, LLP

Anchorage, Alaska
May 19, 2014



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3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report on Compliance For Each Major State Program and Report on Internal Control Over Compliance Required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*

Honorable Mayor and Members of the City Council
City of Homer, Alaska

Report on Compliance for Each Major State Program

We have audited City of Homer's (the City's) compliance with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that could have a direct and material effect on each of the City's major state programs for the year ended December 31, 2013. The City's major state programs are identified in the accompanying schedule of state financial assistance.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of City of Homer's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Those standards and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major State Program

In our opinion, City of Homer, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2013.

Report on Internal Control over Compliance

Management of City of Homer is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Accordingly, this report is not suitable for any other purpose.

BDO USA, LLP

Anchorage, Alaska
May 19, 2014

City of Homer, Alaska

Schedule of Findings and Questioned Costs Year Ended December 31, 2013

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	___ yes	X no
Significant deficiency(ies) identified?	X yes	___ (none reported)

Noncompliance material to financial statements noted? ___ yes X no

Federal Financial Assistance

Internal control over major programs:

Material weakness(es) identified?	___ yes	X no
Significant deficiency(ies) identified?	___ yes	X (none reported)

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? ___ yes X no

Identification of major programs:

<i>CFDA Number</i>	<i>Name of Federal Program or Cluster</i>	<i>Agency</i>
90.100	Denali Commission Program	Denali Commission

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee? X yes ___ no

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified?	___ yes	X no
Significant deficiency(ies) identified?	___ yes	X (none reported)

Type of auditor's report issued on compliance for major programs: Unmodified

Dollar threshold used to distinguish a major state program: \$ 100,000

City of Homer, Alaska

Schedule of Findings and Questioned Costs Year Ended December 31, 2013

Section II - Financial Statement Findings Required to be Reported in Accordance with Government Auditing Standards

Finding 2013-001 Significant Deficiency - Financial Reporting

Criteria: Financial reporting should be done in accordance with the financial reporting framework of U.S. Generally Accepted Accounting Principles (GAAP) and in accordance with pronouncements issued by GASB.

Condition: We identified a variety of instances where U.S. GAAP was not being followed and journal entries were identified that needed to be made to correct the accounts to be reported fairly under U.S. GAAP.

Context: We identified 25 journal entries that needed to be booked to correct the accounts. The journal entries identified reduced change in net position by \$65,821.

Effect: The possible effect on future financial reporting is that numbers reported to the City Council might be materially misstated and not truly represent the activity of the governmental entity in accordance with U.S. GAAP.

Cause: Lack of review performed throughout year as the governmental entity did not have a finance director for more than half of the year.

Recommendation: We recommend that the client perform a monthly review of accounts to notice if anything appears unusual or not in accordance with the financial reporting framework.

*Views of Responsible
Officials and Planned*

Corrective Actions: See the corrective action plan.

Federal Award Findings and Questioned Costs

None noted.

State of Alaska Award Findings and Questioned Costs

None noted.

City of Homer, Alaska

Summary Schedule of Prior Audit Findings Year Ended December 31, 2013

Financial Statement Findings

There were no prior year audit findings.

Federal Award Findings

Finding 12-01 **Allowable Costs - Internal Control & Noncompliance**
Environmental Protection Agency
Passed through State of Alaska
Clean Water Loan Program
CFDA number 66.458

Condition: Drinking Water Program eligible costs were erroneously charged to the
Clean Water Program.

Status: This finding has been resolved

State of Alaska Award Findings

There were no prior year audit findings.

City of Homer, Alaska
Corrective Action Plan
Year Ended December 31, 2013

Persons Responsible: Zhiyong Li, Finance Director
Laurie Moore, Accounting Supervisor
907-235-3140

Financial Statement Findings

Finding 2013-001 Significant Deficiency - Financial Reporting

Corrective Action: The monthly review process was interrupted by personnel turnover during most of the fiscal year of 2013. As part of the corrective action plan, the Finance Director and the Accounting Supervisor have resumed the monthly review process.

Expected Completion: In progress

CALL TO ORDER
PLEDGE OF ALLEGIANCE
AGENDA APPROVAL

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



REGULAR MEETING
6:00 P.M. MONDAY
JUNE 9, 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

REGULAR MEETING AGENDA

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

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE

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

2. AGENDA APPROVAL

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

3. PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

4. RECONSIDERATION

5. CONSENT AGENDA

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

- A. Homer City Council unapproved Regular meeting minutes of May 27, 2014. City Clerk. Recommend adoption. **Page 185**
- B. **Memorandum 14-092** from Mayor, Re: Appointment of Lance Petersen to the Public Arts Committee. **Page 199**

- C. **Memorandum 14-093**, from City Clerk, Re: 2015 Proposed Budget Schedule.
Page 203
- D. **Ordinance 14-26**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2014 Operating Budget by Appropriating \$100,000 From the General Fund/Fund Balance to Provide Matching Funds for Natural Gas Conversions at Senior Center Buildings and Facilities. Lewis. Recommended dates: Introduction June 9, 2014, Public Hearing and Second Reading June 23, 2014.
Page 207
- E. **Ordinance 14-27**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2014 Operating Budget by Appropriating Up to \$600,000 From the Port and Harbor Reserves as a Local Match for Repair, Replacement, and Rehabilitation of Infrastructure and Facilities at the Homer Small Boat Harbor Load and Launch Ramp. City Manager/Port and Harbor Director. Recommended dates: Introduction June 9, 2014, Public Hearing and Second Reading June 23, 2014.
Page 213
- F. **Ordinance 14-28**, An Ordinance of the City Council of Homer, Alaska, Amending the 2014 Operating Budget by Appropriating \$179,892.97 From the Harbor Reserve Fund for the Local Match Associated With Deep Water Dock Feasibility Study and Authorizing the City Manager to Execute All Appropriate Documents. City Manager/Public Works Director. Recommended dates: Introduction June 9, 2014, Public Hearing and Second Reading June 23, 2014.
Page 221
- G. **Ordinance 14-29**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2014 Operating Budget by Appropriating \$37,708 From the General Fund/Fund Balance to Fund a Permanent Part Time Administrative Assistant Position at Public Works. Burgess. Recommended dates: Introduction June 9, 2014, Public Hearing and Second Reading June 23, 2014.
Page 227
- H. **Resolution 14-058**, A Resolution of the City Council of Homer, Alaska, Amending the Homer Public Library Circulation Policy. City Manager/Library Director. Recommend adoption.
Page 235
- Memorandums 14-088 and 14-098 from Library Advisory Board as backup.
Pages 241/243
- I. **Resolution 14-059**, A Resolution of the City Council of Homer, Alaska, Updating the Library Advisory Board By-Laws to Amend Article Four, Meetings, Section Two and Four and Article Five, Committees, Section One. City Clerk/Library Advisory Board. Recommend adoption.
Page 251

Memorandum 14-089 from the Library Advisory Board as backup.

Page 253

- J. **Resolution 14-061**, A Resolution of the City Council of Homer, Alaska, Requesting that the Alaska Department of Transportation and Public Facilities (ADOT/PF) Lower the Speed Limit on East End Road in the Vicinity of the Kachemak Bay Equestrian Horse Park, Establish a Cross Walk Across East End Road in that Area for Access to the Bike Trail, and Provide Signage Alerting Drivers to the Presence of the Horse Park. Howard/Lewis. Recommend adoption.

Page 263

- K. **Resolution 14-064**, A Resolution of the City Council of Homer, Alaska, Approving the Reduction of Employee Health Insurance Premiums by Twenty Percent for the Period July 1, 2014 Through December 31, 2014. City Manager. Recommend adoption.

Page 265

Memorandum 14-091 from City Manager as backup.

Page 267

- L. **Resolution 14-065**, A Resolution of the City Council of Homer, Alaska, Approving Regulations Promulgated by the City Manager Which Establish a Speed Limit and Prohibit Parking Along the Roadway at Karen Hornaday Park. Howard/Lewis. Recommend adoption.

Page 269

- M. **Resolution 14-066**, A Resolution of the City Council of Homer, Alaska, Approving a New Short Term Lease (Six Months) for Peninsula Scrap and Salvage on a Portion of Lot 12, Homer Spit Subdivision No 5, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Recommend adoption.

Page 271

- N. **Resolution 14-069**, A Resolution of the Homer City Council Awarding a Sole Source Contract to the Firm of Intelligent Design, LLC of Anchorage, Alaska, in the Amount of \$65,835 to Complete the Conversion of the Water Treatment Plant, the Harbor Maintenance Shop, and Four Spit Restrooms to Natural Gas and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Public Works Director. Recommend adoption.

Page 273

Memorandum 14-097 from Public Works Director as backup.

Page 275

6. VISITORS

- A. Michelle Drew, BDO, Auditor's Report, 10 minutes.

Pages 7/29

7. ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORTS REPORT/COMMISSION

- A. **Mayor's Recognition** to HoWL for City Clean-Up Week **Page 283**
- B. **Mayor's Recognition** to Church on the Rock for Clean-Up of Karen Hornaday Park **Page 285**
- C. Borough Report
- D. Commissions/Board Reports:
1. Library Advisory Board
 2. Homer Advisory Planning Commission
 3. Economic Development Advisory Commission
 4. Parks and Recreation Advisory Commission
 5. Port and Harbor Advisory Commission

8. PUBLIC HEARING(S)

- A. **Ordinance 14-23**, An Ordinance of the City Council of Homer, Alaska, Authorizing the Conveyance of Lots 1, 2, 3, 4 and 5, Scenic View Subdivision No. 6 to Kachemak Bay Equestrian Association Inc. for Use as Part of an Equestrian Park, and Waiving the Appraisal of the Property and Sale of the Property for Fair Market Value. City Manager. Introduction May 27, 2014, Public Hearing and Second Reading June 9, 2014.

Page 291

- B. **Ordinance 14-24**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 2.68.030 Proceedings of Commission, to Change the Meeting Schedule of the Parks and Recreation Advisory Commission. City Manager/Parks and Recreation Advisory Commission. Introduction May 27, 2014, Public Hearing and Second Reading June 9, 2014.

Page 303

Memorandums 14-081 and 14-083 from Parks and Recreation Advisory Commission as backup.

Pages 307/309

- C. **Ordinance 14-25**, An Ordinance of the City Council of Homer, Alaska, Amending the 2014 Operating Budget to Reallocate a Water Fund Capital Budget Item Expenditure at the Water Treatment Plant to Evaluate Alternatives to Reduce Disinfection By-Products in the Drinking Water. City Manager/Public Works Director. Introduction May 27, 2014, Public Hearing and Second Reading June 9, 2014. **Page 311**

Memorandum 14-087 from Public Works Director as backup. **Page 315**

9. **ORDINANCE(S)**

10. **CITY MANAGER'S REPORT**

- A. City Manager's Report **Page 323**

1. Memorandum 14-094 from Community & Economic Development Coordinator, Re: Strategic Implementation Planning **Page 325**

2. Memorandum 14-095 from Community & Economic Development Coordinator, Re: *Alaska: North to the Future* Update **Page 327**

- B. Bid Report **Page 331**

11. **CITY ATTORNEY REPORT**

12. **COMMITTEE REPORT**

- A. Public Arts Committee
B. Permanent Fund Committee
C. Port and Harbor Improvement Committee
D. Employee Committee Report
E. Port and Harbor Building Task Force
F. Public Safety Building Review Committee
G. Vessel Haul-Out Task Force

13. **PENDING BUSINESS**

- A. **Resolution 14-056**, A Resolution of the Homer City Council Amending the Parks and Recreation Advisory Commission Bylaws, Regular Meetings, Establishing a Regular Meeting Schedule of February Through June and August Through November; Committees, Requiring City Council Approval to Form a Special Committee; and Special Meetings, to be Scheduled Only When Required to Complete Time Sensitive Business. City Manager/Parks and Recreation Advisory Commission. Recommend postponement to June 9, 2014 to follow Ordinance 14-24. **Page 339**

Memorandums 14-081 and 14-083 from Parks and Recreation Advisory Commission as backup. **Pages 307/309**

14. NEW BUSINESS

15. RESOLUTIONS

- A. **Resolution 14-060**, A Resolution of the Homer City Council Maintaining the Water and Sewer Fees at the 2014 Rate and Updating the Homer Fee Schedule Accordingly. City Manager/Finance Director. Recommend postponement to June 23, 2014 for a Public Hearing. **Page 351**

Memorandum 14-090 from City Manager as backup. **Page 361**

- B. **Resolution 14-063**, A Resolution of the City Council of Homer, Alaska, Expressing Support for the Alaska Department of Transportation and Public Facilities (ADOT/PF) Pioneer Avenue Rehabilitation Project Scope of Work and Providing Specific Comments. Mayor. **Page 373**

- C. **Resolution 14-067**, A Resolution of the Homer City Council Awarding the Contract for the Parks, Art, Recreation and Culture (PARC) Needs Assessment to the Firm To Be Announced of City and State in the Amount To Be Disclosed and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk. **Page 411**

- D. **Resolution 14-062**, A Resolution of the Homer City Council Opening the Regular City Council Meetings With Prayer. Zak. **Page 423**

- E. **Resolution 14-068**, A Resolution of the Homer City Council Awarding a Sole Source Contract for Disinfection Byproducts Reduction Study on the Water Treatment/Distribution System to the Firm of HDR, Inc. of Anchorage, Alaska in the

Amount of \$18,459 and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Public Works Director. **Page 425**

Memorandum 14-096 from Public Works Director as backup. **Page 427**

- 16. COMMENTS OF THE AUDIENCE**
- 17. COMMENTS OF THE CITY ATTORNEY**
- 18. COMMENTS OF THE CITY CLERK**
- 19. COMMENTS OF THE CITY MANAGER**
- 20. COMMENTS OF THE MAYOR**
- 21. COMMENTS OF THE CITY COUNCIL**
- 22. ADJOURNMENT**

Next Regular Meeting is Monday, June 23, 2014 at 6:00 p.m. and Committee of the Whole 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PUBLIC COMMENTS
UPON MATTERS
ALREADY ON THE AGENDA

RECONSIDERATION

CONSENT AGENDA

Session 14-16 a Regular Meeting of the Homer City Council was called to order on May 27, 2014 at 6:00 p.m. by Mayor Mary E. Wythe at the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska, and opened with the Pledge of Allegiance.

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

STAFF: CITY MANAGER WREDE
CITY CLERK JOHNSON
FINANCE DIRECTOR LI
LIBRARY DIRECTOR DIXON
PERSONNEL DIRECTOR PETERSEN
PORT AND HARBOR DIRECTOR HAWKINS
PUBLIC WORKS DIRECTOR MEYER

Council met as a Committee of the Whole from 5:02 p.m. to 5:50 p.m. to discuss Ordinance 14-25, 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.)

Mayor Wythe called for a motion to approve the agenda as presented.

LEWIS/VAN DYKE - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

Robert Archibald, city resident, spoke in support of Ordinance 14-23 and advocated for a safer ingress/egress on East End Road for the horse park.

William Ostwald, city resident, expressed concerns with speeding vehicles and pedestrian traffic in Old Town.

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 Board of Adjustment meeting minutes of April 15, 2014 and Regular meeting minutes of May 12, 2014. City Clerk. Recommend adoption.
- B. **Memorandum 14-080**, from Mayor, Re: Appointment of Terry Smith to the Library Advisory Board.
- C. **Ordinance 14-23**, An Ordinance of the City Council of Homer, Alaska, Authorizing the Conveyance of Lots 1, 2, 3, 4 and 5, Scenic View Subdivision No. 6 to Kachemak Bay Equestrian Association Inc. for Use as Part of an Equestrian Park, and Waiving the Appraisal of the Property and Sale of the Property for Fair Market Value. City Manager. Recommended dates: Introduction May 27, 2014, Public Hearing and Second Reading June 9, 2014.
- D. **Ordinance 14-24**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 2.68.030 Proceedings of Commission, to Change the Meeting Schedule of the Parks and Recreation Advisory Commission. City Manager/Parks and Recreation Advisory Commission. Recommended dates: Introduction May 27, 2014, Public Hearing and Second Reading June 9, 2014.

Memorandums 14-081 and 14-083 from Parks and Recreation Advisory Commission as backup.

- E. **Ordinance 14-25**, An Ordinance of the City Council of Homer, Alaska, Amending the 2014 Operating Budget to Reallocate a Water Fund Capital Budget Item Expenditure at the Water Treatment Plant to Evaluate Alternatives to Reduce Disinfection By-Products in the Drinking Water. City Manager/Public Works Director. Recommended dates: Introduction May 27, 2014, Public Hearing and Second Reading June 9, 2014.

Memorandum 14-087 from Public Works Director as backup.

- F. **Resolution 14-053**, A Resolution of the City Council of Homer, Alaska, Approving and Accepting the Renewal of the Special Services Contract for FY 2015 with the

Alaska Department of Public Safety in the Amount of \$36,000.00 and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Police Chief. Recommend adoption.

Memorandum 14-082 from Police Chief as backup.

- G. **Resolution 14-054**, A Resolution of the City Council of Homer, Alaska, Establishing a 2014 Mil Rate of 9.962541 Mils for the Ocean Drive Loop Special Service District. City Manager. Recommend adoption.

Memorandum 14-085 from City Manager as backup.

- H. **Resolution 14-055**, A Resolution of the Homer City Council Establishing the Property Tax Mil Levy Rate at 4.5 for 2014. City Manager. Recommend adoption.

- I. **Resolution 14-056**, A Resolution of the Homer City Council Amending the Parks and Recreation Advisory Commission Bylaws, Regular Meetings, Establishing a Regular Meeting Schedule of February Through June and August Through November; Committees, Requiring City Council Approval to Form a Special Committee; and Special Meetings, to be Scheduled Only When Required to Complete Time Sensitive Business. City Manager/Parks and Recreation Advisory Commission. Recommend postponement to June 9, 2014 to follow Ordinance 14-24.

Memorandums 14-081 and 14-083 from Parks and Recreation Advisory Commission as backup.

- J. **Resolution 14-057**, A Resolution of the Homer City Council Awarding the Contract for the Karen Hornaday Park Picnic Shelter Access/Foundation Improvements to the Firm of Gregoire Construction of Homer, Alaska, in the Amount of \$14,800.00 and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Public Works Director. Recommend adoption.

Memorandum 14-086 from Project Manager as backup.

- K. **Memorandum 14-084**, from Community & Economic Development Coordinator, Re: Capital Improvement Plan Schedule for 2015 - 2020 & FY 2016 Legislative Requests.

Moved to New Business

Memorandum 14-084 was moved to New Business A. (Roberts)

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

HOWARD/LEWIS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS

A. Alaska Trails Conference, Robert Archibald.

Robert Archibald provided an overview of the Alaska Trails Conference. Dave Brann attended the conference and presented about the Kachemak Bay area trails.

ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS

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

Mayor Wythe read and presented the proclamation to Gail Edgerly.

B. Mayor's Recognition – Christie Hill for Braving Frigid Alaska Waters to Fight Cancer

Mayor Wythe read and presented the recognition to Christie Hill.

C. Borough Report

D. Commissions/Board Reports:

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

4. Parks and Recreation Advisory Commission

Robert Archibald, Parks and Recreation Advisory Commissioner, reported a work party at Coal Point Park last week. Commissioner Dave Brann is working with the Pratt Museum and Janet Klein on researching the history of Coal Point and the railroad for a presentation at Park Day. Merchants are talking about a walk down the new boardwalk. Another work party at Karen Hornaday Park resulted in clearing around the ball park and painting the connex green. Mr. Archibald commended Public Works Director Carey Meyer for the work he has done on drainage and the campgrounds. The road into Karen Hornaday Park is so narrow that two lanes are almost prohibitive. They are requesting no parking signage along both sides of the road to see if it solves any problems for pedestrian/car interface. The commission is reviewing the Woodard Creek trail to come up with something that will work for all involved. New student member Pedro Ochoa has joined the commission.

City Manager Wrede provided Deputy City Clerk Renee Krause a list of options for the park road to pass on to the commission.

5. Port and Harbor Advisory Commission

PUBLIC HEARING(S)

- A. **Ordinance 14-21**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2014 Budget by Appropriating an Additional \$6,000 from the Port and Harbor Fleet Reserves to Acquire a Used, Full Size, Four Wheel Drive Pick-Up Truck for Harbor Operations. City Manager/Port and Harbor Director. Introduction May 12, 2014, Public Hearing and Second Reading May 27, 2014.

Memorandum 14-076 from Port and Harbor Director as backup.

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

Mayor Wythe called for a motion for the adoption of Ordinance 14-21 by reading of title only for second and final reading.

LEWIS/HOWARD - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **Ordinance 14-22**, An Ordinance of the City Council of Homer, Alaska Amending the FY 2014 Operating Budget to Provide for Natural Gas Conversions to City Buildings by Appropriating \$99,274 from Various City Reserve Funds. City Manager/Public Works Director. Introduction May 12, 2014, Public Hearing and Second Reading May 27, 2014.

Memorandum 14-077 from Public Works Director as backup.

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

Mayor Wythe called for a motion for the adoption of Ordinance 14-22 by reading of title only for second and final reading.

LEWIS/BURGESS - SO MOVED.

ROBERTS/ZAK - MOVED TO AMEND LINES 10 AND 40 FROM \$99,274 TO \$83,270; LINES 24 AND 36 CHANGE AMOUNTS TO \$18,562, LINES 27 AND 37 CHANGE AMOUNTS TO \$20,780, AND LINES 30 AND 38 CHANGE AMOUNTS TO \$43,928.

Council would like to see specifically the savings realized on each building.

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

Motion carried.

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

Motion carried.

ORDINANCE(S)

CITY MANAGER'S REPORT

A. City Manager's Report

1. Construction Update: At the last meeting, there was a discussion about all of the work that is taking place around the harbor this spring. Local residents seem pleased with all of the activity and the results. I thought it might be a good idea to remind and/or inform the public that this is simply the tip of the iceberg. This work is nothing compared to what you will see this fall. There will be a lot of activity and we will really need patience and understanding from the public and harbor users. The City will be replacing Ramp 3 to make

it ADA compliant. Ramp 7 will be removed and re-installed later. The City will also be replacing a number of older floats in the harbor and installing water and electric service to systems that don't presently have it. The Load and Launch ramp will be completely rebuilt and construction will begin on the new Port and Harbor building. Just to add to the fun, DOT/PF will be repaving the Spit Road and doing major repairs at the eroded area which threatens the road.

2. More Natural Gas Conversions: This meeting agenda contains a public hearing and second reading on an ordinance appropriating money for additional gas conversions at City facilities, including some of the older restrooms around the harbor. The Finance Department reports significant savings so far. Right now, the heating bill at City Hall is about 70% lower each month.
3. Traffic Calming / Old Town: On Tuesday, May 20, City staff had a second meeting with Old Town Neighborhood representatives. Chief Robl, Chief Painter, Julie Engebretsen, and I were in attendance. The purpose of the meeting was to follow-up on a set of requests that the neighborhood presented regarding short term measures that could be taken to reduce speeding and reckless driving. The group addressed the Planning Commission also, as planned. Attached for your information is a correspondence from the Association that contains a specific, updated request for assistance. Old Town residents are hoping that the City could provide some funding and assistance this summer and use the neighborhood as a traffic calming pilot project. At the time this report was written, the staff was working to put together some cost estimates for the improvements.
4. Ramp 7. The Seldovia Village Tribe has decided to rebuild the damaged float and reinstall Ramp 7 this summer. They have agreed to rebuild the float and install the ramp according to the engineer's recommendations, which will cost more money than the original plan, but hopefully, increase the safety factor. At the time this report was written, the City and SVT were working out the details in writing that addressed project scope, work windows, safety, inspections, and so on.
5. Pioneer Ave Upgrades: DOT/PF has issued STIP Amendment 9. This amendment calls for repaving and other upgrades for Pioneer Avenue along with Lake Street. This is a good opportunity for the public to have some input on Pioneer Avenue improvements. DOT/PF staff planners are coming down here on May 23 to discuss this with us. At that time we will learn more about the design and public participation processes.
6. Proposed Bed Tax: A Council packet several months ago contained a flyer produced by the Kenai Peninsula Tourism Marketing Council which described its Borough-wide bed tax proposal. Since that time, I have had several conversations with the Executive Director of the organization and I think I now have a better understanding of the intent behind the proposal, how the tax would work, and what it could be used for. There are definitely advantages and disadvantages to Homer associated with the proposal and I would be happy to provide my thoughts on it if you wish. As I understand it, the Homer Chamber Board is currently neutral on the proposal. Since this proposal may end up on the ballot at some point, I invited the Director to come down and address the Council as a Visitor at a future meeting. She said she would like to do so.

7. Lease Update: Leases have now been negotiated and executed with the new owners of the Happy Face Restaurant, Snug Harbor Seafoods, and ACS.
8. i-PADS: Council members requested information about the i-Pads in terms of how much money they were saving and what the benefits are in terms of efficiency and productivity (That also translates into savings). Attached is a report from the Finance Director on the subject.
9. Andrea Petersen Moving On: By now, most of you probably know that HR Director Andrea Petersen has accepted a job with a big firm based in Reno, Nevada. We are very sorry to see her go but we wish her the best of luck in her new endeavor. I believe that Andrea has done an excellent job for the City during the time she was here. She was dealt a bad hand with the health insurance plan because she started at a time it was obvious that serious changes were necessary. She handled what was, and will continue to be, a difficult situation very professionally. Andrea made many important contributions and helped to move the City forward in important areas, especially employee wellness and training on safety, supervisory skills, team building, communication, and job related expectations. Andrea was a real advocate for the employees. When employees leave the City, we conduct an exit interview and ask questions regarding the employee's work experience. We also ask for comments and suggestions about how we might improve the work environment. Some of what Andrea has to say is attached. I have included it because I think her comments are important for the Council to hear going forward.
10. The Projected Surplus: I have to give you some bad news here. Recall that several months ago, we projected that the General Fund might have a surplus of around \$300,000 at the end of 2013. By surplus, we meant that we thought revenues might exceed expenditures by that amount. I hope you also remember that we said that the surplus was subject to the audit and we would not know definitively until then. The auditors have pretty much completed their work and Council is scheduled to hear a presentation from them on June 9. I wanted you to know in advance that the auditors made several "adjustments" which have basically wiped out the projected surplus. There were two adjustments which affected the surplus. First, the property tax revenue that came in from the oil drilling rig Endeavor was not transferred to the Permanent Fund as it was supposed to be. That transfer has been made and it wiped out about half of the surplus. Second, you will recall that the City received a big increase in the jail contract. The funds were for FY 2014. The State made a payment early, back in December of 2013. The Finance Department booked it as revenue in 2013. The Auditors said no, it should all be booked as revenue in 2014. This wiped out the rest of the projected surplus. So, I know there were a number of ideas people had about how the surplus should be spent. I personally was looking forward to putting some money into depreciation and hopefully, providing some relief to the employees. Council scheduled a workshop at 4 PM on June 9th to talk about the surplus and how it should be spent. That is probably not necessary now and it could be cancelled.
11. Library Aide / Temporary Part Time: Things are extremely busy at the library now that the summer months have arrived. The Library Director is having a difficult time with staffing levels, scheduling, coverage, and meeting the service needs of library patrons. The Port and Harbor and the Parks Division at Public Works both add seasonal employees to meet

expanded demand in the summer. I believe this makes sense at the library as well. I have authorized Ann to hire a temporary/seasonal, part time, library aide for the months of June, July, and August. This will cost about \$7,000. Ann believes, and the Finance Department has confirmed that she has enough money to do this in her existing budget. It would simply mean reallocating funds from her casual temporary employee line item. In other words, instead of relying so much on a group of casual employees that can come in when needed if they are available, she will use some of the funds for a full time position for three months. This move will cover this year. If a permanent part time seasonal position is created, that will have to be done by Council and the position authorization would be included in next year's budget.

12. Regular Part Time Receptionist / Public Works: Public Works has only one administrative assistant type position. That is very slim considering the number of employees, the scope of services, the number of projects, and the size of the budget. PW is simply swamped right now with lots of projects, activities, and public contact. PW used to have two administrative assistant type positions but one has been left vacant due to budget cuts several years ago. There is no back-up for the one person we have if she is ill or takes vacation. She often must leave her post to perform her duties. There is no one to cross train with her because everyone else is fully tasked. There are many times when there is no one at the reception desk and the Director or the Superintendent are answering the phone or talking to walk-in customers. Public Works probably received more contact with the public than any other department with the possible exception of the Port and Harbor. The solution proposed is a regular, part-time, receptionist position. This would cost about \$30,000. I wanted to give you a heads up that I will be proposing this either at mid-year or as part of next year's budget. PW has other pressing needs as well, including help in the building maintenance/custodial division.
13. Beluga Slough Trail: As you know, there was a recent celebration surrounding the completion of the Beluga Slough Trail improvements and installation of new interpretative signs. Many people, including the Mayor, noticed that there was still a section of the trail that was not improved and contained the old plastic material that has been problematic. That section was not fixed in part because there was not enough funding and also because it was not on City land or on a City trail easement. It was in better shape than the rest of the trail and was not as high a priority. Last week Carey was notified that the U.S. Fish and Wildlife Service has located the money to replace this part of the trail. The estimated cost is \$100,000. At the time this was written, we were seeking more details in order to provide you with a recommendation. Basically, it sounds like USFWS would like to provide the City a grant and have the City handle all of the construction. They did ask if the City would be able to provide a match. At this point, we are suggesting that the City match will be in-kind in the form of financial and project management.
14. Ham Operators: Nick Poolos has completed training to be a ham radio operator, extra class privileges. Tom Sulczynski has completed training at a lesser level. This is valuable to the City. Having two IT staff members that are able to talk on and operate ham radios could be vital in emergencies when cell phone towers, phones, and other forms of communication might be down.

Council received maps of the proposed Pioneer Avenue rehabilitation project.

At the June 9th meeting Community and Economic Development Coordinator Katie Koester will bring a proposal to Council for a coordinator to conduct a Strategic Planning Worksession for \$5,000 - \$7,000.

A city-wide bed tax will be discussed at the June 23rd meeting. Shanon Hamrick from the Kenai Peninsula Tourism Marketing Council will be present. The Borough is considering a revenue sharing tax where the Borough would collect the tax. Only Home Rule cities are allowed to levy bed taxes. The revenues collected in the city would be returned to the City Council. It would be up to the City Council and the Chamber of Commerce of how to split that up. The money could be used for support of any of the infrastructure that tourists benefit from, ie. parks, trails, fire, police. Verbiage is still being worked on for the ballot. It is a good time for the public to get engaged since it will be on the ballot.

City Manager Wrede reported the financial surplus from 2013 was no longer there as the Permanent Fund money wasn't transferred properly at the right time. This was an oversight and was corrected.

The Council asked if double traffic fines were allowed in Old Town. City Manager Wrede will provide an answer at the June 9th meeting.

The Council requested an ordinance to add another employee at the Public Works front desk. This will allow the public to comment.

Construction update on harbor projects: Ramp 3 will be replaced this fall; Ramp 7 will be out of the water while new floats are constructed. Some of those floats will receive electric power and water. The Load and Launch Ramp will be completely rebuilt. The harbormaster building will be going up. They will be reconstructing and repaving the Spit Road. It will take a lot of patience and understanding on the part of the public. Bryan Hawkins is thinking about how to coordinate all activities to cause the least disruption.

Beluga Slough Trail: Fish and Wildlife has money for the one section of the Beluga Slough Trail that was not completed earlier. City Manager Wrede suggests that our contribution be time and effort, with no money involved.

Pioneer Avenue: The State issued a STIP plan Amendment 9 that includes Pioneer Avenue. The project has been moved up on their list. The State fought hard for the money as there is not as much money for community roads. DOT estimated \$10M for a road with bicycle lanes and sidewalks. DOT has reduced the scope of the project to \$3.5M, still incorporating much of what the City originally proposed. They plan to narrow the lanes, including the turning lane in the middle. There are pedestrian improvements and islands at certain intersections. There is a

flashing light at Pioneer Avenue and Main Street and other traffic control measures. They request feedback from Council within 30 days.

Council discussed the center lane medians. Snowplows hit the concrete while trying to plow snow. It was suggested a painted crosswalk be used and that a crosswalk with a push button flashing light would be much more visible for pedestrians. Lighting was proposed, but DOT does not have the money. Council could seek funds for lighting. The money they have is for resurfacing. We probably don't want to take the road over until they fix the drainage and subsurface problems. This project might get done before Lake Street. A resolution will be forthcoming at the June 9th meeting.

Deep Water Dock: DOT and the federal government have signed their project development agreement. We will go forward on the Deep Water Dock. Council has \$3M (\$2M in a federal earmark and \$1M from the Legislature) to study the feasibility of expanding the Deep Water Dock. After many years we now have a green light to move forward on the study.

B. Bid Report

CITY ATTORNEY REPORT

COMMITTEE REPORT

- A. Public Arts Committee
- B. Permanent Fund Committee
- C. Port and Harbor Improvement Committee
- D. Employee Committee Report
- E. Port and Harbor Building Task Force
- F. Public Safety Building Review Committee

Mayor Wythe reported the GC/CM was here recently and the next meeting is June 17. The committee is working with the GC/CM to involve the community in the plan. The site will be determined in the fall. She encouraged the community to participate in the meetings; there was a nice turnout at the last meeting.

G. Vessel Haul-Out Task Force

PENDING BUSINESS

NEW BUSINESS

- A. **Memorandum 14-084**, from Community & Economic Development Coordinator, Re: Capital Improvement Plan Schedule for 2015 - 2020 & FY 2016 Legislative Requests.

Mayor Wythe called for a motion for the approval of the recommendations of Memorandum 14-084.

LEWIS/ROBERTS - SO MOVED.

ROBERTS/BURGESS - MOVED TO AMEND PAGE 119 TO CHANGE THE DATE TO AUGUST 21 INSTEAD OF JULY 17 (PARKS AND RECREATION ADVISORY COMMISSION).

There was no discussion.

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

Motion carried.

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

Motion carried.

RESOLUTIONS

COMMENTS OF THE AUDIENCE

Jim Lavrakas, city resident and Homer Chamber of Commerce Executive Director, commented on the successful 22nd Shorebird Festival.

Barb Petersen, city resident, passed out the season schedule for Pier One Theatre and outlined the upcoming events.

Robert Archibald, city resident, commented on the Kachemak Bay Water Trail that will promote boater safety.

COMMENTS OF THE CITY ATTORNEY

City Attorney Klinkner was not present.

COMMENTS OF THE CITY CLERK

City Clerk Johnson wished Andrea Petersen well on her new adventures and thanked the emergency personnel and firefighters battling the fires.

COMMENTS OF THE CITY MANAGER

City Manager Wrede thanked Andrea Petersen for her hard work and wished her the best. She has accomplished a lot and has been through a lot. He reminded Council there was a Worksession scheduled for the next meeting to talk about the surplus funds. Since there are no excess funds, the Worksession was cancelled.

COMMENTS OF THE MAYOR

Mayor Wythe thanked the firefighters and their families for their support. Over the weekend she represented the City for the Coast Guard; she appreciates the auxiliary recognizing the Coast Guard as Alaska is dependent upon them. She also attended the dedication for the horse park. It is a nice facility and they are excited about the property across the road to build additional trails. The Kachemak Bay Water Trail ribbon cutting is coming up on June 6th and Francie will be in attendance. These are all great examples of what the community can accomplish; they are people driven projects with great results.

COMMENTS OF THE CITY COUNCIL

Councilmember Roberts thanked Andrea and wished her good luck. Ms. Roberts has walked around the new harbor trail and it is wonderful. She congratulated Nick and Tom for obtaining their ham radio operators license. It will benefit the City. Half of the high school football field is dug up; the new turf field is coming soon.

Councilmember Zak said goodbye to Andrea and wished her good luck in Reno. He is proud of Homer on Memorial Day weekend to remember the fallen soldiers. He caught an 80 lb. halibut over the weekend. Those that avoided Homer missed out.

Councilmember Van Dyke recognizes public safety on the roads and will get behind the idea. He is sure something will be done on Bunnell Street and the entrance to Bishops Beach.

Councilmember Burgess offered a haiku mentioning Andrea, crosswalks, new Spit trail, crosswalks, and the firefighters.

Councilmember Lewis told Andrea it has been fun and wished her good luck. He will support a resolution for the horse park and turnout onto the State road, along with the driveway at Karen Hornaday Park. It was a fun weekend. He is glad the firefighters are safe. The boys and girls soccer teams were up at regions. The boys moved to State and the girls had a great victory beating Grace.

Councilmember Howard thanked Andrea for her service and wished her good luck. She has been an inspiration to the City and the hospital. She encouraged the City Manager to use what powers he has for the Karen Hornaday Park traffic issues. She will join with Councilmember Van Dyke for traffic calming, something other than what Denmark does. She also supports the ingress and egress for East End Road horse park.

ADJOURNMENT

There being no further business to come before the Council, Mayor Wythe adjourned the meeting at 7:25 p.m. The next Regular Meeting is Monday, June 9, 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.

JO JOHNSON, MMC, CITY CLERK

Approved: _____



City of Homer

www.cityofhomer-ak.gov

Office of the Mayor

491 East Pioneer Avenue
Homer, Alaska 99603

mayor@ci.homer.ak.us

(p) 907-235-3130

(f) 907-235-3143

Memorandum 14-092

TO: HOMER CITY COUNCIL
FROM: MARY E. WYTHE, MAYOR
DATE: JUNE 3, 2014
SUBJECT: APPOINTMENT OF LANCE PETERSEN TO THE PUBLIC ARTS COMMITTEE

Lance Petersen is appointed to the Public Arts Committee to replace outgoing member Trina Fellows. His term will expire April 28, 2016.

RECOMMENDATION:

Confirm the appointment of Lance Petersen to the Public Arts Committee.

Fiscal Note: N/A



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

CITY CLERKS OFFICE
CITY OF HOMER
491 E. PIONEER AVENUE
HOMER, ALASKA 99603
PHONE 907-235-3130
FAX 907-235-3143

RECEIVED BY CLERK'S OFFICE

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

Name Date

Physical Address City

Mailing Address Zip Code

Phone Work # Cell #

Email Address

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

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

Select	COMMISSION/COMMITTEE/BOARD.TASK FORCE	REGULAR MEETING SCHEDULE
<input type="checkbox"/>	ADVISORY PLANNING COMMISSION	1ST & 3RD WEDNESDAY OF THE MONTH AT 7:00 P.M. WORKSESSIONS AT 5:30 P.M.
<input type="checkbox"/>	ECONOMIC DEVELOPMENT ADVISORY COMMISSION	2ND TUESDAY OF THE MONTH AT 6:00 P.M.
<input type="checkbox"/>	LIBRARY ADVISORY BOARD	1ST TUESDAY OF THE MONTH AT 5:00 P.M.
<input type="checkbox"/>	PARKS & RECREATION ADVISORY COMMISSION	3RD THURSDAY OF THE MONTH AT 5:30 P.M.
<input type="checkbox"/>	PORT & HARBOR ADVISORY COMMISSION	4TH WEDNESDAY OF THE MONTH AT 5:00 P.M.
<input checked="" type="checkbox"/>	PUBLIC ARTS COMMITTEE	QUARTERLY - 2ND THURSDAY OF THE MONTH AT 5:00 P.M.
<input type="checkbox"/>	TRANSPORTATION ADVISORY COMMITTEE	3RD TUESDAY OF THE MONTH AT 5:30 P.M.
<input type="checkbox"/>	PERMANENT FUND COMMITTEE	QUARTERLY - 2ND THURSDAY OF THE MONTH AT 6:00 P.M.
<input type="checkbox"/>	LEASE COMMITTEE	QUARTERLY - 2ND THURSDAY OF THE MONTH AT 3:00 P.M.
<input type="checkbox"/>	OTHER - PLEASE ENTER THE COMMITTEE/TASK FORCE	

I have been a resident of the City for 46 mos. yrs I have been a resident of the area for mos. yrs.

I am presently employed as:

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

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

If so when and where?

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

I am interested in serving on the above because:

Do you currently belong to any organizations specifically related to the area of your choice(s) you wish to serve on?
 Yes No If yes, please list organizations:

Questions regarding the Homer Advisory Planning Commission:
Have you ever developed real property, other than your personal residence?

If yes, briefly describe the development:

Questions regarding the Port & Harbor Advisory Commission:
Do you use the Homer Port and/ or Harbor on a regular basis?

If yes, is you use primarily: Commercial Recreational Both

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

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



City of Homer

www.cityofhomer-ak.gov

Office of the City Clerk

491 East Pioneer Avenue
Homer, Alaska 99603

clerk@cityofhomer-ak.gov

(p) 907-235-3130

(f) 907-235-3143

Memorandum 14-093

TO: MAYOR WYTHE AND HOMER CITY COUNCIL
FROM: JO JOHNSON, MMC, CITY CLERK
DATE: JUNE 4, 2014
SUBJECT: 2015 PROPOSED BUDGET SCHEDULE

Included is the 2015 Proposed Budget Development Schedule.

RECOMMENDATION:

Review and approve the 2015 Budget Schedule.

City of Homer
Proposed Budget Development Schedule for FY 2015

Council Meeting Date	Time	Event
Monday, June 09, 2014	6:00 PM	Budget Schedule to Council.
Monday, July 28, 2014		Submit to departments , budget work sheets including salary and fringe benefit costs.
Monday, August 11, 2014	5:00 PM	During Committee of the Whole, Council to discuss budget priorities for the coming year.
Monday, August 11, 2014	6:00 PM	Regular Meeting- Public Hearing , Council to seek public input on budget priorities for the coming year.
Monday, August 25, 2014		Complete budget work sheets, including narratives, and justifications from departments to Finance.
Monday, September 08, 2014	5:00 PM	During Committee of the Whole, Council to discuss Revenue Sources for General Fund.
Monday, September 08, 2014		Compile data and return copy to departments for review.
Monday, September 08, 2014	Week of	City Manager, Finance Director, Department Heads - budget review
Monday, September 22, 2014		Preliminary budget assumptions to Council.
Monday, October 13, 2014		City Manager submits Draft Proposed Budget to Council .
Monday, October 13, 2014	5:00 PM	During Committee of the Whole, Council to discuss budget - 1 hour.
Monday, October 13, 2014	6:00 PM	Regular Meeting - Public Hearing .
Monday, October 27, 2014	5:00 PM	During Committee of the Whole, Council to discuss budget - 1 hour
Monday, October 27, 2014	6:00 PM	Regular Meeting- Budget Ordinance and Fee/Tariff Resolutions Introduced.
Monday, November 24, 2014	5:00 PM	During Committee of the Whole, Council to discuss budget - 1 hour
Monday, November 24, 2014	6:00 PM	Regular Meeting - Public Hearing .
Monday, December 08, 2014	6:00 PM	Regular Meeting - Public Hearing & adoption of Proposed Budget .

ORDINANCE REFERENCE SHEET
2014 ORDINANCE
ORDINANCE 14-26

An Ordinance of the City Council of Homer, Alaska, Amending the FY 2014 Operating Budget by Appropriating \$100,000 from the General Fund/Fund Balance to Provide Matching Funds for Natural Gas Conversions at Senior Center Buildings and Facilities.

Sponsor: Lewis

1. City Council Regular Meeting June 9, 2014 Introduction
 - a. Letter from Keren Kelley, Executive Director, Homer Senior Citizens, Inc. and costs for natural gas conversion

1 CITY OF HOMER
2 HOMER, ALASKA

Lewis

3
4 ORDINANCE 14-26

5
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
7 AMENDING THE FY 2014 OPERATING BUDGET BY
8 APPROPRIATING \$100,000 FROM THE GENERAL FUND/FUND
9 BALANCE TO PROVIDE MATCHING FUNDS FOR NATURAL GAS
10 CONVERSIONS AT SENIOR CENTER BUILDINGS AND
11 FACILITIES.

12
13 WHEREAS, The Homer Senior Center submitted a capital request to the City Council in
14 the amount of \$100,000 to assist in converting senior center buildings to natural gas; and

15
16 WHEREAS, The Senior Center has received a FY 2015 Legislative Grant in the amount
17 of \$100,000 for this purpose and has been informed that additional funding from the Kenai
18 Peninsula Borough and the Rasmuson Foundation might be leveraged if the City of Homer
19 made a contribution; and

20
21 WHEREAS, Converting Senior Center facilities to natural gas is expensive because the
22 facilities are presently served by electricity but the long term financial benefits and payback to
23 the Center and its residents will be substantial.

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

26
27 Section 1. The FY 2014 Operating Budget is hereby amended by appropriating
28 \$100,000 from the General Fund/Fund Balance for the purpose of providing matching funds for
29 converting Senior Center buildings to natural gas as follows:

30
31 Expenditure:

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
100-0350-5802	Natural Gas Conversion/Senior Center	\$100,000

32
33
34
35 Section 2. This is a budget amendment ordinance, is not permanent in nature, and shall
36 not be codified.

37
38 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ____ day of June, 2014.

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CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, MMC, CITY CLERK

AYES:

NOES:

ABSTAIN:

ABSENT:

First Reading:

Public Reading:

Second Reading:

Effective Date:

Reviewed and approved as to form:

Walt Wrede, City Manager

Thomas F. Klinkner, City Attorney

Date: _____

Date: _____



Homer Senior Citizens, Inc.

3935 Svedlund Street
Homer, Alaska 99603
(907) 235-7655 Fax: (907) 235-3739

April 22, 2014

Honorable Beth Wythe
Mayor and City Council
491 East Pioneer Avenue
Homer, Alaska 99630

Dear Honorable Wythe and City Council:

Thank you for allowing the Homer Senior Citizens, Inc. an opportunity to present what the senior center contributes to the City of Homer during your March 10, 2014 City Council Meeting. We understand the City of Homer has many priorities and supports non-profits through the Homer Foundation. We don't qualify for Homer Foundation Grants because of our size. As explained during the Council meeting, we are not a typical non-profit.

We understand the City of Homer financially supports the Pratt Museum. We understand the City of Homer financially supports Haven House. We believe it is unconscionable that the City of Homer does not support the Senior Center financially.

A financial contribution from the City of Homer for the natural gas conversion may leverage the State and possibly Kenai Borough. We have been advised the \$100,000 capital project request has passed the Senate and currently is in the House. If we are to remain a viable thriving organization, your financial support is necessary. We will continue to get declined by foundations and governmental agencies until the City of Homer provides financial support on a continual basis.

We are requesting \$100,000 in financial support for the natural gas conversion project. We are also requesting future line-item funding. Now is the time to act; your support will keep this valuable program in your community.

Respectfully submitted,

Keren L. Kelley,
Executive Director

Cc: Board of Directors

40 Years of Great Service Helping Seniors "Live Life to Its Fullest!"

www.homerseniors.com



Homer Senior Citizens, Inc. Natural Gas Conversion

City of Homer Assessment	4 Lots	\$3,283.30	\$	13,133
Enstar Line Installation	400 ft.	\$1,290	\$	5,160
\$1,290 first 100 feet to Building	1,200 ft.	\$2.00	\$	2,400
\$2.00 each additional foot				
Total Enstar Installation			\$	7,560
 Enstar Meters (BTU Loads)				
Parcel ID (estimate based on projected BTU loads)			\$	1,000
Parcel ID (estimate based on projected BTU loads)			\$	1,000
Parcel ID (estimate based on projected BTU loads)			\$	1,000
Parcel ID (estimate based on projected BTU loads)			\$	1,000
Total Meter Instalation			\$	4,000
 Boiler Conversion				
Senior Center Boiler Conversion			\$	51,750
Assisted Living Facility			\$	36,800
Kachemak Bay			\$	230,000
Pioneer Vista			\$	39,215
Bartlett			\$	9,200
Swatzell			\$	10,350
Total for Boiler Conversion			\$	377,315
 Retrofitting Piping to Appliances				
Gas Piping to Pioneer Vista			\$	10,000
Gas Piping to Bartlett			\$	8,000
Gas Piping to Convert Swatzell			\$	4,000
Total for Piping			\$	22,000
 Appliances				
Gas Dryer @ \$476	55	\$476	\$	26,180
Gas Range @ \$587	55	\$587	\$	32,285
Kitchen Steamer			\$	14,425
Kitchen Stove			\$	8,000
Total for Appliances			\$	80,890
 Total Conversion to Natural Gas			\$	504,898

ORDINANCE REFERENCE SHEET
2014 ORDINANCE
ORDINANCE 14-27

An Ordinance of the City Council of Homer, Alaska, Amending the FY 2014 Operating Budget by Appropriating Up to \$600,000 From the Port and Harbor Reserves as a Local Match for Repair, Replacement, and Rehabilitation of Infrastructure and Facilities at the Homer Small Boat Harbor Load and Launch Ramp.

Sponsor: City Manager/Port and Harbor Director

1. City Council Regular Meeting June 9, 2014 Introduction
 - a. Resolution 13-112

1 CITY OF HOMER
2 HOMER, ALASKA

3 City Manager/
4 Port and Harbor Director

5 ORDINANCE 14-27

6
7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
8 AMENDING THE FY 2014 OPERATING BUDGET BY
9 APPROPRIATING UP TO \$600,000 FROM THE PORT AND
10 HARBOR RESERVES AS A LOCAL MATCH FOR REPAIR,
11 REPLACEMENT, AND REHABILITATION OF INFRASTRUCTURE
12 AND FACILITIES AT THE HOMER SMALL BOAT HARBOR LOAD
13 AND LAUNCH RAMP.
14

15 WHEREAS, The Homer City Council adopted Resolution 13-112 entitled " A
16 RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, CONFIRMING THAT THE CITY
17 WILL PROVIDE LOCAL MATCHING FUNDS IN AN AMOUNT NOT TO EXCEED \$800,000 FOR
18 REPAIR, REPLACEMENT, AND REHABILITATION OF INFRASTRUCTURE AND FACILITIES AT
19 THE HOMER SMALL BOAT HARBOR LOAD AND LAUNCH RAMP"; and
20

21 WHEREAS, The State Department of Commerce, Community, and Economic
22 Development has confirmed that \$200,000 of the Cruise Ship Passenger Vessel Tax Grant
23 (Grant 12-DC-609) can be used as part of the local match, thus reducing the City's out of
24 pocket expense to \$600,000; and
25

26 WHEREAS, The Alaska Department of Fish and Game has completed the design work,
27 secured the necessary funding, and intends to start construction this fall; and
28

29 WHEREAS, In order to proceed further, it is necessary to appropriate the local match
30 and make it available to ADF&G.
31

32 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:
33

34 Section 1. The Homer City Council hereby amends the FY 2014 Operating Budget by
35 appropriating up to \$600,000 from the Port and Harbor Reserves as a local match for repair,
36 replacement, and rehabilitation of infrastructure and facilities at the Homer Small Boat Harbor
37 load and launch ramp as follows:
38

39 Expenditure:

40	<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
41	456-0380	Local Match/	
42		Load and Launch Ramp Upgrades	\$600,000

43
44 Section 2. This is a budget amendment ordinance, is not permanent in nature, and shall
45 not be codified.

46
47 ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER, ALSKA, this ____ day of
48 June, 2014.

49
50 CITY OF HOMER

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53 _____
54 MARY E. WYTHE, MAYOR
55

56 ATTEST:

57
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59 _____
60 JO JOHNSON, MMC, CITY CLERK
61

62
63 AYES:

64 NOES:

65 ABSTAIN:

66 ABSENT:
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69 First Reading:

70 Public Reading:

71 Second Reading:

72 Effective Date:
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78 Reviewed and approved as to form:

79

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81 _____

82 Walt Wrede, City Manager

83

84 Date: _____

85

86

87

Thomas F. Klinkner, City Attorney

Date: _____

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

3 City Manager/
4 Port and Harbor Director

5 **RESOLUTION 13-112**

6
7 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
8 CONFIRMING THAT THE CITY WILL PROVIDE LOCAL MATCHING
9 FUNDS IN AN AMOUNT UP TO \$800,000 FOR REPAIR,
10 REPLACEMENT, AND REHABILITATION OF INFRASTRUCTURE
11 AND FACILITIES AT THE HOMER SMALL BOAT HARBOR LOAD AND
12 LAUNCH RAMP.

13
14 WHEREAS, The Alaska Department of Fish and Game (ADF&G), Division of Sport Fish,
15 has access to Federal funding from a variety of sources for enhanced boating and sport
16 fishing access; and

17
18 WHEREAS, ADF&G has proposed that federal funds be used for improvements at the
19 load and launch ramp in the Homer small boat harbor and, with City concurrence, has begun
20 the process of making budget requests for this purpose; and

21
22 WHEREAS, The funds being applied for require a 25% non-federal match; and

23
24 WHEREAS, The City Council approved a Cooperative Agreement between the City and
25 ADF&G regarding repair, replacement, and rehabilitation of infrastructure and facilities at the
26 load and launch ramp through approval of Resolution 12-008; and

27
28 WHEREAS, The Cooperative Agreement states that ADF&G will provide the first
29 \$350,000 and project management for the initial engineering and design phase; and

30
31 WHEREAS, ADF&G and its consultant PND Engineering, has produced a draft
32 document entitled "Homer Small Boat Harbor Launch Ramp Renovation Alternative Analysis
33 Report"; a copy of which was provided to the Council and is currently being reviewed by the
34 City; and

36 WHEREAS, ADF&G needs a commitment from the City with respect to the required
37 local match in order to help secure the additional construction funding needed through an FY
38 2015 budget submittal; and

39
40 WHEREAS, if the City provides a local match and ADF&G is successful in its latest
41 budget submittal, construction could begin as early as the fall of 2014.

42
43 NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby pledges and
44 confirms that if and when full construction funding is secured, it will provide a local cash
45 match in an amount up to \$800,000 for repair, replacement, and rehabilitation of
46 infrastructure and facilities at the Homer small boat harbor load and launch ramp.


47
48 BE IT FURTHER RESOLVED that the City Manager is authorized to seek alternative
49 funding sources and submit grant applications to assist with the non-federal match in order
50 to mitigate potential impacts to the Port and Harbor Reserves.

51
52 PASSED AND ADOPTED by the Homer City Council this 25th day of November, 2013.

53
54 CITY OF HOMER

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57 
58 MARY E. WYTHE, MAYOR

59 ATTEST:

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63 JO JOHNSON, MMC, CITY CLERK

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66 Fiscal Note: Local cash match up to \$800,000.

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ORDINANCE REFERENCE SHEET
2014 ORDINANCE
ORDINANCE 14-28

An Ordinance of the City Council of Homer, Alaska, Amending the 2014 Operating Budget by Appropriating \$179,892.97 From the Harbor Reserve Fund for the Local Match Associated With Deep Water Dock Feasibility Study and Authorizing the City Manager to Execute All Appropriate Documents.

Sponsor: City Manager/Public Works Director

1. City Council Regular Meeting June 9, 2014 Introduction
 - a. Resolution 13-041

1 CITY OF HOMER
2 HOMER, ALASKA

3 City Manager/
4 Public Works Director

5 ORDINANCE 14-28
6

7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
8 AMENDING THE 2014 OPERATING BUDGET BY
9 APPROPRIATING \$179,892.97 FROM THE HARBOR RESERVE
10 FUND FOR THE LOCAL MATCH ASSOCIATED WITH DEEP
11 WATER DOCK FEASIBILITY STUDY AND AUTHORIZING THE
12 CITY MANAGER TO EXECUTE ALL APPROPRIATE
13 DOCUMENTS.
14

15 WHEREAS, Resolution 13-041 was adopted by the Homer City Council approving a
16 Transfer of Responsibility Agreement (TORA) between the City of Homer and the
17 Alaska Department of Transportation and Public Facilities (ADOT/PF) regarding
18 federal funding and project management responsibilities for the Deep Water
19 Dock Improvements Feasibility Study; and
20

21 WHEREAS, The TORA agreement required a local match (9.03% of earmark allocation)
22 in the amount of \$179,892.97; and
23

24 WHEREAS, The Feasibility Study cannot be initiated until the local match lump sum
25 payment has been provided to ADOT/PF.
26

27 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:
28

29 Section 1. The FY 2014 Operating Budget is hereby amended by appropriating
30 \$179,892.97 from the Harbor Reserve fund for the local match associated with the ADOT/PF
31 Deep Water Dock Feasibility Study TORA.
32

33 Expenditure:
34

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
456-0380 (Harbor Reserve)	ADOT Deep Water Dock Feasibility Study	\$179,892.97

35
36
37
38

39 Section 2. This is a budget amendment ordinance, is not permanent in nature, and shall
40 not be codified.
41

42 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this _____ day of
43 _____ 2014.
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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

Date: _____

Thomas F. Klinkner, City Attorney

Date: _____

1 CITY OF HOMER
2 HOMER, ALASKA

3 City Manager

4 RESOLUTION 13-041

5
6 A RESOLUTION OF THE HOMER CITY COUNCIL
7 APPROVING A TRANSFER OF RESPONSIBILITY
8 AGREEMENT (TORA) BETWEEN THE CITY OF HOMER
9 AND THE ALASKA DEPARTMENT OF TRANSPORTATION
10 AND PUBLIC FACILITIES (ADOT/PF) REGARDING
11 FEDERAL FUNDING AND PROJECT MANAGEMENT
12 RESPONSIBILITIES FOR THE DEEP WATER DOCK
13 IMPROVEMENTS FEASIBILITY STUDY.
14

15 WHEREAS, The 2005 Federal Transportation Bill, SAFETEA-LU, contained a
16 \$2,000,000 "Earmark" for the "Homer Intermodal Deep Water Dock Facility Improvements";
17 and
18

19 WHEREAS, The purpose of the funding was to conduct a study on whether expanding
20 and strengthening the Deep Water Dock was feasible including an analysis of costs, development
21 alternatives, preliminary design, business demand, and permitting requirements; and
22

23 WHEREAS, The City subsequently received a Legislative Grant in the amount of
24 \$1,000,000 to supplement the Federal funds; and
25

26 WHEREAS, The project was delayed for several years because the Federal funds were
27 not released or made available due to DOT/PFs interpretation of Federal regulations related total
28 project funding; and
29

30 WHEREAS, The regulatory hurdles have been resolved and in order to move this project
31 forward in a timely manner, the City has agreed to assume full responsibility for the project
32 including responsibility for all Federal procurement, permitting, and financial reporting
33 requirements; and
34

35 WHEREAS, The terms of the agreement between the City and ADOT/PF are contained
36 in the Draft Transfer of Responsibility Agreement which was reviewed by the City Council at its
37 regular meeting on April 22, 2013.
38

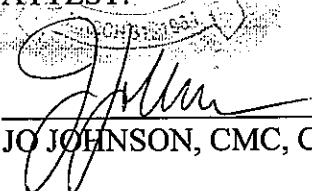
39 NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby approves
40 the Transfer of Responsibility Agreement between the City and DOT/PF regarding the Deep

41 Water Dock Improvements Feasibility Study, a copy of which is attached and incorporated
42 herein.

43
44 BE IT FURTHER RESOLVED that the City agrees to assume full responsibility for the
45 project including all of the requirements that come with Federal Transportation Funding.

46
47 PASSED AND ADOPTED BY THE HOMER CITY COUNCIL this 22nd day of April,
48 2013.



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55 ATTEST:
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58 
59 JO JOHNSON, CMC, CITY CLERK

CITY OF HOMER


MARY E. WYTHE, MAYOR

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63 Fiscal Note: N/A
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ORDINANCE REFERENCE SHEET
2014 ORDINANCE
ORDINANCE 14-29

An Ordinance of the City Council of Homer, Alaska, Amending the FY 2014 Operating Budget by Appropriating \$37,708 From the General Fund/Fund Balance to Fund a Permanent Part Time Administrative Assistant Position at Public Works.

Sponsor: Burgess

1. City Council Regular Meeting June 9, 2014 Introduction
 - a. Public Works Administrative Assistant I Job Description and Specifications
 - b. 2014 Budget Request for Administrative Assistant I

CITY OF HOMER
HOMER, ALASKA

Burgess

ORDINANCE 14-29

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
AMENDING THE FY 2014 OPERATING BUDGET BY
APPROPRIATING \$37,708 FROM THE GENERAL FUND/FUND
BALANCE TO FUND A PERMANENT PART TIME
ADMINISTRATIVE ASSISTANT POSITION AT PUBLIC WORKS.

WHEREAS, The Public Works Department had at one time two administrative assistant positions and one position has remained vacant for a number of years due to budget constraints; and

WHEREAS, The Department has requested that the vacant position be restored as a regular, part time, Administrative Assistant I position to assist with the work load and improve customer service; and

WHEREAS, A copy of the budget request and justification is attached and incorporated herein.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby amends the FY 2014 Operating Budget by appropriating \$37,708 from the General Fund/Fund Balance to fund a permanent part time Administrative Assistant I position at Public Works as follows:

Expenditure:

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
100-0170	PT, Admin. Assistant I /Public Works	\$37,708

Section 2: This is a budget amendment ordinance, is not permanent in nature, and shall not be codified.

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

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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

Date: _____

Thomas F. Klinkner, City Attorney

Date: _____

**CITY OF HOMER
JOB DESCRIPTION AND SPECIFICATIONS**

<u>PUBLIC WORKS ADMINISTRATIVE ASSISTANT I</u>			
Department:	Public Works	Sub-Department:	
Reports To:	PW Director	Backed Up By:	None
Supervises:	None	Backs Up:	Admin. Assist II
Range:	5	Classification:	Regular Full-Time
FLSA Status:	Non-Exempt	Updated:	05/15/14

GENERAL FUNCTIONS

Provides support to the PW Admin Assistant II is responsible for performing a full range of administrative duties for the entire Public Works Department.

JOB FUNCTIONS AND MAJOR ACTIVITIES

1. Answer telephone in a professional manner to provide information about department programs, activities or events; screens calls and determines proper referral.
2. Monitor Public Works base station radio and ensures safety procedures are being followed.
3. Performs administrative duties for the entire department, including filing and preparation of routine general correspondence.
4. Assists with data entry for Department Maintenance Management Computer System. Completes computer generated work orders and reports.
5. Prepares purchase orders and codes invoices as required.
6. Assists with capital project administrative duties, including preparation of routine correspondence and interaction with public affected by the project.
7. Performs other administrative duties as assigned.

SKILLS, KNOWLEDGE AND ABILITIES

At least two years general office experience in duties requiring public contact work required, with one year in a direct government environment desirable. Accurate keyboarding skills required. Requires written and verbal skills in composing letters and contact with the public. Knowledge of modern office procedures and equipment, including working knowledge of computer and current software required. Requires ability to monitor several tasks at once and ability to establish good working relationships with department, city staff and the public. High school diploma or G.E.D. required.

DECISION MAKING RESPONSIBILITIES

Work is performed under general supervision. Independent judgment often required in handling public inquiries/problems. Activities are a minor potential liability to the City.

SUPERVISORY AUTHORITY

None.

EXTERNAL VISIBILITY/CONTACT

Low frequency contact with key City personnel, government officials and key service providers. Infrequent presentations/attendance at public meetings. High contact with general public.

WORKING CONDITIONS

Office environment. Position requires ability to stand, sit, walk and lift up to 15 pounds.

I CERTIFY THAT I HAVE READ THIS JOB DESCRIPTION AND SPECIFICATON; IT HAS BEEN EXPLAINED TO ME. I UNDERSTAND AND ACCEPT THE EXPECTATIONS OF MY DUTIES AND RESPONSIBILITIES AS A CONDITION OF MY EMPLOYMENT AS STATED HEREIN.

Employee Signature

Date

Director of Public Works Signature

Date

Personnel Director Signature

Date

City Manager Signature

Date

**CITY OF HOMER
DEPARTMENT BUDGET REQUEST
YEAR 2014**

Requesting Department Public Works Date 6/3/2014

Level of Need: Urgent Essential Necessary Desirable

Request for Additional Personnel:
 Position Title Administrative Assistant I
 Salary Range & Step 5 C
 Full-time
 Part-time Hours Per Year 1040

Request Other Than Personnel:
 Description _____

 Fund Name: _____

(FINANCE DEPT WILL COMPLETE)	
5101 Permanent Employees	_____
5102 Fringe Benefits	_____
5103 P/T Employees	_____
5104 Fringe Benefits P/T	_____
5105 Overtime	_____
Total Personnel Cost	_____

Account Name: _____
 Account # _____
 Estimated Cost: _____

Justification:

Public Works has only one administrative assistant type position. That is very slim considering the number of employees, the scope of services, the number of projects, and the size of the budget. PW is simply swamped right now with lots of projects, activities, and public contact. PW used to have two administrative assistant type positions but one has been left vacant due to budget cuts several years ago. There is no back-up for the one person we have if she is ill or takes vacation. She often must leave her post to perform her duties. There is no one to cross train with her because everyone else is fully tasked. There are many times when there is no one at the reception desk and the Director or the Superintendent are answering the phone or talking to walk-in customers. Public Works probably received more contact with the public than any other department with the possible exception of the Port and Harbor.

Requestor's Name: Carey Meyer

Department Head Approval: Carey Meyer

City Manager Recommendation: _____ Date _____

Approved _____

Denied _____

Comments _____

1 CITY OF HOMER
2 HOMER, ALASKA

3 City Clerk/
4 Library Director

5 RESOLUTION 14-058

6
7 A RESOLUTION OF THE CITY COUNCIL OF HOMER,
8 ALASKA, AMENDING THE HOMER PUBLIC LIBRARY
9 CIRCULATION POLICY.

10
11 WHEREAS, The Library Advisory Board reviewed and approved the amendments to the
12 Circulation Policy as follows:

13
14 **HOMER PUBLIC LIBRARY**
15 **CIRCULATION POLICY**

16
17 The library is supported by tax funds and to the greatest extent possible, its services and
18 resources are available to the public without charge. Materials in all formats shall be circulated
19 on the same basis. Those materials designated for library use only, due to fragility or rarity,
20 may circulate on a limited basis to be determined by the library director.

21
22 **LIBRARY CARDS**

- 23
- 24 • A library card is the legal and binding contract between the library and the patron.
 - 25 • A patron must present a card in good standing to borrow materials or use a computer.
 - 26 • A patron's card will be blocked, and no services may be obtained with it, if the patron
27 owes \$5.00 or more in unpaid fines and/or fees.
 - 28 • Parents are responsible for keeping children's cards in good standing.
 - 29 • Library staff will renew overdue materials that have not reached the maximum renewal
30 limit even if a patron's card is blocked in order to keep fines and/or fees from
31 accumulating if possible. Please Note: an item that has been placed on hold may not be
32 renewed.

33 **LOST, STOLEN, OR DAMAGED CARDS**

- 34
- 35 • A patron is responsible for notifying the library promptly of a lost or stolen card.
 - 36 • A patron is responsible for all items checked out on the card prior to it being reported
37 lost or stolen.
 - 38 • When a patron reports a library card is lost, stolen, or damaged, a block is placed or a
39 replacement card is issued.
 - 40 • A patron must be present when the new card is issued.
 - 41 • Replacement cards are \$5.00.
 - 42 • A card may be replaced free of charge at the discretion of library staff for normal wear
43 and tear (i.e. when the scanner is no longer able to read the barcode). Staff members
may use their own judgment for hardship cases (e.g., patron's house burned down). It is

44 important for all staff members to document such interactions in the patron's Extended
45 Information field in order to assist both the patron and the library staff.

- 46 • A patron must verify registration information.
- 47 • A patron may have only one card.

48

49 **FINES AND FEES**

- 50 • Overdue fines are assessed on items that are kept beyond their return due date.
- 51 • The fines for the majority of circulating items are \$.15 per item per day.
- 52 • Video (DVDs and VHSs) fines are \$1.00 per day. Please see Fines and Fees Policy for
53 more detail.
- 54 • Staff members may use their own judgment to waive an overdue fine; however, all
55 significant fines should be cleared by a Library Technician III or the library director.

56

57 **OVERDUE MATERIALS**

58 Patrons who do not return overdue library materials after receiving two notices will be blocked
59 until library material is returned. Patrons with large delinquencies will be referred to the
60 Cornerstone Collection Agency for collection and will be charged an additional \$25.00 as well as
61 all collection agency fees. Collection options include small claims action and attachment of the
62 individual's Permanent Fund Dividend in an amount sufficient to cover the cost of what is owed.

63

64 **LOST MATERIALS**

- 65 • A patron will be charged the cost of the lost item plus a processing fee.
- 66 • A patron should not purchase a replacement copy of a lost item; the library may choose
67 not to accept a replacement item due to a variety of circumstances (e.g., the title has a
68 library (reinforced) binding, there is a newer edition, or more current information is
69 available in a different title).
- 70 • Staff members may use their own judgment to waive an overdue fine; however, all
71 significant fines should be cleared by a Library Technician III or the library director.

72

73 **REFUND OF REPLACEMENT FEES**

- 74 • The amount paid for a lost book that is later found and returned in good condition to the
75 library can be refunded within 60 days of Lost Status.
- 76 • After 60 days, the fee will not be refunded.

77

78 **INCOMPLETE MATERIALS**

79 If a media item is returned missing a part or piece, it will not be checked in and fines will
80 continue to accrue. If the patron does not return the missing part within 6 weeks, the patron
81 will be charged a non-refundable replacement fee as well as a processing fee of \$7.00.

82

83 **DAMAGED MATERIALS**

84 If an item is returned in a non-repairable condition, and this condition is due to negligence on
85 the patron's part, the patron will be charged the cost of the item plus a processing fee.

86

87

88 **CLAIMS RETURNED MATERIALS**

89 All staff should refer patrons to the Claims Returned Supervisor. In addition, it is important for
90 all staff members to document interactions in the patron's Extended Information field in order
91 to assist both the patron and the Claims Returned Supervisor.

92

93 **MATERIALS LOST TO THEFT OR NATURAL CAUSES**

94 • At the discretion of the library staff, charges for materials lost or destroyed by natural
95 causes such as fire or flood may be waived.

96 • The library may request documentation of the loss.

97 • The library will furnish a list of borrowed materials with costs for insurance purposes if
98 asked to do so.

99

100 **HOLDS**

101 • Items owned by the library but not immediately available will be placed on hold (i.e.,
102 reserved) for patrons upon request.

103 • Items placed on hold may not be renewed; instead, the item must be returned to the
104 library so it may be available for the patron who placed the hold.

105

106 **LOAN LIMIT**

107 • The loan limit per library card is 12 items of general collection materials per patron.

108 • A patron may not have more than 3 videos (DVDs or VHSs) checked out at any one time.

109 • Lower limits will apply for patrons with special or visitor cards.

110

111 **CIRCULATION PERIODS**

112 Library materials circulate for varying periods of time:

113

114 **Audio Visual Equipment**

115 • Overnight or 2-day checkout period.

116 • Fines are \$1.00 per day.

117 • Patron must be 18 years or older.

118 • Patron must be a resident. (If visitors need equipment, a local resident with a library
119 card in good standing may check out the equipment.)

120 • Agencies must designate a responsible employee/representative as a cardholder. The
121 cardholder will be responsible for missing or damaged items.

122 • Patrons borrowing equipment must keep the equipment in their possession and not
123 allow anyone else to borrow it.

124 • Circulation periods may be extended if the piece of equipment has not been reserved for
125 another patron.

126

127 **Audiobook (cassette or CD)**

128 • 14-day checkout period.

129 • Two week renewal period for up to two renewals.

130 • Fines are \$.15 per day.

131

132 **Book**

- 133 • 14-day checkout period.
- 134 • Two week renewal period for up to two renewals.
- 135 • Fines are \$.15 per day.

136

137 **Book3 (extra week for lengthy book)**

- 138 • 21-day checkout period.
- 139 • Three week renewal period for up to two renewals.
- 140 • Fines are \$.15 per day.

141

142 **Electric Usage Meters**

- 143 • 14-day checkout period.
- 144 • Use may be extended on a case-by-case basis.
- 145 • Fines are \$1.00 per day.

146

147 **Games**

- 148 • Non-Circulating.
- 149 • Available for use in the library.

150

151 **Kit (book with CD or cassette)**

- 152 • 14-day checkout period.
- 153 • Two week renewal period for up to two renewals.
- 154 • Fines are \$.15 per day.

155

156 **Magazine**

- 157 • 14-day checkout period.
- 158 • Two week renewal period for up to two renewals.
- 159 • Fines are \$.15 per day.
- 160 • Current issue does not circulate until a newer issue is available for public use.
- 161 • Circulation period may be shortened at the discretion of the library staff due to the
- 162 timely subject matter of certain magazines.
- 163 • Please ask a library staff member for assistance with non-circulating magazine titles.

164

165 **Maps**

- 166 • Non-Circulating.
- 167 • Available for use in the library.

168

169 **Newspaper**

- 170 • 14-day checkout period.
- 171 • Two week renewal period for up to two renewals.
- 172 • Fines are \$.15 per day.
- 173 • Current issue does not circulate until a newer issue is available for public use.

- 174 • Circulation period may be shortened at the discretion of the library staff due to the
- 175 timely subject matter of certain magazines.
- 176 • Please ask a library staff member for assistance with non-circulating newspaper titles.
- 177

178 **Punch Bowl & Cups**

- 179 • Overnight or 2-day checkout period.
- 180 • Use may be extended on a case-by-case basis.
- 181 • Fines are \$1.00 per day.
- 182

183 **Puppet, puzzle, or toy**

- 184 • 14-day checkout period.
- 185 • Two week renewal period for up to two renewals.
- 186 • Fines are \$.15 per day.
- 187

188 **Vertical File**

- 189 • Non-Circulating.
- 190 • Available for use in the library.
- 191

192 **Video (DVD or VHS)**

- 193 • 7-day checkout period.
- 194 • No renewals.
- 195 • Video fines are \$1.00 per day.
- 196 • Maximum of three videos checked out on a library card at a time.
- 197

198 **Music (CD)**

- 199 • 14 – day checkout period.
- 200 • Two week renewal period for up to two weeks
- 201 • Fines are \$0.15 per day.
- 202

203 NOW, THEREFORE, BE IT RESOLVED that the City Council hereby amends the Homer

204 Public Library Circulation Policy to reflect the recommendations of the Library Advisory Board.

205

206 PASSED AND ADOPTED BY THE HOMER CITY COUNCIL this 9th day of June, 2014.

207

208 CITY OF HOMER

209

210

211 _____

212 MARY E. WYTHER, MAYOR

213 ATTEST:

214

215

216 _____

217 JO JOHNSON, MMC, CITY CLERK

218 Fiscal Note: N/A



City of Homer

www.cityofhomer-ak.gov

Office of the City Clerk

491 East Pioneer Avenue
Homer, Alaska 99603

clerk@cityofhomer-ak.gov

(p) 907-235-3130

(f) 907-235-3143

Memorandum 14-088

TO: MAYOR WYTHER AND CITY COUNCIL

FROM: LIBRARY ADVISORY BOARD

THRU: RENEE KRAUSE, CMC, DEPUTY CITY CLERK I

DATE: MAY 14, 2014

SUBJECT: AMEND THE CIRCULATION POLICY TO EXTEND THE CHECK OUT PERIOD AND
REDUCE THE DAILY OVER DUE FINES ON MUSIC CD'S

Background

Library Staff requested amending the circulation policy covering Music CD's. In the past the music collection was minimal and very popular so the policy was established to have a shorter checkout period to ensure the patrons would be able to access the collection. Since that time with the advent of other sources of music and at the request of staff and suggestions from patrons it is recommended to extend the checkout time to 14 days with the ability to renew and reduce the fine to \$0.15 per day for each day that the item is late.

The Board discussed and motioned to approve the change to the Circulation Policy at the regular meeting on May 6, 2014. Following is an excerpt of the minutes of that meeting:

NEW BUSINESS

A. Recommendation to Change the Circulation Policy Adding Music CD's and Defining Overdue Fees

Ms. Dixon provided the reasoning behind the change request in the Circulation Policy for music CD's from 7 day to 14 day checkout period.

There was a brief discussion on changing the DVD's to a longer circulation period.

UTLEY/STROBEL - MOVE TO RECOMMEND CHANGING THE CIRCULATION POLICY FOR MUSIC CD'S FROM 7 DAY TO 14 DAY AND THE OVERDUE FINES FROM \$1.00 PER DAY TO \$0.15 PER DAY.

There was no discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Recommendation: Approve the request to amend the Circulation Policy to extend the checkout period to 14 days and reduce the overdue fine per day to \$0.15.



City of Homer

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Homer, Alaska 99603

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(f) 907-235-3143

Memorandum 14-098

TO: MAYOR WYTHER AND CITY COUNCIL

FROM: LIBRARY ADVISORY BOARD

THRU: RENEE KRAUSE, CMC, DEPUTY CITY CLERK I

DATE: JUNE 4, 2014

SUBJECT: AMEND THE CIRCULATION POLICY TO UPDATE LANGUAGE AND CIRCULATION DETAILS ON ITEMS

Background

Following is the excerpt from the June 3, 2014 regular meeting minutes on the recommended updates from Library staff to the Circulation Policy in addition to what the Board reviewed and approved at the May 6, 2014 regular meeting.

PENDING BUSINESS

B. Amendments to the Circulation Policy for General Updates to Language and Circulation Details on Items

Chair Gordon read the title into the record.

Ms. Dixon explained that last month they saw the amendments to the fees adding music. These changes address the updates and general housekeeping to the language plus increasing the loan limit.

There was a brief discussion regarding the difference in Book and Book 3 categories; increasing to a standard three week period for everything; and removing the actual fines or fees from the policy level since realistically policies are only updated periodically where fines and fees are updated or changed on an annual basis.

Chair Gordon requested a motion to approve the circulation policy amendments.

PORTER/SMITH – SO MOVED.

There was no further discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Recommendation: Approve the request to amend the Homer Public Library Circulation Policy.

Session 14-06 a Regular Meeting of the Library Advisory Board was called to order by Chair Phil Gordon at 5:00 p.m. on June 3, 2014 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: BOARD MEMBERS GORDON, SMITH, STROBEL, AND PORTER

ABSENT: BOARD MEMBER SLONE, UTLEY (EXCUSED)

STAFF: LIBRARY DIRECTOR DIXON
DEPUTY CITY CLERK KRAUSE

AGENDA APPROVAL

The agenda was approved as presented by consensus of the Board.

PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA

There were no public comments on the agenda.

RECONSIDERATION

There were no items for reconsideration.

APPROVAL OF MINUTES

A. Meeting Minutes for the Regular Meeting on May 6, 2014

Chair Gordon requested a motion to approve the minutes of May 6, 2014.

STROBEL/PORTER – MOVED TO APPROVE THE MINUTES AS PRESENTED.

There was no discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS

There were no visitors scheduled.

STAFF AND COUNCIL REPORT/COMMITTEE REPORTS/BOROUGH REPORTS

A. Friends Report

There was no report.

B. Next Friends Meeting

The next meeting is scheduled for Wednesday, June 11, 2014. No Board members volunteered to attend.

Ms. Dixon will attend that meeting.

C. Directors Report and Monthly Statistics – May 2014

Library Director Dixon provided a summary of her report. She provided statistics through May to the Board members and staff. She commented on the record breaking month and things are humming along. She noted that they are advertising for a Temporary Library Aide due to the increased need. It is believed that there is enough in the part-time budget for this position.

Ms. Dixon shared a picture on the “Little Library” built by the students at the Flex School and now installed at Fritz Creek General Store.

One complaint has been received regarding cell phone usage at the library.

Ms. Smith recommended looking into cell phone disrupters such as the hospital uses. Ms. Dixon will check with IT but in the meantime she shared the new “sign” that will be displayed.

Ms. Dixon further shared that they have received numerous compliments regarding the improved collection and an inquiry regarding Security Camera footage is Public Information with some constraints.

There was one comment regarding using the history to justify budget requests for additional staff.

D. Facilities Report

There was no report.

PUBLIC HEARING

Chair Gordon read the Public Hearing into the record. Chair Gordon opened the Public Hearing for comments.

There were seven who testified in favor of renaming and dedicating the garden to the memory of Peter Larson.

Chair Gordon closed the public hearing and thanked those participants for attending.

PENDING BUSINESS

A. Amending the Bylaws to Reduce the Number of Annual Meetings and Modify the Creation of Committees to Council Approval Only

Ms. Krause informed the Board that this was the second and final notice for the amendments to the Bylaws. It was realized that these changes were not properly noticed on the agenda.

There was a brief discussion. Chair Gordon requested a motion to approve the changes.

STROBEL/PORTER – MOVED TO APPROVE THE RECOMMENDED CHANGES TO THE LIBRARY ADVISORY BOARD BYLAWS ARTICLE FOUR, MEETINGS, REDUCING MEETINGS TO FEBRUARY, MARCH, MAY, JUNE, JULY, SEPTEMBER, OCTOBER AND DECEMBER AND ARTICLE FIVE, COMMITTEES, WILL ONLY BE APPOINTED AND BECOME ACTIVE UPON APPROVAL OF COUNCIL.

There was no further discussion.

VOTE. YES. STROBEL, GORDON, PORTER, SMITH

Motion carried.

B. Amendments to the Circulation Policy for General Updates to Language and Circulation Details on Items

Chair Gordon read the title into the record.

Ms. Dixon explained that last month they saw the amendments to the fees adding music. These changes address the updates and general housekeeping to the language plus increasing the loan limit.

There was a brief discussion regarding the difference in Book and Book 3 categories; increasing to a standard three week period for everything; and removing the actual fines or fees from the policy level since realistically policies are only updated periodically where fines and fees are updated or changed on an annual basis.

Chair Gordon requested a motion to approve the circulation policy amendments.

PORTER/SMITH – SO MOVED.

There was no further discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

NEW BUSINESS

A. Welcome New Member!

Chair Gordon welcomed Ms. Smith to the Board. Ms. Smith provided a brief personal statement to the board.

There was a statement of welcome from the Board.

B. Recommendation on a Request to Dedicate a Garden

Ms. Dixon provided some personal experience with Mr. Larson and the gardens.

Ms. Porter commented in favor of the request to rename the garden.

Chair Gordon inquired if she was ready to make a motion.

Mr. Strobel was not opposed to the request but asked what the Rotary was and why they were involved with City property. Ms. Krause provided a brief explanation on some things the Rotary does and is involved in. He also inquired if Mrs. Larson was a Rotarian and involved with the garden. Ms. Krause was not positive if she was a Rotarian but knew that she did work in the gardens too.

STROBEL/PORTER -MOVED TO APPROVE THE REQUEST TO RENAME AND DEDICATE THE ROTARY GARDEN AT THE HOMER PUBLIC LIBRARY TO THE PETER LARSON MEMORIAL ROTARY GARDEN.

There was a brief discussion.

VOTE. YES. STROBEL. PORTER, GORDON, SMITH

Motion carried.

C. Review and Recommendation on Installation of a Story Walk on Library Property

Chair Gordon read the title into the record. Ms. Dixon provided background information to the Board.

There was a brief discussion regarding funding and the copyright on "Story Walk". It was suggested that they could refer to this as a Story Trail since it was next to one.

This has been before the Public Works Department and the Planning Department with no one opposed. Ms. Dixon confirmed that grant money from the People's Garden could be used on the Story Trail.

STROBEL/PORTER – MOVED TO RECOMMEND APPROVAL ON INSTALLING A PERMANENT STORY TRAIL IF FUNDING CAN BE FOUND.

There was a brief discussion on support only if not the responsibility of library staff and funding can be found.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

INFORMATIONAL ITEMS

A. Strategic Plan

Chair Gordon stated that there were additional priorities agreed at the March regular meeting and according to his notes they were requesting as top priority 1. a temporary summer Library aide, 2. further increase in collection development funds and development of a comprehensive plan over the next five years.

Ms. Krause will add these items.

He was concerned that with the reduction in meetings to eight per year that they should consider having longer meetings of at least 90 minutes in order to assure the Board completes its work.

Discussion followed regarding the Collection Development Policy and Selection Policy for the benefit of the newest Board members.

Chair Gordon clarified comments made by Mr. Hornaday regarding funding to build the Library; working on a funding request for a contract person to work on the Collection Development Policy and also a Rasmussen grant request.

Ms. Dixon is working on the Selection Policy.

B. 2014 Board Member Attendance at Council Meeting

Chair Gordon thanked Ms. Porter for having her name twice on the list.

There were no further commitments from board members.

COMMENTS OF THE AUDIENCE

There were no comments from the audience present.

COMMENTS OF CITY STAFF

There were no comments from the staff.

COMMENTS OF THE COUNCILMEMBER

There was no Council member in attendance.

COMMENTS OF THE CHAIR

Chair Gordon commented that he hopes they are an effective board, keep meetings as brief as possible and please be mindful to read your packet before the meetings and spoke about the value on documents recommended from Ms. Dixon.

COMMENTS OF THE BOARD

There were no comments from the Board.

ADJOURN

There being no further business to come before the Board the meeting adjourned at 6:20 p.m. The next regular meeting is scheduled for Tuesday, July 1, 2014 at 5:00 p.m. at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, and Alaska.

RENEE KRAUSE, CMC, DEPUTY CITY CLERK

Approved: _____

1 CITY OF HOMER
2 HOMER, ALASKA

3 City Clerk/
4 Library Advisory Board

5 RESOLUTION 14-059
6

7 A RESOLUTION OF THE CITY COUNCIL OF HOMER,
8 ALASKA, UPDATING THE LIBRARY ADVISORY BOARD
9 BY-LAWS TO AMEND ARTICLE FOUR, MEETINGS,
10 SECTION TWO AND FOUR AND ARTICLE FIVE,
11 COMMITTEES, SECTION ONE.
12

13 WHEREAS, The Library Advisory Board discussed the amendments at the Regular
14 Meeting held February 4, 2014 at the request of City Council; and
15

16 WHEREAS, The Library Advisory Board understood the problems that occurred creating
17 committees that had no direction or tasks outlined when they were created and the desire of
18 Council to reduce the overtime and duplication of the workload of staff; and
19

20 WHEREAS, The Library Advisory Board introduced the changes to their Bylaws to
21 reflect the recommended changes at the May 6, 2014 regular meeting; and
22

23 WHEREAS, The Library Advisory Board approved the changes to Article Four Sections
24 Two and Four and Article Five, Committees, Section One as follows:
25

26 **ARTICLE IV – MEETINGS**
27

28 Section 1 The annual meeting for review of policies, rules and regulation shall be held at a
29 regular meeting each year.
30

31 Section 2 Regular meetings shall be held on the first Tuesday of the following months:
32 February, March, May, June, July, September, October and December at 5:00 p.m. each
33 month in the designated location. ~~Dates, hours and location shall be set by the Board, and~~
34 Notice of meetings shall be posted for public information given as required by Homer City
35 Code and Alaska State Statutes.
36

37 Section 3 All regular meetings shall be open to the public.
38

39 Section 4 The regular meetings in July, ~~August~~ and September of each year shall be known as
40 budget meetings. Budget proposals, position classification and compensation schedules, shall
41 be reviewed at these meetings.
42

43 Section 5 The order of business for the regular meetings shall include, but not be limited to, the
44 following items, which shall be covered in the sequence shown, as far as circumstances permit.

45 Agenda shall be posted for public information as required by Homer City Code and Alaska
46 State Statutes.

47
48
49

50 **ARTICLE V - COMMITTEES**

51

52 Section 1 ~~The Chairperson shall appoint committees~~ **A committee** of one or more members for
53 such specific purposes as the business of the Board may require. **will only be appointed and**
54 **become active upon approval of Council. A memorandum and resolution will go before**
55 **Council outlining the reason for the formation of a committee, tasks assigned and**
56 **termination date or length of time expected to complete assigned tasks.** Committees shall
57 be considered to be discharged upon completion of the purpose for which it was appointed,
58 and after its final report is made to and approved by the Board.

59

60 Section 2 All committees shall make a progress report to the Board at each of its meetings.

61

62 Section 3 No committee shall have other than advisory powers unless, by suitable action to the
63 Board, it is granted specific powers to act.

64

65 NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, amends
66 the Library Advisory Board Bylaws to reflect the changes to Article Four, Meetings, and Article
67 Five, Committees, and relative sections as required.

68

69 PASSED AND ADOPTED BY THE HOMER CITY COUNCIL this 9th day of June, 2014.

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CITY OF HOMER

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MARY E. WYTHE, MAYOR

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77 ATTEST:

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81

JO JOHNSON, MMC, CITY CLERK

82

83

Fiscal Note: N/A



City of Homer

www.cityofhomer-ak.gov

Office of the City Clerk

491 East Pioneer Avenue
Homer, Alaska 99603

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Memorandum 14-089

TO: MAYOR WYTHE AND CITY COUNCIL

FROM: LIBRARY ADVISORY BOARD

THRU: RENEE KRAUSE, CMC, DEPUTY CITY CLERK I

DATE: MAY 14, 2014

SUBJECT: AMENDING THE LIBRARY ADVISORY BYLAWS, SECTION FOUR, MEETINGS, REDUCING THE NUMBER OF REGULAR MEETINGS ANNUALLY AND SECTION FIVE, COMMITTEES, CREATION BY COUNCIL THROUGH RESOLUTION ONLY

Background

The Board introduced, discussed and approved the reduction of meetings and creation of committees at the regular meeting on February 4, 2014 and May 6, 2014..

Following is the excerpts from those meetings:

Excerpt from the minutes for the February 4, 2014 regular meeting:

B. Memorandum from City Clerk Re: Reducing Meetings of the Board, Commissions and Committees at the Request of City Council

Vice Chair Strobel read the recommendation into the record and asked for any comments or discussion. Ms. Krause explained that she provided the meetings that were conducted and indicated the special meetings held. Mr. Gordon requested the amount of time and costs involved when meetings are missed. Ms. Krause stated that she spent up to approximately 4 hours per month plus the cost of advertising. She additionally noted that Ms. Dixon who is the staff spend much more time on preparing the information and reports for the Board. Her recommendation is to consider meeting every other month due to the necessity to approve a needed policy or to cover the budget process, etc.

Mr. Gordon could understand the repugnance of waste as he himself loathes waste but feels this would reduce the importance of the tasks performed by this board and additionally, conceptually the more citizen involvement our town has in its administration the better job the council can do, the better job the patrons will have done for them the better democracy we will have in the town. Mr. Gordon questioned if they had another board member would the absenteeism still drive the decision. Ms. Krause agreed that having another member would mitigate the problem of obtaining a quorum; however Council has decided to reduce meetings where they can. Mr. Gordon asked if there were tasks currently addressing or will be addressed that can be handled by citizen input without having meetings. He clarified that he was biased in his belief the significant improvements in service to the community by the Library were accomplished over the last couple of years through in part by board activity; he would see that as a discouraging thing for the community and the Library serving the community if they proceeded not helping with problems as they come up to be addressed. Mr. Gordon continued to comment on recognizing the difficulty if even two of

them met, like at the post office, and started chatting about Library difficulties and if they have half as many meetings would make it worse as it seems like the point of the Board is to help the library help the community. Mr. Gordon also pointed out as an example the problem at this meeting addressing the paper provided by Mr. Haines, that since it was not on the agenda they cannot address it and it gets postponed until the next month. It is not very productive.

Vice Chair Strobel stated that while essentially in agreement with Mr. Gordon they must take and make a recommendation on their behalf or Council will reduce them to 4 meetings a year.

Ms. Dixon expressed her concern by bringing up the time it took approving the last policy the Board worked on was over a year and if they only met even six times how long would it take, she expressed great concern and recommended reducing down to 8 meetings a year if that would be acceptable. Ms. Krause explained that Council requested a recommendation from the Board and did not put any limitations in that recommendation.

STROBEL/POLSTER – MOVED TO RECOMMEND REDUCING THE MEETINGS TO EIGHT PER YEAR.

There was a brief discussion on this reduction might make being a board member more acceptable since most of the reasons for not joining were time constraints.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Ms. Krause requested the months that the Board will meet or not meet as this information will be contained in a new resolution making those changes to the meeting schedule. Vice Chair Strobel inquired if there was one month more than another that they should not meet.

Mr. Gordon reference the chart provided by Ms. Krause. Ms. Krause noted that November is the most canceled month for some reason. After further discussion the Board agreed on meeting in February, March, May, June, July, September, October, December.

STROBEL/POLSTER – MOVED TO INCLUDE IN THE RECOMMENDATION TO COUNCIL THAT THE LIBRARY ADVISORY BOARD WILL MEET DURING THE MONTHS OF FEBRUARY, MARCH, MAY, JUNE, JULY, SEPTEMBER, OCTOBER AND NOVEMBER.

There was no further discussion.

VOTE. YES. NON-OBJECTION. Unanimous consent.

Motion carried.

Excerpt from the minutes for the May 6, 2014 regular meeting:

NEW BUSINESS

B. Amend Bylaws to Address Changes to Meeting Schedule and Establishing Committees

Chair Gordon read the title into the record and opened discussion.

Ms. Porter inquired if everyone still agreed with the months shown. All boardmembers present agreed they were good with not meeting in January, April, August and November.

Ms. Utley opposed having to ask permission from City Council to create a committee. She opined that this may cause problems for the Board to accomplish a task in the future. Ms. Utley was concerned that this would allow censorship by the Council over the Board.

Ms. Krause provided a through explanation of the reasoning behind City Councils request to limit creation of any committee by Council approval only.

Mr. Strobel inquired about members of the Board discussing an item with each other outside of a meeting. He fully supported the change since the request to form the committee and their tasks would come from the Board.

Chair Gordon asked for a motion to approve the change.

PORTER/UTLEY – MOVED TO APPROVE THE RECOMMENDED CHANGES TO THE LIBRARY ADVISORY BOARD BYLAWS ARTICLE FOUR, MEETINGS, REDUCING MEETINGS TO FEBRUARY, MARCH, MAY, JUNE, JULY, SEPTEMBER, OCTOBER AND DECEMBER AND ARTICLE FIVE, COMMITTEES, WILL ONLY BE APPOINTED AND BECOME ACTIVE UPON APPROVAL OF COUNCIL.

There was no further discussion.

VOTE. YES. STROBEL, GORDON, PORTER, UTLEY

Motion carried.

Recommendation: Approve the request to amend the Library Advisory Bylaws Section 4, Meetings, Reducing the annual monthly meetings to February, March, May, June, July, September, October and December and Amend Section Five, Committees, to change the creation of committees by Council through resolution only.

Session 14-06 a Regular Meeting of the Library Advisory Board was called to order by Chair Phil Gordon at 5:00 p.m. on June 3, 2014 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: BOARD MEMBERS GORDON, SMITH, STROBEL, AND PORTER

ABSENT: BOARD MEMBER SLONE, UTLEY (EXCUSED)

STAFF: LIBRARY DIRECTOR DIXON
DEPUTY CITY CLERK KRAUSE

AGENDA APPROVAL

The agenda was approved as presented by consensus of the Board.

PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA

There were no public comments on the agenda.

RECONSIDERATION

There were no items for reconsideration.

APPROVAL OF MINUTES

A. Meeting Minutes for the Regular Meeting on May 6, 2014

Chair Gordon requested a motion to approve the minutes of May 6, 2014.

STROBEL/PORTER – MOVED TO APPROVE THE MINUTES AS PRESENTED.

There was no discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS

There were no visitors scheduled.

STAFF AND COUNCIL REPORT/COMMITTEE REPORTS/BOROUGH REPORTS

A. Friends Report

There was no report.

B. Next Friends Meeting

The next meeting is scheduled for Wednesday, June 11, 2014. No Board members volunteered to attend.

Ms. Dixon will attend that meeting.

C. Directors Report and Monthly Statistics – May 2014

Library Director Dixon provided a summary of her report. She provided statistics through May to the Board members and staff. She commented on the record breaking month and things are humming along. She noted that they are advertising for a Temporary Library Aide due to the increased need. It is believed that there is enough in the part-time budget for this position.

Ms. Dixon shared a picture on the “Little Library” built by the students at the Flex School and now installed at Fritz Creek General Store.

One complaint has been received regarding cell phone usage at the library.

Ms. Smith recommended looking into cell phone disrupters such as the hospital uses. Ms. Dixon will check with IT but in the meantime she shared the new “sign” that will be displayed.

Ms. Dixon further shared that they have received numerous compliments regarding the improved collection and an inquiry regarding Security Camera footage is Public Information with some constraints.

There was one comment regarding using the history to justify budget requests for additional staff.

D. Facilities Report

There was no report.

PUBLIC HEARING

Chair Gordon read the Public Hearing into the record. Chair Gordon opened the Public Hearing for comments.

There were seven who testified in favor of renaming and dedicating the garden to the memory of Peter Larson.

Chair Gordon closed the public hearing and thanked those participants for attending.

PENDING BUSINESS

A. Amending the Bylaws to Reduce the Number of Annual Meetings and Modify the Creation of Committees to Council Approval Only

Ms. Krause informed the Board that this was the second and final notice for the amendments to the Bylaws. It was realized that these changes were not properly noticed on the agenda.

There was a brief discussion. Chair Gordon requested a motion to approve the changes.

STROBEL/PORTER – MOVED TO APPROVE THE RECOMMENDED CHANGES TO THE LIBRARY ADVISORY BOARD BYLAWS ARTICLE FOUR, MEETINGS, REDUCING MEETINGS TO FEBRUARY, MARCH, MAY, JUNE, JULY, SEPTEMBER, OCTOBER AND DECEMBER AND ARTICLE FIVE, COMMITTEES, WILL ONLY BE APPOINTED AND BECOME ACTIVE UPON APPROVAL OF COUNCIL.

There was no further discussion.

VOTE. YES. STROBEL, GORDON, PORTER, SMITH

Motion carried.

B. Amendments to the Circulation Policy for General Updates to Language and Circulation Details on Items

Chair Gordon read the title into the record.

Ms. Dixon explained that last month they saw the amendments to the fees adding music. These changes address the updates and general housekeeping to the language plus increasing the loan limit.

There was a brief discussion regarding the difference in Book and Book 3 categories; increasing to a standard three week period for everything; and removing the actual fines or fees from the policy level since realistically policies are only updated periodically where fines and fees are updated or changed on an annual basis.

Chair Gordon requested a motion to approve the circulation policy amendments.

PORTER/SMITH – SO MOVED.

There was no further discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

NEW BUSINESS

A. Welcome New Member!

Chair Gordon welcomed Ms. Smith to the Board. Ms. Smith provided a brief personal statement to the board.

There was a statement of welcome from the Board.

B. Recommendation on a Request to Dedicate a Garden

Ms. Dixon provided some personal experience with Mr. Larson and the gardens.

Ms. Porter commented in favor of the request to rename the garden.

Chair Gordon inquired if she was ready to make a motion.

Mr. Strobel was not opposed to the request but asked what the Rotary was and why they were involved with City property. Ms. Krause provided a brief explanation on some things the Rotary does and is involved in. He also inquired if Mrs. Larson was a Rotarian and involved with the garden. Ms. Krause was not positive if she was a Rotarian but knew that she did work in the gardens too.

STROBEL/PORTER -MOVED TO APPROVE THE REQUEST TO RENAME AND DEDICATE THE ROTARY GARDEN AT THE HOMER PUBLIC LIBRARY TO THE PETER LARSON MEMORIAL ROTARY GARDEN.

There was a brief discussion.

VOTE. YES. STROBEL. PORTER, GORDON, SMITH

Motion carried.

C. Review and Recommendation on Installation of a Story Walk on Library Property

Chair Gordon read the title into the record. Ms. Dixon provided background information to the Board.

There was a brief discussion regarding funding and the copyright on "Story Walk". It was suggested that they could refer to this as a Story Trail since it was next to one.

This has been before the Public Works Department and the Planning Department with no one opposed. Ms. Dixon confirmed that grant money from the People's Garden could be used on the Story Trail.

STROBEL/PORTER – MOVED TO RECOMMEND APPROVAL ON INSTALLING A PERMANENT STORY TRAIL IF FUNDING CAN BE FOUND.

There was a brief discussion on support only if not the responsibility of library staff and funding can be found.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

INFORMATIONAL ITEMS

A. Strategic Plan

Chair Gordon stated that there were additional priorities agreed at the March regular meeting and according to his notes they were requesting as top priority 1. a temporary summer Library aide, 2. further increase in collection development funds and development of a comprehensive plan over the next five years.

Ms. Krause will add these items.

He was concerned that with the reduction in meetings to eight per year that they should consider having longer meetings of at least 90 minutes in order to assure the Board completes its work.

Discussion followed regarding the Collection Development Policy and Selection Policy for the benefit of the newest Board members.

Chair Gordon clarified comments made by Mr. Hornaday regarding funding to build the Library; working on a funding request for a contract person to work on the Collection Development Policy and also a Rasmussen grant request.

Ms. Dixon is working on the Selection Policy.

B. 2014 Board Member Attendance at Council Meeting

Chair Gordon thanked Ms. Porter for having her name twice on the list.

There were no further commitments from board members.

COMMENTS OF THE AUDIENCE

There were no comments from the audience present.

COMMENTS OF CITY STAFF

There were no comments from the staff.

COMMENTS OF THE COUNCILMEMBER

There was no Council member in attendance.

COMMENTS OF THE CHAIR

Chair Gordon commented that he hopes they are an effective board, keep meetings as brief as possible and please be mindful to read your packet before the meetings and spoke about the value on documents recommended from Ms. Dixon.

COMMENTS OF THE BOARD

There were no comments from the Board.

ADJOURN

There being no further business to come before the Board the meeting adjourned at 6:20 p.m. The next regular meeting is scheduled for Tuesday, July 1, 2014 at 5:00 p.m. at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, and Alaska.

RENEE KRAUSE, CMC, DEPUTY CITY CLERK

Approved: _____

1 CITY OF HOMER
2 HOMER, ALASKA

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4 RESOLUTION 14-061

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6 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
7 REQUESTING THAT THE ALASKA DEPARTMENT OF
8 TRANSPORTATION AND PUBLIC FACILITIES (ADOT/PF) LOWER
9 THE SPEED LIMIT ON EAST END ROAD IN THE VICINITY OF
10 THE KACHEMAK BAY EQUESTRIAN HORSE PARK, ESTABLISH
11 A CROSS WALK ACROSS EAST END ROAD IN THAT AREA FOR
12 ACCESS TO THE BIKE TRAIL, AND PROVIDE SIGNAGE
13 ALERTING DRIVERS TO THE PRESENCE OF THE HORSE PARK.
14

15 WHEREAS, The Homer City Council recently adopted Ordinance 14-23 which conveyed
16 title to five lots in the Scenic View Subdivision No. 6 to the Kachemak Bay Equestrian
17 Association so that the Kachemak Bay Equestrian Horse Park complex could be expanded and
18 accommodate additional facilities and improvements; and
19

20 WHEREAS, The Kachemak Bay Equestrian Association has developed a horse park
21 which has been very successful, receives heavy use, and hosts equestrian events; and
22

23 WHEREAS, The success of the Horse Park has created safety issues on East End Road
24 due to increased vehicular and pedestrian traffic and slow moving vehicles hauling horse
25 trailers; and
26

27 WHEREAS, The entrance to the Horse Park is close to the entrance to Jack Gist Park on
28 Adams Drive; a recreational area which is also seeing increased use and elevated traffic
29 concerns; and
30

31 WHEREAS, The Equestrian Association has requested that the City advocate for a
32 reduced speed limit and a crosswalk in the vicinity, and signage indicating the presence of the
33 Horse Park.
34

35 NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby requests
36 that the Alaska Department of Transportation and Public Facilities lower the speed limit on
37 East End Road in the vicinity of the Kachemak Bay Equestrian Horse Park, place a crosswalk in

38 the area to access the bike trail, and install signage indicating to motorists the presence of the
39 Horse Park.

40

41 BE IT FURTHER RESOLVED that the City Manager is authorized to submit the
42 necessary paperwork and work with ADOT/PF to improve vehicular and pedestrian safety in
43 this area.

44

45 PASSED AND ADOPTED BY THE HOMER CITY COUNCIL this 9th day of June, 2014.

46

47 CITY OF HOMER

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MARY E. WYTHE, MAYOR

52 ATTEST:

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56 _____
JO JOHNSON, MMC, CITY CLERK

57

58 Fiscal Note: N/A

1 CITY OF HOMER
2 HOMER, ALASKA

3 City Manager

4 RESOLUTION 14-064

5
6 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
7 APPROVING THE REDUCTION OF EMPLOYEE HEALTH
8 INSURANCE PREMIUMS BY TWENTY PERCENT FOR THE
9 PERIOD JULY 1, 2014 TO DECEMBER 31, 2014.
10

11 WHEREAS, The City of Homer amended its employee health insurance plan in 2014 in
12 order to address rapidly expanding health care costs, limited fiscal resources, and a lack of
13 budget flexibility; and
14

15 WHEREAS, A major component of the plan revision was a significant increase in
16 employee premiums which had an especially big impact on employees with families; and
17

18 WHEREAS, When the plan became effective in January of 2014, the Administration said
19 that it would review the status of the health insurance fund at mid-year and if plan utilization
20 was trending downward and the fund balance was growing, a reduction in premiums might be
21 possible; and
22

23 WHEREAS, Because utilization is down for the first five months of 2014 and the fund
24 balance is slowly growing, the Administration has concluded that it is reasonable to
25 recommend a 20 percent decrease in premiums for the remainder of 2014; an action that
26 would reduce contributions to the fund by \$25,000 for those six months; and
27

28 WHEREAS, The Homer City Council has expressed an interest in reducing employee
29 premiums if feasible and prudent.
30

31 NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby approves the
32 reduction of employee health insurance premiums by 20 percent.
33

34 PASSED AND ADOPTED by the Homer City Council this 9th day of June, 2014.
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CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, MMC, CITY CLERK

Fiscal Note: Decrease of \$25,000 in contributions to the Fund Balance.



City of Homer

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(f) 907-235-3148

Memorandum 14-091

TO: Mayor Wythe and Homer City Council
FROM: Walt Wrede
DATE: June 9, 2014
SUBJECT: Employee Health Insurance Premium Reduction

The City of Homer made major adjustments to the Employee Health Insurance Plan this year. The adjustments were made in an attempt to address rapidly rising health care costs, growing fiscal constraints, and a lack of budgetary flexibility. It was necessary to bring the City's health insurance plan closer to industry standards for similar employers. An important component of the amendment to the Plan was a significant increase in employee premiums. This increase caused financial hardship for many employees, especially those with families and at the lower end of the wage scale.

The Plan amendments were adopted as part of the FY 2014 Budget approval process. At the time, the Administration stated that it would review the financial status of the health insurance plan at mid-year and if utilization was trending downward and the Fund balance was growing, a reduction in premiums would be considered. Approximately five months have passed since the Plan amendments were implemented. It appears that utilization is trending downward compared to the same period last year. Also, the fund balance is slowly growing and at the end of May, was approximately \$280,000. One or two large claims could wipe this out pretty quickly. Our auditors have stated that \$400,000 is optimal and the right number to shoot for.

The fiscally most prudent thing to do would probably be to stay the course, get more background data over a longer period of time, and let the fund balance grow. However, I have concluded that reducing employee premiums by 20 % for the period July 1, 2014 to December 31, 2014 is a reasonable risk. Many employees have been hit hard by the new premiums and would welcome the relief, even if it turns out that the relief is only for six months. A reduction of 20% over the last six months of this year will result in a loss of \$25,000 in contributions to the Fund. The determination on which direction the City takes next year regarding health insurance will be determined this fall.

RECOMMENDATION: Approve Resolution 14-064 reducing employee health insurance premiums by 20% for the last six months of 2014.

**CITY OF HOMER
HOMER, ALASKA**

Howard/Lewis

RESOLUTION 14-065

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, APPROVING REGULATIONS PROMULGATED BY THE CITY MANAGER WHICH ESTABLISH A SPEED LIMIT AND PROHIBIT PARKING ALONG THE ROADWAY AT KAREN HORNADAY PARK.

WHEREAS, The Parks and Recreation Advisory Commission has advised the City Council that it is concerned with the safety of children and pedestrians at Karen Hornaday Park due in large part to excessive driving speeds and parked vehicles along the roadway; and

WHEREAS, The Commission has recommended implementing a speed limit and prohibiting parking along the roadway; and

WHEREAS, HCC 19.20.020 (f) (Parks, Campgrounds, and Public Places) provides that "motor vehicles shall be operated in accordance with posted speed limits, in a prudent and safe manner, and at a speed not exceeding ten miles per hour in parking areas"; and

WHEREAS, HCC 19.20.060 states that "The City Manager is authorized to promulgate regulations to regulate the use of park and recreational facilities"; and

WHEREAS, The City Manager has informed the Council that he intends to draft a regulation that prohibits parking along the roadway, establishes a speed limit of fifteen miles per hour on the Park Road, and install new signage as appropriate at Karen Hornaday Park; and

WHEREAS, Public health and safety in city parks is a top priority for the City Council.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby approves new regulations promulgated by the City Manager which prohibits parking along the roadway and establishes a fifteen miles per hour speed limit on the Park Road at Karen Hornaday Park.

PASSED AND ADOPTED by the Homer City Council this 9th day of June, 2014.

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, MMC, CITY CLERK

Fiscal Note: \$1,000 for park signage.

1 CITY OF HOMER
2 HOMER, ALASKA

3 City Manager

4 RESOLUTION 14-066

5
6 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
7 APPROVING A NEW SHORT TERM LEASE (SIX MONTHS) FOR
8 PENINSULA SCRAP AND SALVAGE ON A PORTION OF LOT 12,
9 HOMER SPIT SUBDIVISION NO. 5, AND AUTHORIZING THE
10 CITY MANAGER TO EXECUTE THE APPROPRIATE
11 DOCUMENTS.

12
13 WHEREAS, Peninsula Scrap and Salvage has been conducting operations on a portion
14 of the chip pad under the terms of a short term lease and has continued its tenancy on a month
15 to month basis under Section 2.02 of the lease; and

16
17 WHEREAS, Peninsula Scrap and Salvage has requested a new short term lease for the
18 same square footage with a term beginning July 1, 2014 and ending January 1, 2015; and

19
20 WHEREAS, Peninsula Scrap and Salvage has been a very good tenant and it has
21 generated revenue for the port, created jobs, and provided a valuable public service with its
22 community clean-up and recycling business; and

23
24 WHEREAS, Section 11 (G) (3) of the Lease Policy provides that "no consecutive short
25 term leases for the same property to the same lessee may be issued without approval of the
26 City Council"; and

27
28 WHEREAS, The administration recommends a new short term lease based upon the
29 performance and business plan of the lessee and the best interest of the City.

30
31 NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby approves a
32 new short term lease for Peninsula Scrap and Salvage on a portion of Lot 12, Homer Spit
33 Subdivision No. 5, and authorizes the City Manager to execute the appropriate documents.

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35 PASSED AND ADOPTED by the Homer City Council this 9th day of June, 2014.
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CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, MMC, CITY CLERK

Fiscal Note: Lease revenues for six month period: \$16,335.00.

1 CITY OF HOMER
2 HOMER, ALASKA

3 City Manager/
4 Public Works Director

5 RESOLUTION 14-069

6
7 A RESOLUTION OF THE HOMER CITY COUNCIL AWARDING A
8 SOLE SOURCE CONTRACT TO THE FIRM OF INTELLIGENT
9 DESIGN, LLC OF ANCHORAGE, ALASKA, IN THE AMOUNT OF
10 \$65,835 TO COMPLETE THE CONVERSION OF THE WATER
11 TREATMENT PLANT, THE HARBOR MAINTENANCE SHOP, AND
12 FOUR SPIT RESTROOMS TO NATURAL GAS AND
13 AUTHORIZING THE CITY MANAGER TO EXECUTE THE
14 APPROPRIATE DOCUMENTS.

15
16 WHEREAS, Funds were appropriated in the 2014 budget to provide for the completion
17 of the conversion of the Water Treatment Plant, the Harbor Maintenance Shop, and Four Spit
18 Restrooms to Natural Gas by Ordinance 14-22(A); and

19
20 WHEREAS, Intelligent Design, LLC is considered to be uniquely qualified to complete
21 the work (see Memorandum 14-097); and

22
23 WHEREAS, The City's Procurement Policy provides for non-competitive procurement
24 of construction services; and

25
26 WHEREAS, This award is not final until written notification is received by the firm from
27 the City of Homer.

28
29 NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, approves
30 a sole source contract to convert the Water Treatment Plant, Harbor Maintenance Shop, and
31 Spit Restrooms to Natural Gas to the firm of Intelligent Design, LLC of Anchorage, Alaska, in
32 the of \$65,835 and authorizes the City Manager to execute the appropriate documents.

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34 PASSED AND ADOPTED BY THE HOMER CITY COUNCIL this 9th day of June, 2014.
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CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, MMC, CITY CLERK

Fiscal Note: 256-0378 (Water Reserve) – Water Treatment Plant Gas Conversion - \$10,835
456-0380 (Harbor Reserve) – Harbor Shop Gas Conversion \$17,150
456-0380 (Harbor Reserve) – Spit Restrooms (4) Gas Conversion - \$37,850



City of Homer

www.cityofhomer-ak.gov

Public Works

3575 Heath Street
Homer, AK 99603

publicworks@cityofhomer-ak.gov

(p) 907- 235-3170

(f) 907-235-3145

Memorandum 14-097

TO: Walt Wrede, City Manager
FROM: Carey Meyer, Public Works Director
DATE: June 4, 2014
SUBJECT: **Award Contract by Change Order to Intelligent Design
2014 City Building Gas Conversion**

In 2013, Public Works engaged a mechanical engineer to design and estimated the cost of converting all City buildings in the "core area" to natural gas. The City competitively bid this work and selected Intelligent Design of Anchorage, Alaska as the low responsive bidder.

This year Public Works is preparing to convert the remaining City buildings. The Council has passed Ordinance 14-22(A) allocating funds to complete the 2014 work.

Public Works proposes to award the 2014 work to Intelligent Design, rather than competitively bid the work for the following reasons:

- No local Contractors bid the 2013 work (local contractors are very busy); no expectation that bidding 2014 work would attract local bidders.
- Intelligent Design was low bidder on 2013 gas conversion contract.
- Intelligent Design provided quality work, on time and within budget.
- Issuing a change order to our existing contract will save money (no design or bidding costs). Estimated savings = \$11,500.
- The cost of the proposed work is consistent with the estimates prepared by our mechanical engineer, and is consistent with previously bid work.
- The City of Homer's Procurement Policy provides for non-competitive, negotiated procurement of construction completion services if approved by the City Council.

Recommendation: The City Council pass a resolution awarding a sole source contract for the Conversion of the remaining City Buildings to Natural Gas to Intelligent Design, LLC of Anchorage, Alaska in the amount of \$65,835; authorize the award through a change order under the existing contract; and authorize the City Manager to execute all appropriate documents.

CITY OF HOMER
HOMER, ALASKA

City Manager/
Public Works Director

ORDINANCE 14-22(A)

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
AMENDING THE 2014 OPERATING BUDGET TO PROVIDE FOR
NATURAL GAS CONVERSIONS TO CITY BUILDINGS BY
APPROPRIATING \$83,270 FROM VARIOUS CITY RESERVE FUNDS.

WHEREAS, City buildings within the core area have been converted to natural gas; this summer natural gas will be available outside of the core area; and

WHEREAS, Like buildings within the core area, significant savings can be obtained by converting City facilities outside the core area to natural gas (see Memorandum 13-077); and

WHEREAS, Costs associated with this conversion include installation of service lines and meters, design and installation of heating system conversions (boiler or burner replacement and internal gas piping installation).

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The FY 2014 Operating Budget is hereby amended by appropriating \$18,562 from the Water Reserve fund for the conversion of the water treatment plant to natural gas.

Section 2. The FY 2014 Operating Budget is hereby amended by appropriating \$20,780 from the Harbor Reserve fund for conversion of the Harbor Maintenance Shop to natural gas.

Section 3. The FY 2014 Operating Budget is hereby amended by appropriating \$43,928 from the Harbor Reserve fund for the conversion of four Spit restrooms to natural gas.

Expenditures:

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
256-0378 (Water Reserve)	Water Treatment Plant Gas Conversion	\$ 18,562
456-0380 (Harbor Reserve)	Harbor Shop Gas Conversion	\$ 20,780
456-0380 (Harbor Reserve)	Spit Restrooms (4) Gas Conversion	\$ 43,928
	Total	\$ 83,270

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

44
45 ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER, ALASKA, this 27th day of
46 May, 2014.



CITY OF HOMER

Mary E. Wythe
MARY E. WYTHE, MAYOR

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52
53
54 ATTEST:

55 *Jo Johnson*
56 _____
57
58 JO JOHNSON, MMC, CITY CLERK

59
60
61 AYES: 6
62 NOES: 0
63 ABSTAIN: 0
64 ABSENT: 0

65
66
67 First Reading: 5/12/14
68 Public Reading: 5/27/14
69 Second Reading: 5/27/14
70 Effective Date: 5/28/14

71
72 Reviewed and approved as to form:

73
74
75
76 _____
77 Walt Wrede, City Manager

76 _____
77 Thomas F. Klinkner, City Attorney

78 Date: _____

78 Date: _____

VISITORS

ANNOUNCEMENTS
PRESENTATIONS
BOROUGH REPORT
COMMISSION REPORTS

Mayor's Recognition

HoWL for City Clean-Up Week

WHEREAS, HoWL supporters participated in the DiRtBaG Cleanup Week this year; and

WHEREAS, Sixty-five youth and seventeen volunteers worked to clean up the town by covering 26 miles of streets, ditches, and beaches in their clean-up efforts; and

WHEREAS, HoWL collected 705 bags of trash, 142 bags of recycling; and 42 tires; and

WHEREAS, HoWL's program the Dirtbag Service Corp was inspired by the youth involved in clean-up week; and

WHEREAS, The youth were eager to continue helping our community with different tasks in order to earn scholarships for HoWL daytrips and expeditions; and

WHEREAS, With the generous contribution from the Eleanor and Henry Jansen Foundation, twelve HoWL students are participating in service projects every Friday this summer; and

WHEREAS, Their efforts throughout our community are helping other organizations complete larger projects like improving the fence and garden on the Poopdeck Trail.

NOW, THEREFORE, I, Mary E. Wythe, Mayor of the City of Homer, do hereby recognize HoWL for their role in the City Clean-Up this year.

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND CAUSED THE Seal of the City of Homer, Alaska, to be affixed this 9th day of June, 2014.

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, MMC, CITY CLERK

Mayor's Recognition

CHURCH ON THE ROCK for Clean-Up of Karen Hornaday Park

WHEREAS, Church On The Rock brought together 40 to 50 volunteers to clean up Karen Hornaday Park; and

WHEREAS, The clean-up effort was led by Pastor Skip Bowersox and Park Outreach Coordinator Calvin Ralph; and

WHEREAS, The volunteers provided general equipment maintenance and painted the park benches, tables, fence, bathrooms, and the snack shack; and

WHEREAS, They refilled the playground woodchips and sandboxes; and

WHEREAS, The volunteers cleaned up the garbage at Karen Hornaday Park, leaving it in pristine condition.

WHEREAS, Pastor Aaron Weisser fed the hungry volunteers by grilling a lunch for them.

WHEREAS, The efforts from the volunteers of the Church On The Rock have made Karen Hornaday Park a great place to recreate.

NOW, THEREFORE, I, Mary E. Wythe, Mayor of the City of Homer, do hereby recognize the volunteers from the Church On The Rock for their role in cleaning up Karen Hornaday Park.

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND CAUSED THE Seal of the City of Homer, Alaska, to be affixed this 9th day of June, 2014.

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, MMC, CITY CLERK

PUBLIC HEARING(S)

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

Ordinances 14-23, 14-24, and 14-25

A **public hearing** is scheduled for **Monday, June 9, 2014** during a Regular City Council Meeting. The meeting begins at 6:00 p.m. in the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

Ordinances 14-23, 14-24, and 14-25 internet address:
<http://www.cityofhomer-ak.gov/ordinances>

Ordinance 14-23, An Ordinance of the City Council of Homer, Alaska, Authorizing the Conveyance of Lots 1, 2, 3, 4 and 5, Scenic View Subdivision No. 6 to Kachemak Bay Equestrian Association Inc. for Use as Part of an Equestrian Park, and Waiving the Appraisal of the Property and Sale of the Property for Fair Market Value. City Manager.

Ordinance 14-24, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 2.68.030 Proceedings of Commission, to Change the Meeting Schedule of the Parks and Recreation Advisory Commission. City Manager/Parks and Recreation Advisory Commission.

Ordinance 14-25, An Ordinance of the City Council of Homer, Alaska, Amending the 2014 Operating Budget to Reallocate a Water Fund Capital Budget Item Expenditure at the Water Treatment Plant to Evaluate Alternatives to Reduce Disinfection By-Products in the Drinking Water. City Manager/Public Works Director.



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

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

Jo Johnson, MMC, City Clerk

A handwritten signature in black ink, appearing to read "Jo Johnson".

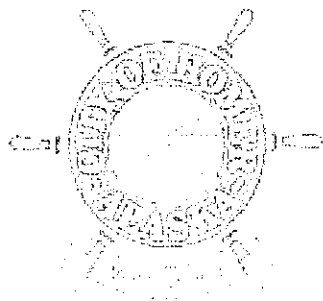
Publish: Homer News: June 5, 2014

CLERK'S AFFIDAVIT OF POSTING

I, Renee Krause, CMC, Deputy City Clerk for the City of Homer, Alaska, do hereby certify that a copy of the Public Hearing Notice for Ordinance 14-23, Authorizing the Conveyance of Lots 1, 2, 3, 4, and 5, Scenic View Subdivision No. 6 to Kachemak Bay Equestrian Association, Inc. for Use as Part of an Equestrian Park, and Waiving the Appraisal of the Property and Sale of the Property for Fair Market Value; Ordinance 14-24, Amending Homer City Code 2.68.030, Proceedings of Commission, to Change the Meeting Schedule of the parks and Recreation Advisory Commission; and Ordinance 14-25, Amending the 2014 Operating Budget to reallocate a Water Fund Capital Budget item Expenditure at the Water Treatment Plant to Evaluate Alternatives to Reduce Disinfection By-Products in the Drinking Water was distributed to the City of Homer kiosks located at City Clerk's Office, Captain's Coffee Roasting Co., Harbormaster's Office and Redden Marine on Friday, May 30, 2014 and that the City Clerk posted same on City of Homer Homepage on Thursday, May 29, 2014.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal of said City of Homer this 29th day of May, 2014.

Renee Krause
Renee Krause, CMC, Deputy City Clerk I



ORDINANCE REFERENCE SHEET
2014 ORDINANCE
ORDINANCE 14-23

An Ordinance of the City Council of Homer, Alaska, Authorizing the Conveyance of Lots 1, 2, 3, 4 and 5, Scenic View Subdivision No. 6 to Kachemak Bay Equestrian Association Inc. for Use as Part of an Equestrian Park, and Waiving the Appraisal of the Property and Sale of the Property for Fair Market Value.

Sponsor: City Manager

1. City Council Regular Meeting May 27, 2014 Introduction
 - a. Quitclaim Deed Lots 1, 2, 3, 4 and 5, Scenic View Subdivision No. 6
 - b. Resolution 06-116
 - c. Map of area

2. City Council Regular Meeting June 9, 2014 Public Hearing and Second Reading
 - a. Quitclaim Deed Lots 1, 2, 3, 4 and 5, Scenic View Subdivision No. 6
 - b. Resolution 06-116
 - c. Map of area

1 CITY OF HOMER
2 HOMER, ALASKA

3 City Manager

4 ORDINANCE 14-23
5

6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
7 AUTHORIZING THE CONVEYANCE OF LOTS 1, 2, 3, 4 AND 5,
8 SCENIC VIEW SUBDIVISION NO. 6 TO KACHEMAK BAY
9 EQUESTRIAN ASSOCIATION. INC. FOR USE AS PART OF AN
10 EQUESTRIAN PARK, AND WAIVING THE APPRAISAL OF THE
11 PROPERTY AND SALE OF THE PROPERTY FOR FAIR MARKET
12 VALUE.
13

14 WHEREAS, In 2006, Diana Conway and Judith Miller offered to donate Lots 1, 2, 3, 4
15 and 5, Scenic View Subdivision No. 6 ("Property") to the City of Homer for public use and the
16 benefit and enjoyment of the community, including without limitation an equestrian or other
17 park, trails, playgrounds, picnic areas, or greenbelt; and
18

19 WHEREAS, The Council accepted this offer by adopting Ordinance 06-34 on June 26,
20 2006 and the donors executed deeds transferring the Property to the City; and
21

22 WHEREAS, The Council adopted Resolution 06-116 on August 28, 2006, expressing its
23 intent to donate the Property to the Kachemak Bay Equestrian Association, Inc. ("Association")
24 provided the Association raised the necessary funds to build an equestrian park on the
25 Property and adjacent property; and
26

27 WHEREAS, The Association has presented to the City satisfactory evidence that it has
28 acquired title to the adjacent property and has raised the necessary funds to build an
29 equestrian park on the Property and the adjacent property; and
30

31 WHEREAS, It is in the best interest of the City and its residents that the City convey the
32 Property to the Association for use as part of an equestrian park, while reserving for the use of
33 the general public an easement for pedestrian access across the south 30 feet of Lot 1, Scenic
34 View Subdivision No. 6; and
35

36 WHEREAS; It also is in the best interest of the City and its residents that the City waive
37 the requirements in HCC Chapter 18.12 for appraisal of the Property and sale of the Property
38 for fair market value.
39

40 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:
41

42 Section 1. Notwithstanding anything to the contrary in Homer City Code Chapter
43 18.12, the City shall convey Lots 1, 2, 3, 4 and 5, Scenic View Subdivision No. 6 to Kachemak
44 Bay Equestrian Association, Inc., subject to the conditions that the Property shall be used

45 exclusively for public open space, park and recreational purposes, including without limitation
46 an equestrian park, and that the City shall reserve from the conveyance an easement for
47 pedestrian access across the south 30 feet of Lot 1, Scenic View Subdivision No. 6. Without
48 limiting the generality of the foregoing, the Property may be conveyed without an appraisal
49 and for less than fair market value.

50
51 Section 2. The City Manager hereby is authorized, empowered and directed to execute
52 and deliver on behalf of the City a quitclaim deed to the Property in substantially the form and
53 content attached to this ordinance as Exhibit A, but with such changes, modifications,
54 additions and deletions therein as he considers to be necessary, desirable or appropriate, the
55 execution thereof to constitute conclusive evidence of approval of any and all changes,
56 modifications, additions or deletions therein from the form and content of Exhibit A, and from
57 and after the execution and delivery of said document, the City Manager and City Clerk, and
58 their respective designees, each hereby is authorized, empowered and directed to do all acts
59 and things and to execute all documents as may be necessary to carry out and comply with the
60 provisions of said document as executed

61
62 Section 3. This is a non-Code ordinance of a permanent nature.

63
64 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this _____ day of
65 _____ 2014.

66
67 CITY OF HOMER
68
69
70
71 _____
72 MARY E. WYTHE, MAYOR

73 ATTEST:
74
75
76 _____
77 JO JOHNSON, MMC, CITY CLERK

78
79
80
81 YES:
82 NO:
83 ABSTAIN:
84 ABSENT:
85

86 First Reading:
87 Public Hearing:
88 Second Reading:
89 Effective Date:
90
91 Reviewed and approved as to form.
92
93 _____
94 Walt Wrede, City Manager
95
96 Date: _____
97
98 Fiscal Note: NA

Thomas F. Klinkner, City Attorney

Date: _____

HOMER RECORDING DISTRICT

AFTER RECORDING, RETURN TO:

City of Homer
491 East Pioneer Avenue
Homer, Alaska 99603
Attn: City Manager

QUITCLAIM DEED

The CITY OF HOMER, an Alaska municipal corporation (“Grantor”), whose address is 491 East Pioneer Avenue, Homer, Alaska 99603, for good and valuable consideration in hand paid, the adequacy and sufficiency of which is hereby acknowledged, conveys and quitclaims to KACHEMAK BAY EQUESTRIAN ASSOCIATION, INC., an Alaska nonprofit corporation (“Grantee”), whose address is P.O. Box 3120, Homer, Alaska 99603, all interest which Grantor has, if any, in the following described real property (“Property”):

Lots 1, 2, 3, 4 and 5, Scenic View Subdivision No. 6, according to Plat No. 82-47, Homer Recording District, Third Judicial District, State of Alaska

Grantor reserves for itself, its successors and assigns, an easement over and across the south 30 feet of Lot 1, Scenic View Subdivision No. 6, for the use of the general public for pedestrian access, and the right to enter upon such easement from time to time to construct, operate and maintain a pedestrian walkway thereon.

Grantee, for itself, its successors and assigns, covenants and agrees with Grantor, its successors and assigns, that the Property shall be used exclusively for public open space, park and recreational purposes, including without limitation an equestrian park.

DATED this ___ day of _____ 2014.

GRANTOR:

CITY OF HOMER

Walt Wrede, City Manager

GRANTEE: KACHEMAK BAY EQUESTRIAN ASSOCIATION, INC.

[name and title]

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ____ day of ____ 2014, by Walt Wrede, City Manager of the CITY OF HOMER, an Alaska municipal corporation, on behalf of the City.

Notary Public in and for Alaska
My commission expires:_____

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ____ day of ____ 2014, by [name], [title] of KACHEMAK BAY EQUESTRIAN ASSOCIATION, INC., an Alaska nonprofit corporation, on behalf of the corporation.

Notary Public in and for Alaska
My commission expires:_____

CITY OF HOMER
HOMER, ALASKA

CITY MANAGER

RESOLUTION 06-116

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, EXPRESSING ITS INTENT TO MAKE A DONATION OF PROPERTY, KENAI PENINSULA BOROUGH (KPB) TAX PARCEL NUMBERS 179-390-0300179-390-0700, TO THE KACHEMAK BAY EQUESTRIAN ASSOCIATION (KBEA), PROVIDED KBEA RAISES THE NECESSARY FUNDS TO BUILD AN EQUESTRIAN PARK AS PROPOSED ON THE DONATED LOTS AND ADJACENT KBEA PROPERTY.

WHEREAS, The City of Homer has long desired to create a community recreational park known as Jack Gist Park and has made substantial progress in that regard; and

WHEREAS, original plans for Jack Gist Park included an equestrian park; and

WHEREAS, the Kachemak Bay Equestrian Association (KBEA) has obtained property just north of the existing Jack Gist Park to be used for a community equestrian park; and

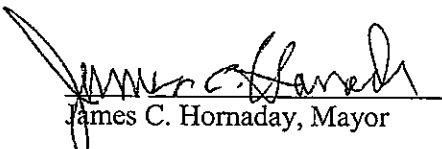
WHEREAS, the City of Homer recently accepted title to five lots immediately west of the KBEA property, with certain deed restrictions designating the property for the benefit and enjoyment of the community at large, with permissible uses specifically including an equestrian park; and

WHEREAS, the Homer City Council recently adopted Resolution 06-107 supporting KBEA's quest for grant money for the design and development of an equestrian park;

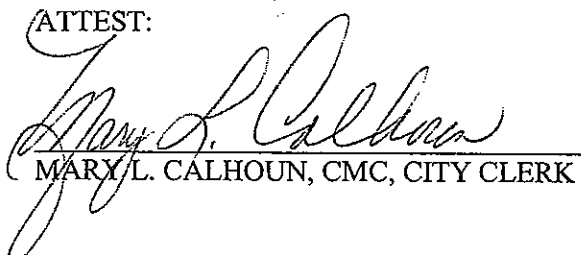
NOW, THEREFORE, BE IN RESOLVED, that the City Council of Homer, Alaska expresses its intent to make a donation of the five lots identified by KPB tax parcel numbers 179-390-0300—179-390-0700, pursuant to and in accordance with the provisions of Title 18 of the Homer Municipal Code, to the Kachemak Bay Equestrian Association, provided KBEA raises the necessary funds to build an equestrian park as proposed on the donated lots and adjacent KBEA property.

PASSED AND ADOPTED BY THE HOMER CITY COUNCIL this 28th day of August, 2006.

CITY OF HOMER


James C. Hornaday, Mayor

ATTEST:


MARY L. CALHOUN, CMC, CITY CLERK

Fiscal Impact: Assessed value \$32,000.00



Horsepark

Subject Lots

SCENIC VIEW DR

WILLIAMS PL

ADAMS DR.

SPRUCE LN.

SHANNON CT.

SHANNON LN

JACK GIST LN

EARLY SPRING ST.

SABRINA RD.

ROCHELLE RD

MARK WHITE AVE.

301

ORDINANCE REFERENCE SHEET
2014 ORDINANCE
ORDINANCE 14-24

An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 2.68.030 Proceedings of Commission, to Change the Meeting Schedule of the Parks and Recreation Advisory Commission.

Sponsor: City Manager/Parks and Recreation Advisory Commission

1. City Council Regular Meeting May 27, 2014 Introduction
 - a. Memorandums 14-081 and 14-083 from Parks and Recreation Advisory Commission as backup

2. City Council Regular Meeting June 9, 2014 Public Hearing and Second Reading
 - a. Memorandums 14-081 and 14-083 from Parks and Recreation Advisory Commission as backup

CITY OF HOMER
HOMER, ALASKA

City Manager/Parks and Recreation
Advisory Commission

ORDINANCE 14-24

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
AMENDING HOMER CITY CODE 2.68.030 PROCEEDINGS OF
COMMISSION, TO CHANGE THE MEETING SCHEDULE OF THE
PARKS AND RECREATION ADVISORY COMMISSION.

THE CITY OF HOMER ORDAINS:

Section 1. Homer City Code 2.68.030, Proceedings of Commission, is hereby amended
to read as follows:

2.68.030 Proceedings of commission. The Commission shall meet regularly once a
month in the months of February through June and August through November, with the
~~exception of December there will be no regularly scheduled meeting,~~ and at the call of the
Chairperson or a majority of the Commission. Permanent records or minutes shall be kept of
the vote of each member upon every question. Every decision or finding shall immediately be
filed in the office of the City Clerk, and shall be a public record open to inspection by any
person. Every decision or finding shall be directed to the City Council at the earliest possible
date.

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

[Added language underlined. Deleted language stricken through.]

44 YES:

45 NO:

46 ABSTAIN:

47 ABSENT:

48

49

50

51 First Reading:

52 Public Hearing:

53 Second Reading:

54 Effective Date:

55

56

57

58 Reviewed and approved as to form.

59

60

61 _____

62 Walt Wrede, City Manager

63

64 Date: _____

65

66

67 Fiscal Note: NA

Thomas F. Klinkner, City Attorney

Date: _____

[Added language underlined. Deleted language stricken through.]



City of Homer

www.cityofhomer-ak.gov

Office of the City Clerk

491 East Pioneer Avenue
Homer, Alaska 99603

clerk@cityofhomer-ak.gov

(p) 907-235-3130

(f) 907-235-3143

Memorandum 14-081

TO: MAYOR WYTHE AND CITY COUNCIL

FROM: PARKS AND RECREATION ADVISORY COMMISSION

THROUGH: RENEE KRAUSE, CMC, DEPUTY CITY CLERK I

DATE: FEBRUARY 26, 2014

SUBJECT: REDUCING MEETINGS OF THE BOARD, COMMISSIONS, AND COMMITTEES

The Parks and Recreation Advisory Commission discussed the Council request to reduce the number of meetings at the regular meeting on February 20, 2014. The commission agreed by consensus to reduce the number of meetings by an additional three meetings per year adding January, June and July. The commission does not have a scheduled meetings in December. The commission would still like to be able to schedule special meetings as required without permission of council.

Following is the excerpt of that discussion and subsequent motion.

B. Memorandum from City Clerk re: Reducing Meetings of the Commission

Chair Steffy read the title into the record. He questioned if they had to reduce the meeting schedule or just a suggestion from Council. Ms. Krause explained that if the commission feels strongly that a reduction in meetings would prohibit the commission accomplishing the tasks set before them they can certainly make that recommendation.

Ms. Engebretsen explained that for this year since they have the needs assessment and it has been established by the City Manager that there will be a need for a few special meetings that they can recommend that the commission will make the changes to the 2015 meeting schedule this fall. Chair Steffy read the recommendations in the memo and requested comments from the commission. He believed there may be some compromise between these recommendations.

LOWNEY/STEFFY - MOVED TO RECOMMEND MEETING EVERY MONTH EXCEPT JANUARY, JUNE, JULY, AND DECEMBER.

There was a brief discussion on the following: benefits to establishing committees, putting the onus on the commission to get their work done before summer, and if there is nothing to address

at the next meeting that they cancel the meeting ahead of time, the reasons why they are not allowed to create committees and why they must reduce the meetings.

ARCHIBALD/LOWNEY - MOVED TO AMEND THE MOTION TO ALLOW THE COMMISSION TO HOLD SPECIAL MEETINGS AS NEEDED WITHOUT PERMISSION OF COUNCIL.

Commissioner Lowney voiced concern that City Council is already perceived as not listening to the voice of the public and every step that they take to diminish their voices only adds to that perception. She noted that they already lost the ability to form and have committees she is not sure how she will vote now to reduce their abilities even more. Additional comment from staff being able to address their work requirements then also having to fulfill the thousand and one things that a committee or commission wants to have done too is some of the basis for not having committees and reducing the meetings. Commissioner Lillibridge also voiced concern on the ability to provide public input and reiterated that they are advisory to the Council and if they do reduce their meetings how can the commission advise Council in a timely manner. This effectively removes that ability and public input to council in her opinion.

VOTE.(Amendment). YES. NON-OBJECTION. UNANIMOUS CONSENT.

LOWNEY/STEFFY – MOVED TO AMEND THE MOTION TO READ MEETING EVERY MONTH WITH THE EXCEPTION OF JANUARY, JULY AND DECEMBER.

There was a brief discussion that to miss the June meeting with the Needs Assessment would not be the best thing to do this year. They can review it when the 2015 meeting schedule is being reviewed.

VOTE. (Second amendment) YES. NON-OBJECTION. UNANIMOUS CONSENT.

VOTE. (Main). YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

RECOMMENDATION: Approve the request to reduce the meeting schedule to eight meetings per year and retain the privilege to schedule special meetings as required.



City of Homer

www.cityofhomer-ak.gov

Office of the City Clerk

491 East Pioneer Avenue
Homer, Alaska 99603

clerk@cityofhomer-ak.gov

(p) 907-235-3130

(f) 907-235-3143

Memorandum 14-083

TO: MAYOR WYTHER AND CITY COUNCIL

FROM: PARKS AND RECREATION ADVISORY COMMISSION

THRU: RENEE KRAUSE, CMC, DEPUTY CITY CLERK I

DATE: APRIL 29, 2014

SUBJECT: AMENDING THE COMMISSION BYLAWS TO ADDRESS CHANGES TO ITEM C. MEETINGS, ITEM D. COMMITTEES AND ITEM F, SPECIAL MEETINGS

BACKGROUND

At the regular meeting of March 20, 2014 this item was on the agenda for introduction and was approved by the commission. These amendments to the bylaws were approved at the regular meeting on April 17, 2014. Following is the excerpt of the minutes regarding these changes to the commission bylaws.

Excerpt from the minutes of the March 20, 2014 Regular Meeting:

B. Amending the Commission Bylaws to Amend the Meeting Schedule, Establishing Committees and Holding Special Meetings

Ms. Krause explained that the commission made a motion to amend the meeting schedule and now the commission's bylaws needed to be amended which required two meetings. It is sort of like a public hearing for ordinances, introduced at one meeting and voted on at the second. Ms. Krause confirmed that a motion was required.

LILLIBRIDGE/LOWNEY - MOVE TO AMEND THE COMMISSION BYLAWS TO REFLECT THE PROPOSED CHANGES TO CREATION OF COMMITTEES ONLY WITH CITY COUNCIL APPROVAL, KEEPING THE ABILITY TO SCHEDULE SPECIAL MEETINGS AS REQUIRED AND NOT HAVING A REGULAR MEETING IN JANUARY AND JULY.

There was a brief discussion on the intended changes and whether they would apply to the meeting schedule this year.

VOTE. YES. ROEDL, LOWNEY, STEFFY, LILLIBRIDGE.

Motion carried

Excerpt from the minutes of the April 17, 2014 regular Meeting:

PENDING BUSINESS

A. *Amending the Commission Bylaws to Amend the Meeting Schedule, Establishing Committees and Holding Special Meetings.*

Chair Steffy noted that the proposed amendments are as follows:

To Reduce Commission Annual Meetings to Nine - Currently the commission does not meet in December and the months of January and July would be additional months that the commission does not meet.

To Amend the Ability of Committees to Be Formed without the Approval of City Council - Currently the commission has the ability to form committees to address issues or special projects as determined by the Commission. Due to problems with established short term committees established to address specific issues or projects going beyond their purview it has been decided that City Council must approve any requests for formation of a committee.

Commissioner Brann inquired that all they needed was to make the motion. Ms. Krause confirmed that was the action required.

BRANN/LOWNEY - MOVED TO AMEND THE PARKS AND RECREATION ADVISORY COMMISSION BYLAWS TO AMEND THE MEETING SCHEDULE AND ESTABLISHING COMMITTEES AS OUTLINED IN THE DOCUMENTS.

There was a brief discussion.

VOTE. YES. ARCHIBALD, BRANN, LOWNEY, MACCAMPBELL, STEFFY.

Motion carried.

Recommendation: Approve the request to amend the Parks and Recreation Advisory Commission Bylaws to reflect changes to the annual meeting schedule, adding the months of January and July to the months the commission will not be meeting and that committees will only be established by Council via a resolution.

ORDINANCE REFERENCE SHEET
2014 ORDINANCE
ORDINANCE 14-25

An Ordinance of the City Council of Homer, Alaska, Amending the 2014 Operating Budget to Reallocate a Water Fund Capital Budget Item Expenditure at the Water Treatment Plant to Evaluate Alternatives to Reduce Disinfection By-Products in the Drinking Water.

Sponsor: City Manager/Public Works Director

1. City Council Regular Meeting May 27, 2014 Introduction
 - a. Memorandum 14-087 from Public Works Director as backup
 - b. Public Works 2014 Capital Budget Items

2. City Council Regular Meeting June 9, 2014 Public Hearing and Second Reading
 - a. Memorandum 14-087 from Public Works Director as backup
 - b. Public Works 2014 Capital Budget Items

1 CITY OF HOMER
2 HOMER, ALASKA

3 City Manager/
4 Public Works Director

5 ORDINANCE 14-25
6

7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
8 AMENDING THE 2014 OPERATING BUDGET TO REALLOCATE A
9 WATER FUND CAPITAL BUDGET ITEM EXPENDITURE AT THE
10 WATER TREATMENT PLANT TO EVALUATE ALTERNATIVES TO
11 REDUCE DISINFECTION BY-PRODUCTS IN THE DRINKING WATER.
12

13 WHEREAS, The 2014 Operating Budget authorized the expenditure of \$29,000.00 to
14 install a mixed oxidant chlorination system at the Water Treatment Plant to reduce disinfection
15 by-products in the drinking water; and
16

17 WHEREAS, Upon further evaluation, Public Works has identified potential solutions that
18 could cost less and be more effective; and
19

20 WHEREAS, The current funds authorized would be better spent evaluating five different
21 potential solutions at a cost of \$18,459.00.
22

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

25 Section 1. The FY 2014 Operating Budget is hereby amended to reallocate Public Works
26 Line 31 Mixed Oxidant Disinfection in the amount of \$29,000.00 to Evaluate Alternatives to
27 Reduce Disinfection By-Products in the Drinking Water in the amount of \$18,459.00 at the Water
28 Treatment Plant.
29

30 From:

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
256-0378 (Water Reserve)	Mixed Oxidant Disinfection at Water Treatment Plant	\$ 29,000.00

36 To:

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
256-0378 (Water Reserve)	Evaluate Alternatives to Reduce Disinfection By-Products in the Drinking Water at Water Treatment Plant	\$ 18,459.00

44 Section 2. This is a budget amendment ordinance, is not permanent in nature, and shall
45 not be codified.

46
47 ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER, ALASKA, this _____ day of
48 June, 2014.

49
50 CITY OF HOMER

51
52
53 _____
54 MARY E. WYTHE, MAYOR
55

56 ATTEST:

57
58
59 _____
60 JO JOHNSON, MMC, CITY CLERK
61

62
63 AYES:
64 NOES:
65 ABSTAIN:
66 ABSENT:
67

68
69 First Reading:
70 Public Reading:
71 Second Reading:
72 Effective Date:
73

74 Reviewed and approved as to form:
75
76

77 _____
78 Walt Wrede, City Manager
79

Thomas F. Klinkner, City Attorney

80 **Date:** _____
81

Date: _____



City of Homer

www.cityofhomer-ak.gov

Public Works

3575 Heath Street
Homer, AK 99603

publicworks@cityofhomer-ak.gov

(p) 907-235-3170

(f) 907-235-3145

Memorandum 14-087

TO: Walt Wrede, City Manager
FROM: Carey Meyer, Public Works Director
DATE: May 21, 2014
SUBJECT: **Reallocation of Capital Project Funds**

The City of Homer's 2014 operating budget includes \$29,000 for the installation of a mixed oxidant disinfection equipment to reduce disinfection byproducts in our drinking water. Public Works, working with the designers of the water treatment plant, have identified other potential solutions to the disinfection byproduct problem that could be less expensive and more effective than the one authorized in the 2014 budget.

Solutions that need further evaluation include:

- Conversion from sodium hypochlorite to peracetic acid (mixed oxidant).
- Intake aeration or mixing to reduce raw water total carbon concentrations and DBP formation potential.
- Controlling water age in the distribution system.
- Reservoir mixing to increase residence time and reduced chlorine dosage (i.e. increase the "T" and lower the "C" of the CT calculation).
- Enhanced coagulation for additional total carbon removal.

Many of these potential solutions are operational adjustments that could require little capital expenditures. If a capital investment is required, the evaluation of the effectiveness of all alternatives would help secure the necessary ADEC approval to construct.

A study of these alternatives is expected to cost approximately \$18,459.

Recommendation: The City Council pass an ordinance reallocating the \$29,000 authorized for the installation of a mixed oxidant chlorination system in the 2014 operating budget to authorize the completion of a study of alternative disinfection byproduct creation solutions at a cost of \$18,459.

CITY OF HOMER
2014 OPERATING BUDGET

Line	Fund-Dept-A/C	Requests (>= \$5000) Description	BY	Requested Amount	Adopted Operating Budget	Adopted Capital Project
A	B	C	D	E	F	G
1	100-0101-5210	Service to Transition Paper to Electronic Documents	Clerk	10,000	10,000	
2	100-0100-5280	for Citizens Academy	Council	4,000	4,000	
3	100-0112-5227	Advertising for marine trades and other businesses	Council	10,000	10,000	
4	100-0112-5210	Additional allocated to Chamber of Commerce	Council	10,000	10,000	
5	100-0111-5227	Advertising for Open Positions	HR	10,000	10,000	
6	100-0113-xxxx	Server Virtualization project: Phase 1 (serv/storage)	IT	37,500	37,500	
7	100-0113-xxxx	Server Virtualization project: Phase 1 (software)	IT	30,000	30,000	
8	156-0375	Public Safety Network upgrades -Memo-13-130	IT	24,000		
9	156-0375	Server and Client Security and Automation	IT	30,000		
10	100-0145-5101/2	Youth Services Librarian from Part-time to Full-time	Library	26,788	26,788	
11	100-0145-5103/4	Temporary Summer Library Aide (3A) new position	Library	7,742		
12	100-0145-5228	Book Budget Increase from \$33,000-\$43,000)	Library	10,000	10,000	
13	100-0145-5990	Replace Public Use Technology Equipment	Library	18,453		
14	156-0393	Fire Station Exterior Paint/Stain	Fire	24,000		
15	156-0393	Floor Coverings - replacement	Fire	35,000		
16	100-0152-5103/4	Seasonal ESS (12A)	Fire	54,088	54,088	
17	156-0393	Multi - Gas Detector	Fire	10,000		10,000
18	156-0393	Fire Exit Stair Replacement	Fire	27,500		27,500
19	152-0382	New Vehicle Purchases (2)	Police	80,000		40,000
20	156-0394	Phone System Replacement	Police	40,000		40,000
21	156-0394	Air-conditioning system	Police	25,000		25,000
22	100-0171-5101/2	Building Maintenance Tech I (8A) Full-time	PW	59,858		
23	100-0175-5103/4	Parks Seasonal Temp (2A) 832 Hrs.	PW	11,596		
24	100-0178-5101/2	Building Custodian (3A) Fulltime position	PW	49,968		
25	152-0383	End Dump Truck for Roads & Drainage	PW	135,000		
26	156-0395	Expand Public Works Building	PW	425,000		
27	256-0378/0379	Mid/size pickup for W/S Maintenance	W & S	26,500		
28	256-0378/0379	Sewage Lagoon Improvements (liner, discharge rep)	W & S	16,500		
29	256-0378	Water Storage Tank -Diffuser	W & S	11,500		11,500
30	256-0378/0379	Mid 4x4 Pu	W & S	27,500		27,500
31	256-0378	Mixed Oxidant Disinfection WTP	W & S	29,000		29,000
32	156-0388	Remove underground fuel tank at Airport Terminal	PW	12,000		12,000
33	256-0379	Snowplow and flatbed	W & S	9,600		9,600
34	152-0383	Vehicle for New project Manager (split w/WS) *	PW	8,833		8,833
35	256-0378/0379	Vehicle for New Project Manager (Split w/PW fleet) *	W & S	17,667		17,667
36	156-0395	Replant 1995 JD410 Backhoe (share w/WS reserve) **	PW	3,333		3,333
37	256-0378/0379	Repaint 1995 JD410 Backhoe (share w/PW reserve) **	W & S	6,667		6,667
38	456-0380	Fish Dock Gratings	P & H	25,000		
39	456-0380	Float Sweeper	P & H	5,000		5,000
40	452-0374	Used 2 wheel-drive vehicle	P & H	12,000		12,000
41	456-0380	Black Gold Waste Oil Heater/Port Maint shop	P & H	15,000		15,000
42	456-0380	Fish Dock Cold Storage Door Replacement	P & H	15,000		15,000
43	456-0380	Maint.Cameras at Fish Dock	P & H	15,000		15,000
44	165-0375	Seafarers Memorial Parking Lot expansion	P & H	15,000		15,000
45	156-0387	(Planning Reserve) Park & Rec Needs Study	Council	25,000		25,000
46	156-0385	(Park & Rec Reserve) Park & Rec Needs Study	Council	15,000		10,000
47						
48						
49						
	Total			1,516,593	202,376	380,600

Summary: Budget Requests >=\$5000

ORDINANCE(S)

CITY MANAGER'S REPORT



City of Homer

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MANAGER'S REPORT

June 9, 2014

TO: MAYOR WYTHER / HOMER CITY COUNCIL

FROM: WALT WREDE

UPDATES / FOLLOW-UP

NOTE: Some of these items appeared in the last report. I have updated them and brought them back in case the Council wanted to discuss.

1. BlueCrest Energy: We have received copies of the BlueCrest Energy Operating Plan and Oil Discharge Prevention and Contingency Plan for members of the public who may want to review these documents. They are located at the Clerk's office and both PDF, disk, and paper format are available. BlueCrest is preparing to conduct operations at the Stiriski site.
2. Pioneer Dock: On Tuesday, June 3, Bryan, Carey, Aaron, and I met with AMHS and R&M Engineering Consultants to discuss proposed improvements at the Pioneer Dock. DOT/PF has obtained funding (1.6 Million) to make improvements that would better accommodate AMHS vessels. The improvements include additional fender panels, a wraparound fender at the end of the dock to accommodate vessel pivoting maneuvers in certain weather conditions, dolphin improvements, and a covered walkway for passengers with associated electrical and lighting work. One of the things we talked about most was the NMFS requirement that the contractors must stop work if Beluga Whales were within 3,000 meters. Monitoring must take place and this may drive the project cost, if it is even achievable. Construction is expected in either the Spring or the fall of 2015.
3. North to the Future Report: Attached please see a report from Katie on progress and plans for the North to the Future Book project.
4. Strategic Planning: Attached please see a follow-up report from Katie on Strategic Planning. Hopefully we can find some time to discuss this during the meeting.
5. Research Reserve: On Wednesday, June 4th, I was invited to meet with the Kachemak Bay Research Reserve Board to discuss the future of the Reserve and efforts to find a new State partner. I will be happy to talk about this in detail at the meeting.
6. Old Town: The Tentative Agenda contained an ordinance appropriating funds for additional traffic calming measures in Old Town, sponsored by Councilmember Van Dyke. That ordinance was pulled because all of the cost estimates were not yet obtained by packet time.

ATTACHMENTS

1. Memorandum 14-094 from Community and Economic Development Coordinator, Re: Strategic Planning.
2. Memorandum 14-095 from Community and Economic Development Coordinator, Re: Alaska: *North to the Future*.



City of Homer

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Homer, Alaska 99603

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Memorandum 14-094

TO: Mayor Wythe and Homer City Council
THROUGH: Walt Wrede, City Manager
FROM: Katie Koester, Community and Economic Development Coordinator
DATE: June 4, 2014
SUBJECT: Strategic Implementation Planning

The purpose of this memo is to update the Mayor and Council on my understanding of the strategic planning needs of the City/Council. After input from the body, I will submit a proposal to the 3 organizations I have been in contact with that provide planning facilitation and collect feedback on their ability to meet the specific goals and objectives as defined by the Council.¹ It is important that the Council is on the same page to lay a strong foundation for the planning process.

Strategic planning can be very time intensive; the City of Valdez spent a year and a half developing a strategic plan for the community. The goal for this planning session is simpler; to build on the work that has gone into the many plans the City, with input from the public, has. From what I understand, rather than a strategic plan the Council is looking for an action plan; however some strategizing needs to be done first. Rather than laying out a broad and long term vision for the City, the purpose of the 'action plan' is to lay out specific goals and steps needed to achieve them. Because the Council has limited time to dedicate to this process a small group, such as key staff and the mayor, will need to work with the consultant to narrow the focus and put together an agenda for the session. Taking all the implementation items from the many City of Homer plans is far too intimidating of a task for a large group to take on.

The strategic planning with the Council may have to occur in two planning sessions: 1) to establish the Council's priorities and goals and 2) A strategy for implementing the goals and priorities identified.

Proposal:

Scope of Work:

The Homer City council is interested in a facilitated planning session to help narrow and target the direction and focus of the City and City projects. The City has developed many plans over the years with extensive public input. However, the need exists for a global vision on prioritizing and executing these plans. To put it bluntly, the City needs a plan for implementing the plans.

¹ University of Alaska Center for Economic Development, Angew::Beck, and Information Insights.

Current plans include:

- Comprehensive Plan (2008 adopted 2010)
- Capital Improvement Plan (updated annually)
- Water and Sewer Master Plan (2006)
- City of Homer Non-motorized Trails and Transportation Plan (2004)
- Homer Area Transportation Plan (2005)
- Comprehensive Economic Development Strategy (2011)
- Homer Spit Plan (2011)
- Homer Town Center Development Plan (2006)
- Land Allocation Plan (updated annually)

Others (individual park plans):

- Karen Hornaday Park Master Plan
- Diamond Creek Recreation Area Plan

Time frame: The City is interested in hiring a facilitator for a one day session, approximately 8hours. This may be followed up with a second planning session at a later date.

Budget: \$5,000-\$7,000

End product: A five year action plan that prioritizes City projects and areas of focus.

Requested Action:

Provide staff with feedback on the proposal for strategic implementation planning. Discuss potential dates (at least broadly) to give staff a starting place for communicating with facilitators and gauging the time line for work that has to be done before the 8 hour planning session.



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Memorandum 14-095

TO: Mayor Wythe and Homer City Council
THROUGH: Walt Wrede, City Manager
FROM: Katie Koester, Community and Economic Development Coordinator
DATE: June 4, 2014
SUBJECT: Alaska North to the Future Update

The purpose of this memo is to update the Mayor and Council on work on the Homer insert for the coffee table book, Alaska North to the Future, Volume V.

The City has 8 pages in the book or approximately 16 images and 2,400 words. With this space it is my goal to tell a story about what a great place Homer is to do business. The story of how beautiful it is and how great it is to visit will be an undercurrent (but not the primary message) of the photos and text that illustrate a creative, accessible, happening town. A town that has the amenities business want (land for development, affordable energy, access by air, road and sea, and an educated workforce) and the quality of life their employees want (quality schools, health care, parks and culture). The pictures must be carefully selected to be eye-catching, scenic and beautiful without coming across as too promotional in nature so people chose to stop and read the profile. It is a lot to juggle, but I hope to be able to take advantage of the many talented photographers that have submitted their pictures to the Homer Chamber of Commerce annual photo contest. Big thanks to the Chamber for sharing their images with the City. Because I am looking for many very specific images, I may need to contract with a professional photographer for some shots.

I have a spreadsheet attached with a list of all the images I am hoping to collect, the ones I have contenders for, and the piece of the Homer puzzle they fit in. If you have any pictures that would be a good fit for the book, or know of an aspiring photographer who might and would appreciate the exposure, please pass them along. Pictures need to be high resolution, 300 dots-per-inch. I cannot promise a picture will be published, but the more options to choose from, the better. As you can see from the chart, there are quite a few holes to be filled.

The layout for the book will be similar to the layout of the municipal inserts for the existing volume, a background image, a text box and a couple of images of varying sizes on each two page spread.

The deadline for the City to submit the pictures and text is July 31, 2014. After that, staff and Council will have an opportunity to review the proof before it is published, though I hope to provide Council with a mock up before that deadline. The final book will be ready by winter of 2015.

12,500 copies of the book are published. The City gets 1 sample copy and can purchase additional copies for just under \$30 a book. We have the option to purchase a printable PDF which consists of our 8 page spread and a cover page for \$525, which I recommend doing. This would provide an 8 page brochure for promoting Homer or post online or print. The City will own a PDF copy of the entire book that we will have accessible on our website.

If this advertising is successful, it will drive more traffic to our website. What is the first thing you would do if your interest in Homer Alaska is peaked from a publication? Google it! The City may want to consider investing some time and effort into our web presence to take advantage of the increased traffic.

Enc: Image Chart for Alaska North to the Future Homer Insert

Image Chart for Alaska North to the Future Homer Insert

Category	Do we have picture?	Sub-category	Image	Potential text to accompany image/ point that could be conveyed
Introduction				
1	P&H? Have some	End of the Road	Spit, end of highway.	End of Sterling Highway, scenic byway but by no means the middle of nowhere.
Transportation				
2	Need	By Road	Picture of an 18 wheeler driving up Baycrest or other frame with mountains/scenic background.	Homer is connected to the Anchorage by the Sterling highway which is a major transportation artery for the state accommodating truck traffic....and as a national scenic byway tourism traffic.
3	Need	By Air	Coast guard doing touch and goes taken from Mattox. Maybe a float plane in the frame.	At X feet the Homer airport can accommodate jet traffic. Commercial passenger and freight flights land daily and the float plane dock takes passengers to rural destinations.
4	Have Picture	By Sea	Scott Dickerson aerial shot of Homer Harbor.	Homer has the only year round ice free deep water port in the Cook Inlet and is a port of first refuge for vessels. The extensive small boat harbor is home to hundreds of recreational, fishing, and working boats.
Maritime				
5	P&H? Have some options	Port	DWD in action. Shows capacity of port.	
6	P&H? or HMTA	Marine Trades	Worker in action, Welder with sparks flying? or Boat being hauled out. Scenic backdrop.	Over 100 Marine service businesses to meet the needs of vessels, large or small. Emphasize maritime history.
7	P&H?	Freight	Barge Landing. Show ability to load/off load freight	Highlight the capacity of vessels/Harbor to accommodate the movement of goods.
Energy				
8	Need	Natural Gas	Installation of line? Building or restaurant in scenic context...	...caption of how much business pictured has reduced energy costs (75%). Picture of Cups?
Knowledge				
9	KPC?	Education	Picture of college	Fully developed branch of University of Alaska
10	Need	Connectivity (internet)	On laptop in scenic location	2013 Google e-city. Telecommuters, work from homer entrepreneurs.

Health Care				
11	SPH Requested		Scenic picture of SPH	Full service hospital. List designations.
Quality of Life				
12	Need	Culture	Gallery	Robust art community. Top 100 art towns in America.
13	Need	Culture	Picture of event (shorebird, street fair)	Talk about how community comes together, lots of great events.
14	Have some options.	Recreation	State park picture: kayaking or hiking	Largest state park in AK with X miles of trails.
15	Need	Fine dining	Picture of plate of seafood with local greens	Emphasize trendy excellent places to eat. Is there a designation/award or quote about all the good food in Homer somewhere?
16	Have some options	Sport Fishing	Halibut/salmon	Halibut fishing capital of the world. Types of fishing.
Families				
17	Taz?	Parks	Karen Hornaday Park	Talk about how community came together to build the park
18		Schools	Picture of kids, maybe on a field trip somewhere scenic?	Quality of schools. Any awards received, 'report card' grade...etc
Homer Icons				
19	Have some	Time Bandit	Picture of Time Bandit delivering to fish dock (from chamber)	Talk about shows filmed in Homer, film tax credits in Alaska. <i>Could go in Maritime section</i>
20	Have	Kilchers	Eve and Ivan dip netting	<i>Could go in quality of life section. Need permission.</i>
Infrastructure				
21	PW?	Water	Picture of reservoir?	Homer has plenty of fresh water for industry. Sewer treatment too...
Room to Grow				
22	Need	Town Center	Aerial picture of town center	Most Alaska down towns have little prime down town real estate. Town center is a big asset in the middle of it all

*Back ground images: Beach sand, winter scene, mountains, sky. Consider doing them all in black and white so images and text pop (Taz).



City of Homer

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Office of the City Clerk

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Homer, Alaska 99603

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(p) 907-235-3130

(f) 907-235-3143

Memorandum

TO: MAYOR AND CITY COUNCIL
FROM: MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK
DATE: JUNE 4, 2014
SUBJECT: BID REPORT

RFP for Art at the New Harbormaster Office - Request for Proposals - Incorporation of Art into the New Harbormaster Office Complex on the Homer Spit, City of Homer, Alaska. Proposals to provide art or to incorporate art into the new Harbormaster Office will be received at the Office of the City Clerk, City Hall, City of Homer, 491 East Pioneer Avenue, Homer, Alaska, until 4:30 P.M., Thursday, June 12, 2014.

ITB for Homer Harbormaster's Office / Deepwater Dock Trail Boardwalk - Sealed bids for the construction of the Homer Harbormaster's Office / Deepwater Dock Trail Boardwalk will be received at the office of the City Clerk, City Hall, City of Homer, 491 East Pioneer Avenue, Homer, Alaska, until 2:00 PM, Thursday, June 19, 2014 at which time they will be publicly opened and read.

CITY ATTORNEY REPORT

COMMITTEE REPORTS

PENDING BUSINESS

1 CITY OF HOMER
2 HOMER, ALASKA

3 City Clerk/
4 Parks and Recreation
5 Advisory Commission

6 RESOLUTION 14-056

7
8 A RESOLUTION OF THE HOMER CITY COUNCIL AMENDING
9 THE PARKS AND RECREATION ADVISORY COMMISSION
10 BYLAWS, REGULAR MEETINGS, ESTABLISHING A REGULAR
11 MEETING SCHEDULE OF FEBRUARY THROUGH JUNE AND
12 AUGUST THROUGH NOVEMBER; COMMITTEES, REQUIRING
13 CITY COUNCIL APPROVAL TO FORM A SPECIAL COMMITTEE;
14 AND SPECIAL MEETINGS, TO BE SCHEDULED ONLY WHEN
15 REQUIRED TO COMPLETE TIME SENSITIVE BUSINESS.

16
17 WHEREAS, In an effort to reduce staff time spent preparing for and attending
18 meetings, the City Council asked the board, commissions, and committees to review their
19 meeting schedules to see if they could reduce the number of meetings; and

20
21 WHEREAS, The Parks and Recreation Advisory Commission determined they could
22 eliminate regular meetings for the months of January, July, and December and schedule
23 special meetings only when they are required to complete time sensitive business; and

24
25 WHEREAS, The Parks and Recreation Advisory Commission recommended that Council
26 approval be required to form special short-term committees to address specific issues; and

27
28 WHEREAS, The Bylaws amendments were introduced at the Commission's March 20,
29 2014 regular meeting and approved at their April 17th regular meeting by unanimous consent of
30 the Commission.

31
32 NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby amends the
33 Parks and Recreation Advisory Commission Bylaws to establish a regular meeting schedule of
34 February through June and August through November, to require City Council approval to
35 form a special committee, and that special meetings be scheduled only when required to
36 complete time sensitive business.

38 PASSED AND ADOPTED by the City Council of Homer, Alaska, this _____ day of June,
39 2014.

40

41

CITY OF HOMER

42

43

44

MARY E. WYTHE, MAYOR

45

46

47 ATTEST:

48

49

50

51 JO JOHNSON, MMC, CITY CLERK

52

53 Fiscal Note: NA

1 **PARKS AND RECREATION ADVISORY COMMISSION**
2 **BYLAWS**
3

4 The Homer Parks and Recreation Advisory Commission is established with those powers and duties as set
5 forth in Title 1, Section 74, of the Homer Municipal Code.

6 The Commission is established to act in an advisory capacity to the City Manager and the City Council on
7 the problems and development of parks and recreation facilities and public beaches within the City.

8 The Commission's jurisdiction is limited to the area within the City Boundaries except for those extra
9 territorial interests, such as trails and city properties, subject to city jurisdiction.

10 The Homer Parks and Recreation Advisory Commission consist of seven members; up to three members
11 may be residents from outside the city limits, preference shall be given to City resident applicants.

12 Members will be appointed by the Mayor for three-year terms (except to complete terms) subject to
13 confirmation by the City Council.

14 One Homer area High School student selected by his or her student body shall serve as a consulting
15 member of the Commission in addition to the seven appointed members, and may attend and participate
16 in all meetings as a consultant, but shall have no vote. (Ord. 99-04, 1999)

17 There will be regular monthly meetings January through November of the Commission and permanent
18 records or minutes shall be kept of the proceedings. The minutes will record the vote of each member
19 upon every question. Every decision shall be filed in the office of the City Clerk and shall be public record
20 open to inspection.

21
22 **HISTORY**

23 The By-laws were passed by the Parks and Recreation Commission on October 20, 1983 by the Homer
24 City Council on February 13, 1984, and shall be in effect and govern the procedures of the Commission.

25 The duties and responsibilities of the Commission are:

26 A. Act in advisory capacity to the City Manager and the City Council on the problems and
27 development of park and recreation facilities and public beaches in the city. Consideration may include
28 existing facilities, possible future developments and recommendations on land use.

29 B. Consider any specific proposal, problem or project as directed by the City Council.
30

31
32 **BY-LAWS**
33

34 A. To abide by existing Alaska State Law, Borough Code of Ordinance, where applicable, and Homer
35 Municipal Code;

36
37 B. To abide by Robert's Rules of Order, current edition, in so far as this treatise is consistent with
38 Homer Municipal Code.
39

40 **C. REGULAR MEETINGS:**

41 1. ~~January through November~~ **February through June and August through**
42 **November** on the third Thursday of the month, at 5:30 p.m. **No meetings will be**
43 **scheduled during the months of January, July and December unless a Special**
44 **meeting is required in accordance to the bylaws.**
45

46 2. Items will be added to the agenda upon request of staff, the Commission or a
47 Commissioner. Agenda deadline is the Wednesday of the week preceding the meeting
48 date at 5:00 p.m.
49

50 3. Removing items from the published agenda will be by consensus of the Commission. No
51 items may be added.
52

53 4. Commissioners will give staff or Chair a minimum of a two week notice or as soon
54 as possible regarding their potential absence from a meeting.
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D. COMMITTEES

1. ~~The Chair shall appoint committees for such specific purposes as the business of the Commission may require.~~ **The commission shall submit a request for approval to City Council to form special committees.** Committee membership shall include at least two Commissioners. ~~Other Committee members may be appointed from the public.~~ **The commission will submit in memorandum form to council the reason for establishing a committee, the task(s) assigned to the committee and the expected term for the committee plus a list of persons to be appointed to the committee such as Council members, department personnel, or number of public in specific sectors or with special experience preferred.**
2. One committee member shall be appointed as Chair and be responsible creating an agenda and notifying **work with** the City Clerk's **Office to create the agenda and schedule** of meetings so they may be advertised in accordance with Alaska State Law and Homer City Code.
3. One committee member shall be appointed and responsible for furnishing summary notes of all Committee meetings to the City Clerk.
4. Committees shall meet in accordance with Commission bylaws and Robert's Rules.
5. Committees will make a progress report at all commission meetings.
6. No committee shall have other than advisory powers.
7. Per Robert's Rules **and the resolution creating the committee as established by City Council** upon giving final report the committee is disbanded.
8. **All meetings are to be conducted in City Hall where they may be recorded.**

E. COMMISSION MEETING PUBLIC COMMENT/TESTIMONY AND AUDIENCE COMMENT TIME LIMITS

1. The meeting Chair shall note for the audience's benefit that there is a three minute time limit each time there is a place in the agenda for public comment/testimony or audience comments.
2. Any individual wishing to address the Commission shall adhere to a three minute time limit. It is the responsibility of the Chair to announce under Public Comments, Public testimony on public hearing items and Audience Comments that there is a 3 minute time limit.
3. Time limits may be adjusted by the 2 minutes up or down with the concurrence of the body in special circumstances only such as agenda content and public attendance.

F. SPECIAL MEETINGS:

1. Called by Chair or majority of the Commission **only when required to complete time sensitive business of the commission, at the request of City Administration or City Council.**

G. DUTIES AND POWERS OF THE OFFICERS:

1. A Chair and Vice-Chair shall be selected annually (November meeting) by the appointive members.
2. The Chair shall preside at all meetings of the Commission, call special meetings in accordance with the by-laws, sign documents of the Commission, see that all actions and notices are properly taken, and summarize the findings of the Commission for the official record.
3. The Vice-Chair shall perform all duties and be subject to all responsibilities of the Chair in his/her absence, disability or disqualification of office.
4. The Vice-Chair will succeed the Chair if he/she vacates the office before the term is completed, to complete the unexpired term. A new Vice-Chair shall be elected at the next regular meeting.

H. MOTIONS TO RECONSIDER:

1. Notice of reconsideration shall be given to the Chair or Vice-Chair, if the Chair is unavailable, within forty-eight hours from the time the original action was taken.
2. A member of Commission who voted on the prevailing side on any issue may move to reconsider the Commission's action at the same meeting or at the next regular meeting of the body provided the above 48-hour notice has been given.
3. Consideration is only for the original motion to which it applies.

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I. CONFLICT OF INTEREST:

1. A member or the Commission shall disqualify himself/herself from participating in any official action in which he/she has a substantial financial interest.
2. Should the Commission member not move to disqualify himself/herself after it has been established that he/she has a substantial financial interest, the Commission may move to disqualify that member by a majority vote of the body.

J. QUORUM; VOTING:

1. Four Commission members shall constitute a quorum.
2. Four affirmative votes are required for the passage of a resolution or motion.
3. Voting will be by verbal vote, the order to be rotated. The final vote on each resolution or motion is a recorded roll call vote.
4. The City Manager, Mayor and High School student shall serve as consulting members of the Commission but shall have no vote.

K. CONSENSUS:

1. The Commission may, from time to time, express its opinion or preference concerning a subject brought before it for consideration. Said statement, representing the will of the body and meeting of the minds of the members, may be given by the presiding officer as the consensus of the body as to that subject without taking a motion and roll call vote.

L. ABSTENTIONS:

1. All Commission members present shall vote unless the Commission, for special reasons, permits a member to abstain.
2. A motion to excuse a member from voting shall be made prior to the call for the question to be voted upon.
3. A member of the Commission requesting to be excused from voting may make a brief, oral statement of the reasons for the request and the question of granting permission to abstain shall be taken without further debate.
4. A member may not be permitted to abstain except upon the unanimous consensus of members present.
5. A member may not explain a vote, may not discuss the question while the roll call vote is being taken and may not change his/her vote thereafter.

M. VACANCIES:

1. A Commission appointment is vacated under the following conditions and upon the declaration of vacancy by the Commission.
2. The Commission shall declare a vacancy when the person appointed:
 - A. fails to qualify to take office within 30 days after his/her appointment;
 - B. resigns and the resignation is accepted;
 - C. is physically or mentally unable to perform the duties of his/her office;
 - D. misses three consecutive regular meetings unless excused; or
 - E. is convicted of a felony or of an offense involving a violation of his/her oath of office.

N. GENERAL ORDER OF BUSINESS:

NAME OF BODY	DATE OF MEETING
PHYSICAL LOCATION OF MEETING	DAY OF WEEK AND TIME OF MEETING
HOMER, ALASKA	MEETING ROOM

NOTICE OF MEETING
REGULAR MEETING AGENDA

1. CALL TO ORDER
2. APPROVAL OF AGENDA
3. PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA. (3 MINUTE TIME LIMIT)
4. RECONSIDERATION
5. APPROVAL OF MINUTES or CONSENT AGENDA.
6. VISITORS (Chair set time limit not to exceed 20 minutes) (Public may not comment on the visitor or the visitor's topic until audience comments.) No action may be taken at this time.
7. STAFF & COUNCIL REPORT/COMMITTEE REPORTS/BOROUGH REPORTS (Chair set time limit not to exceed 5 minutes.)
8. PUBLIC HEARING (3 MINUTE TIME LIMIT)

- 178 9. PLAT CONSIDERATION (Planning Commission only)
- 179 10. PENDING BUSINESS or OLD BUSINESS
- 180 11. NEW BUSINESS or COMMISSION BUSINESS
- 181 12. INFORMATIONAL MATERIALS (NO ACTION MAY BE TAKEN ON THESE MATTERS, THEY MAY
- 182 BE DISCUSSED ONLY).
- 183 13. COMMENTS OF THE AUDIENCE (3 MINUTE TIME LIMIT)
- 184 14. COMMENTS OF THE CITY STAFF (not required) (Staff report may be at this time in the
- 185 agenda.)
- 186 15. COMMENTS OF THE COUNCILMEMBER (If one is assigned)
- 187 16. COMMENTS OF THE CHAIR (May be combined with COMMENTS OF THE
- 188 COMMISSION/BOARD since the Chair is a member of the Commission/Board.)
- 189 17. COMMENTS OF THE COMMISSION
- 190 18. ADJOURNMENT/NEXT REGULAR MEETING IS SCHEDULED FOR _____
- 191 note any worksessions, special meetings, committee meetings etc. All meetings scheduled to be held
- 192 in the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.
- 193 (Sometimes the meeting is scheduled for the Conference Room)
- 194

195 **O. PROCEDURE FOR CONSIDERATION OF AGENDA ITEMS:**

196 The following procedure will normally be observed pursuant to Robert’s Rules:

- 197 1. A motion is made to discuss the item OR to approve the staff recommendation. The
- 198 item may then be discussed, amended or voted on.
- 199 2. If there are questions of staff or an appropriate audience member, a Commissioner
- 200 may request permission from the Chair to ask the question. The Chair, upon with
- 201 consensus approval, may grant the request.
- 202

203 **P. BYLAWS AMENDED:**

204 The bylaws may be amended at any meeting of the Commission by a majority plus one vote of

205 the members, provided that notice of said proposed amendment is given to each member in

206 writing. The proposed amendment shall be introduced at one meeting and action shall be taken

207 at the next commission meeting.

208

209

210 **Q. TELECONFERENCE:**

211 Teleconference meetings.

212

213 1. The preferred procedure for Commission meeting is that all members be physically

214 present at the designated time and location within the City for the meeting. However, physical

215 presence may be waived by the Chair or Commission and a member may participate in a meeting

216 by Teleconference when it is not essential to the effective participation or the conduct of business

217 at the meeting.

218 A. A Commission member participating by teleconference shall be deemed to be

219 present at the meeting for all purposes. In the event the Chair participates telephonically,

220 the Vice-Chair shall run the meeting.

221

222 2. Teleconference procedures.

223 A. A Commission member who cannot be physically present for a regularly scheduled

224 meeting shall notify the recording clerk at least five days prior to the scheduled time for the

225 meeting of his/her intent to appear by telephonic means of communication.

226 B. The recording clerk shall notify the Commission members three days prior to the

227 scheduled time for the Commission meeting of Commission members intending to appear by

228 teleconference.

229 C. The means used to facilitate a teleconference meeting of the Commission must enable

230 each Commission member appearing telephonically to clearly hear all other Commission members

231 and members of the public attending the meeting as well as be clearly heard by all other

232 Commission members and members of the public.

233 D. The recording clerk shall note in the attendance record all Commission members

234 appearing telephonically.

235

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238

239 **LEGISLATIVE HISTORY**
240 Amendment to the first paragraph was passed by the Commission on April 19, 1990 and passed by
241 Homer City Council on May 14, 1990 via Resolution 90-34.
242
243 New section M, Alternate Voting Members was passed by Homer City Council on June 8, 1998 via
244 Resolution 98-41.
245
246 Amendment to include Teleconference Procedures was approved by the Commission on February 15,
247 2001 and adopted by the City Council on February 26, 2001 via Resolution 01-09. This amendment
248 changed the edition of Robert's Rules of Order from seventh to current and added new sections N. and
249 O.
250
251 Amendment to the meeting time was passed by Homer City Council on February 14, 2005 via Resolution
252 05-17.
253
254 Amendment Revising the Agenda Layout and Content, Regular meeting procedures, Special Meeting
255 procedures; adding Commission Meeting Public Comment/Testimony and Audience Comment Time limits,
256 Public Beaches, Procedure for Consideration of Agenda Items; Removing Alternative Voting Members
257 was passed by Homer City Council via Resolution 07-22(A).
258
259 Amendment Revising the Frequency of Meetings and Attendance Requirements was passed by Homer
260 City Council via Resolution 09-79
261
262 Revising the meeting time from 6:30 p.m. to 5:30 p.m. was passed by Homer City Council on December
263 13, 2010 via Resolution 10-96.
264
265 Establish Monthly Meetings with the Exception of December was passed by Homer City Council on July
266 25, 2011 via Resolution 11-076.
267
268 Amending the monthly meetings to February through June, August through November no meetings will
269 be scheduled during the months of January, July and December unless a Special Meeting is required in
270 accordance with the Bylaws. Establish committees only with the approval of City Council and by
271 Resolution was passed by Homer City Council on _____ via Resolution _____

NEW BUSINESS

RESOLUTIONS

1 CITY OF HOMER
2 HOMER, ALASKA

3 City Manager/Finance Director

4 RESOLUTION 14-060

5
6 A RESOLUTION OF THE HOMER CITY COUNCIL MAINTAINING
7 THE WATER AND SEWER FEES AT THE 2014 RATE AND
8 UPDATING THE HOMER FEE SCHEDULE ACCORDINGLY.

9
10 WHEREAS, Water and sewer utility services shall be reviewed annually and amended,
11 as necessary, to take effect as of July 1, 2014 with the first billing cycle to take effect following
12 July 1; and

13
14 WHEREAS, The Homer City Council reviewed the current rate model and
15 recommended no rate changes for the period of July 1, 2014 through June 30, 2015.

16
17 NOW, THEREFORE, BE IT RESOLVED by the City Council of Homer, Alaska, that the
18 water and sewer fees be maintained at the 2014 rate and the Homer Fee Schedule be updated
19 as follows:

20
21 **WATER AND SEWER FEES:**

22
23 (The following fees have been set by the following legislative enactment HCC Title 14, new
24 fees set forth in Ordinance 13-30(A), Resolution 13-048(S-2)(A-3), Ordinance 11-43, Resolution
25 11-094(S), Resolution 11-062(A), Resolution 09-47(S)(A), Resolution 09-48(S)(A), Resolution
26 07-119 (A), Resolution 07-120(A), Ordinance 06-62(A), Resolution 06-04, Resolution 05-125,
27 Resolution 05-122, Resolution 05-121(A), Resolution 05-09, Resolution 04-95, Resolution 04-
28 94(S)(A), Resolution 03-159, Resolution 02-80, Resolution 01-80(A), Resolution 00-123,
29 Resolution 00-34, Ordinance 00-02, Ordinance 97-17(A), amending the rates set forth in
30 Ordinance 97-5(S)(A), with amendments by Ordinance 97-7, Ordinance 97-13 and Ordinance
31 97-14).

32
33 Public Works - 235-3170

34 City Hall - 235-8121

35 Billing - 235-8121 x2240

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

39
40 Establishing service includes a one-time disconnect - \$30

41 Service calls, inspections, repairs not to exceed one hour - \$25 per employee plus equipment
42 and materials.

43

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

46

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

50

51 SEWER FEES:

52 Sewer Connection and Extension Permit Fee

53

54 Single Family \$255

55 Multi-Family/Commercial \$330

56

57 Customer classification definitions for determining sewer connection and extension permit
58 fees:

59

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

62

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

70

71 Commercial - Any user not defined as Residential.

72

73 Sewer Rate Schedule.

74

75 All sewer utility services shall be billed according to the following schedule (Table I, II). This
76 schedule is for monthly sewer services and is in addition to any charges for connecting or
77 disconnecting the service, installation of the service or any assessment of the improvements.

Rates			Table I	
	Sewer			
Customer Classification	Monthly Service	Usage Charge/Gallon		
Lift-Station Customer	\$ -	\$0.0218		
Non-Lift-Station Customer		\$0.0147		
Multi-units (additional per unit)	\$ 5.00	N/A		

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Rates			Table II	
Sewer ONLY Customers	Sewer			
	Fees/Rate/Usage	Per Customer Per Month		
Lift-Station Customer	\$0.0218/Gal	\$76.30		
Non-Lift-Station Customer	\$0.0147/Gal	\$51.45		
Monthly Service	\$5.00/customer/mo.	\$5.00		
Pumping Fee (<i>If Applicable</i>)	\$7.75/customer/mo.	\$ 7.75		
Assumption: Avg. Sewer Usage	3500 Gal/Mo.			

84 Customer classification definitions for determining sewer rates:

85

86 Lift Station Zone Customer: There are eleven sewage lift/pump stations that are used for
 87 pumping wastewater or sewage from areas with lower elevation than the treatment plant.

88 Customers who are located in these areas shall be charged additional fees for the cost added
 89 to the services (see Table I & II).

90
91 Non-Lift Station Zone Customer: Customers who are located in the zone that do not need
92 lift/pump station services.

93
94 Sewer System Dischargers (Sewer ONLY customers): Customers who use sewer service only
95 shall be charged a monthly fee of \$5 plus sewer usage fee based on assessed volume of 3,500
96 gallons per month multiplied by the applicable sewage rate (see Table II). Kachemak City Local
97 Improvement District (LID) members have contributed to the initial cost of the sewer
98 treatment plant and the collection system. For Kachemak City LID dischargers connected
99 within the LID, the City of Homer shall bill Kachemak City in one single bill at the Lift-Station
100 Zone Rate of \$89.05 (\$76.30 +\$5 +\$7.75) per month per customer. Kachemak City shall be
101 responsible for payment to the City of Homer.

102
103 Domestic sewer service customers who use large quantities of City water in addition to their
104 domestic use shall be allowed, with the Public Works Director's approval, to install an
105 additional water meter on the domestic water use line for the purpose of metering and
106 charging for domestic sewer system use. Sewer system use will be billed monthly.

107
108 The City will allow, upon approval by Public Works and a permit from the Public Works
109 Department, a second water usage meter – called a seasonal sewer meter – for each customer
110 that desires to measure the flow of City water that is not discharged to the sewer system
111 during the summer growing season, June 15 through September 15. Rates noted above do not
112 apply.

113
114 Seasonal Sewer Meter Fee is \$251.75.

115
116 WATER FEES:

117 Water Connection Fee

118
119 Single Family \$300

120 Multi-Family/Commercial \$375

121
122 Customer classification definitions for determining water connection and extension permit
123 fees:

124
125 Single Family Residential – A unit providing housing for one household; with less than 25% of
126 the building area used for business or commercial purposes.

127

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

135
 136 Commercial - Any user not defined as Residential.

137
 138 Water Rate Schedule.

139
 140 All water utility services shall be billed according to the following schedule. This schedule is for
 141 monthly water service and is in addition to any charges for connecting or disconnecting the
 142 service, installation of the service or any assessment of the improvements.

143

Rates	Water	Table III
Customer Classification	Monthly Service	Usage Charge/Gallon
Lift-Station Customer	\$ 19.00	\$0.0109
Non-Lift-Station Customer	\$ 19.00	\$0.0109
Multi-units (additional per unit)	\$ 5.00	
Bulk Water	\$ 19.00	\$0.0149

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145

146 Customer classification definitions for determining water rates:

147

148 Bulk Water Customers: The bulk water customers are the resellers of water or water users who
 149 purchase water from the water plant directly and are not in the metered water distribution
 150 system.

151

152 Non-Bulk Customers: All customers who receive water from the metered water distribution
 153 system.

154

155 Multi-Units: An additional \$5 monthly charge shall apply to each of the units of a building or lot
 156 occupied by more than one household or commercial entity contained within one building or

157 several buildings within one complex. Examples of multi-family units include duplexes, four-
158 plexes and up, apartments, condominiums, co-housing projects, and multiple structures on
159 one lot (where units are normally rented or occupied for longer than one month at a time).
160 Examples of units not considered as multi-family include hotels, motels, and B&B's seasonal
161 rooms/cabins (where units are routinely rented or occupied for less than one month at a time.)
162

163 This fee applies to all multi-unit structures defined in the sewer section of this for apartments,
164 rental units or multi-unit buildings where each unit would have one or more restrooms and are
165 intended to be rented on a monthly basis where there is only one meter installed, excluding a
166 rental building restroom used for shared or public use.

167
168 Meter Size Deposits.

169

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

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

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

181
182 PASSED AND ADOPTED by the City Council of Homer, Alaska, this ____ day of June,
183 2014.

184

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, MMC, CITY CLERK

Fiscal Note: Revenue amounts defined in CY2014 budget.



City of Homer

www.cityofhomer-ak.gov

Finance Department

491 East Pioneer Avenue
Homer, Alaska 99603

finance@cityofhomer-ak.gov

(p) 907-235-8121

(f) 907-235-3140

Dear Water and Sewer Customers,

The Homer City Council passed Resolution 13-048(S-2(A-3)) on August 12, 2013. The Resolution modified the water and Sewer rate structure, which will take effect on January 1, 2014.

<u>Water Rates</u>	<u>2014 Rate</u>
Monthly Service Fee (all users)	\$19
Additional Monthly Fee per Unit for Multi-units	\$5
Per gallon rate (Residential & Commercial)	\$0.0109 (\$10.9/1000gal)
Bulk Water Buyers per gallon rate	\$0.0149 (\$14.9/1000gal)

<u>Sewer Rates for Water Customers</u>	<u>2014 Rate</u>
Monthly Service Fee (all users)	\$0
Additional Monthly Fee per Unit for Multi-units	\$5
Lift-Station Per gallon rate (Residential)	\$0.0218 (\$21.8/1000gal)
Non-Lift Station Per gallon rate (Residential)	\$0.0147 (\$14.7/1000gal)
Lift-Station Per gallon rate (Commercial)	\$0.0218 (\$21.8/1000gal)
Non-Lift Station Per gallon rate (Commercial)	\$0.0147 (\$14.7/1000gal)

<u>Sewer Rates for Sewer ONLY Customers</u> <u>(3,500 Gallons/month of sewage applied)</u>	<u>2014 Rate</u>
Monthly Service Fee (all users)	\$5
Additional Monthly Fee per Unit for Multi-units	\$5
Lift-Station Per gallon rate (Residential)	\$0.0218 (\$21.8/1000gal)
Non-Lift Station Per gallon rate (Residential)	\$0.0147 (\$14.7/1000gal)
Lift-Station Per gallon rate (Commercial)	\$0.0218 (\$21.8/1000gal)
Non-Lift Station Per gallon rate (Commercial)	\$0.0147 (\$14.7/1000gal)
Monthly fee for Septic Pumping Serves	\$7.75

Rates for other services that are not list above such as connections, disconnections, inspections, permits, and **sewage receiving** (for customers who are not connected to the sewer treatment plant) remain the same.

There will be a lot of changes in our Water & Sewer Billing System. We will do our best to minimize mistakes that would cause inconveniences to our customers. We would like to ask you to carefully examine your invoices with the new rates applied. This is to make sure that you are billed correctly with respect of the new rates and the zoning differentiation (Lift-zone customers pay a higher rate).

Please see the enclosed copy of Resolution 13-048(S-2(A-3)).

Thank you!



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 14-090

TO: Mayor Wythe and Homer City Council

FROM: Walt Wrede

DATE: June 9, 2014

SUBJECT: Water and Sewer Rates

The Homer City Council recently adopted a new water and sewer rate model and a new rate schedule which both became effective January 1, 2014. When the new model and schedule were adopted, the Council decided to go back to reviewing and setting water and sewer rates on an annual rather than a biennial basis. The Council committed to reviewing the schedule again in June 2014 and establishing rates for the year July 1, 2014 through June 30, 2015. The June 9, 2014 Council agenda contains a resolution setting the rates for the year beginning July 1, 2014.

It has only been five months since the new rates have been implemented. The Administration does not think that there is enough data over a long enough period of time, to support changes to either the model or the rates themselves. We would recommend approving rates for the year beginning July 1, 2014 and ending June 30 2015 that are the same as the current rates. The rates contained in the resolution are exactly the same as the rates currently in place. Attached is current information on water and sewer revenues and expenses provided by Finance Director John Li.

Kachemak City continues to have concerns about how the sewer rates are applied to its residents. In short, the City believes that the rates are too high and cannot be justified. Attached are several correspondences between Mayor Morris and me for your information. Council should anticipate that it will receive more information and requests for rate amendments from Kachemak City and its residents. The Council can certainly adjust the rates if it deems appropriate. Let us know and we will provide any information needed. You might recall that we were supposed to completely rewrite the sewer agreement between the two cities. That project is a work in progress and is not done at this time.

Since water and sewer rates are always of great interest to segments of the community, I would recommend that the resolution be held over to June 23 and a public hearing held at that time.

RECOMMENDATION:

Approve Resolution 14-060 which establishes the water and sewer rates for the year beginning July 1, 2014 and ending June 30, 2015. Keep the rates the same as those presently established. Postpone Resolution 14-060 to June 23 and have a public hearing.

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**CITY OF HOMER
HOMER, ALASKA**

City Clerk

RESOLUTION 13-048(S-2)(A-3)

A RESOLUTION OF THE HOMER CITY COUNCIL
AMENDING THE CITY OF HOMER FEE SCHEDULE UNDER
WATER AND SEWER FEES.

WHEREAS, Water and sewer utility services shall be reviewed annually and if amended, shall take effect as of January 1, 2014.

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

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

WATER AND SEWER FEES:

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

Public Works - 235-3170

City Hall - 235-8121

Billing - 235-8121 x2240

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

Establishing service includes a one-time disconnect - \$30

Service calls, inspections, repairs not to exceed one hour - \$25 per employee plus equipment and materials.

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

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

47 SEWER FEES:
 48 Sewer Connection and Extension Permit Fee

49
 50 Single Family \$255
 51 Multi-Family/Commercial \$330

52
 53 Customer classification definitions for determining sewer connection and extension permit fees:

54
 55 Single Family Residential – A unit providing housing for one household; with less than 25% of
 56 the building area used for business or commercial purposes.

57
 58 Multi-Family Residential- A building or lot occupied by more than one household: contained
 59 within one building or several building within one complex. Examples of multi-family units
 60 includes duplexes, four-plexes and up, apartments, condominiums, co-housing projects, and
 61 multiple structures on one lot (where units are normally rented or occupied for longer than one
 62 month at a time). Examples of units not considered as multi-family include hotels, motels,
 63 B&B's seasonal rooms/cabins (where units are routinely rented or occupied for less than one
 64 month at a time.)

65
 66 Commercial - Any user not defined as Residential.

67
 68 Sewer Rate Schedule.

69
 70 All sewer utility services shall be billed according to the following schedule (Table I, II). This
 71 schedule is for monthly sewer services and is in addition to any charges for connecting or
 72 disconnecting the service, installation of the service or any assessment of the improvements.

Rates			Table I	
Customer Classification	Sewer		Monthly Service	Usage Charge/Gallon
	Lift-Station Customer	\$	-	\$0.0218
Non-Lift-Station Customer				\$0.0147
Multi-units (additional per unit)	\$	5.00		N/A

73
 74
 75
 76
 77
 78

Rates		Table II	
Sewer ONLY Customers	Sewer		
	Fees/Rate/Usage	Per Customer Per Month	
Lift-Station Customer	\$0.0218/Gal	\$76.30	
Non-Lift-Station Customer	\$0.0147/Gal	\$51.45	
Monthly Service	\$5.00/customer/mo.	\$5.00	
Pumping Fee <i>(If Applicable)</i>	\$7.75/customer/mo.	\$ 7.75	
Assumption: Avg. Sewer Usage	3500 Gal/Mo.		

79 Customer classification definitions for determining sewer rates:
 80
 81 Lift Station Zone Customer: There are eleven sewage lift/pump stations that are used for
 82 pumping wastewater or sewage from areas with lower elevation than the treatment plant.
 83 Customers who are located in these areas shall be charged additional fees for the cost added to
 84 the services (see Table I & II).
 85
 86 Non-Lift Station Zone Customer: Customers who are located in the zone that do not need
 87 lift/pump station services.
 88
 89 Sewer System Dischargers (Sewer ONLY customers): Customers who use sewer service only
 90 shall be charged a monthly fee of \$5 plus sewer usage fee based on assessed volume of 3,500
 91 gallons per month multiplied by the applicable sewage rate (see Table II). Kachemak City Local
 92 Improvement District (LID) members have contributed to the initial cost of the sewer treatment
 93 plant and the collection system. For Kachemak City LID dischargers connected within the LID,
 94 the City of Homer shall bill Kachemak City in one single bill at the Lift-Station Zone Rate of
 95 \$89.05 (\$76.30 +\$5 +\$7.75) per month per customer. Kachemak City shall be responsible for
 96 payment to the City of Homer.
 97
 98 Domestic sewer service customers who use large quantities of City water in addition to their
 99 domestic use shall be allowed, with the Public Works Director's approval, to install an additional
 100 water meter on the domestic water use line for the purpose of metering and charging for
 101 domestic sewer system use. Sewer system use will be billed monthly.
 102
 103 The City will allow, upon approval by Public Works and a permit from the Public Works
 104 Department, a second water usage meter – called a seasonal sewer meter – for each customer that
 105 desires to measure the flow of City water that is not discharged to the sewer system during the
 106 summer growing season, June 15 through September 15. Rates noted above do not apply.
 107
 108 Seasonal Sewer Meter Fee is \$251.75.
 109

110 WATER FEES:
 111 Water Connection Fee
 112
 113 Single Family \$300
 114 Multi-Family/Commercial \$375
 115

116 Customer classification definitions for determining water connection and extension permit fees:

117
 118 Single Family Residential – A unit providing housing for one household; with less than 25% of
 119 the building area used for business or commercial purposes.
 120

121 Multi-Family Residential- A building or lot occupied by more than one household: contained
 122 within one building or several building within one complex. Examples of multi-family units
 123 includes duplexes, four-plexes and up, apartments, condominiums, co-housing projects, and
 124 multiple structures on one lot (where units are normally rented or occupied for longer than one
 125 month at a time). Examples of units not considered as multi-family include hotels, motels,
 126 B&B's seasonal rooms/cabins (where units are routinely rented or occupied for less than one
 127 month at a time.)
 128

129 Commercial - Any user not defined as Residential.
 130

131 Water Rate Schedule.
 132

133 All water utility services shall be billed according to the following schedule. This schedule is for
 134 monthly water service and is in addition to any charges for connecting or disconnecting the
 135 service, installation of the service or any assessment of the improvements.
 136

Rates	Water Table III	
	Monthly Service	Usage Charge/Gallon
Customer Classification		
Lift-Station Customer	\$ 19.00	\$0.0109
Non-Lift-Station Customer	\$ 19.00	\$0.0109
Multi-units (additional per unit)	\$ 5.00	
Bulk Water	\$ 19.00	\$0.0149

137
 138
 139 Customer classification definitions for determining water rates:
 140

141 Bulk Water Customers: The bulk water customers are the resellers of water or water users who
 142 purchase water from the water plant directly and are not in the metered water distribution system.
 143

144 Non-Bulk Customers: All customers who receive water from the metered water distribution
 145 system.
 146

147 Multi-Units: An additional \$5 monthly charge shall apply to each of the units of a building or lot
148 occupied by more than one household or commercial entity contained within one building or
149 several buildings within one complex. Examples of multi-family units include duplexes, four-
150 plexes and up, apartments, condominiums, co-housing projects, and multiple structures on one
151 lot (where units are normally rented or occupied for longer than one month at a time). Examples
152 of units not considered as multi-family include hotels, motels, and B&B's seasonal rooms/cabins
153 (where units are routinely rented or occupied for less than one month at a time.)
154

155 This fee applies to all multi-unit structures defined in the sewer section of this for apartments,
156 rental units or multi-unit buildings where each unit would have one or more restrooms and are
157 intended to be rented on a monthly basis where there is only one meter installed, excluding a
158 rental building restroom used for shared or public use.
159

160 Meter Size Deposits.
161

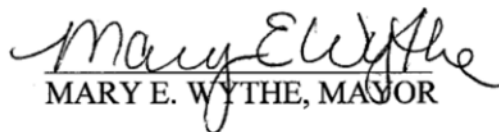
<u>Size (inches)</u>	<u>Residential Users</u>	<u>Nonresidential Users</u>
5/8	\$75.00	\$220.00
3/4	\$80.00	\$230.00
1	\$90.00	\$250.00
1-1/2	\$115.00	\$310.00
2	\$150.00	\$370.00
3	\$220.00	\$525.00
4	\$310.00	\$730.00
6	\$520.00	\$1,225.00

162
163 \$750 meter deposit shall apply to metered fire hydrant connections. The deposit will be returned
164 when the meter is returned undamaged. This deposit may be waived upon the recommendation
165 of the Public Works Superintendent.
166

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

174 PASSED AND ADOPTED by the City Council of Homer, Alaska, this 12th day of
175 August, 2013.
176

177 CITY OF HOMER

178
179
180 
181 MARY E. WYTHE, MAYOR
182
183

184 ATTEST:

185

186

187

188  _____
JO JOHNSON, CMC, CITY CLERK

189

190 Fiscal Note: Revenue amounts not defined in CY2013 budget.



CITY OF KACHEMAK, ALASKA

Box 958

Homer, Alaska 99603

kachemak@xyz.net

(907) 235-8854 phone (907) 235-8854 fax

March 14, 2014

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

Dear Walt:

In light of the postponement of dealing with our concerns over the new sewer rates, Kachemak City has decided to return to the rate that existed in 2013. In other words, we will be paying Homer the base rate of \$51.40, plus \$7.75 for those sewers which will be pumped, beginning with this March 15, 2014 payment that was billed on February 27, 2014. I will not go over the lengthy issues that have brought us to this point, but we will continue to pay the old rate until later this summer when the Homer Council reviews the current rate structure and rationalizes Kachemak's share of costs.

In the future, should Homer and Kachemak agree on an equitable arrangement, Kachemak City will consider retroactively adjusting our payments to reflect the renegotiated rate structure. Until then we eagerly await an invitation to negotiate.

Sincerely,

Philemon D. Morris
by Hazel Acuspe

Philemon D. Morris
Mayor

Enclosure check # 10261 \$7,658.50
126 sewers @ \$59.15=\$7,452.90
4 sewers @ \$51.40=\$ 205.60



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

May 28, 2014

Mayor Philemon D. Morris

City of Kachemak

P.O. Box 958

Homer, AK. 99603

SUBJECT: Kachemak City Sewer Rates

Dear Mayor Morris:

The City of Homer is in receipt of your letter dated March 14, 2014. In order to avoid any confusion, I want to make it clear for the record that the Homer City Council did not postpone dealing with Kachemak City's concerns. The City Council listened to testimony and considered Kachemak City's arguments on several occasions as you know. The Council established a sewer rate for Kachemak City customers after a significant amount of discussion and deliberation. Your arguments did not fall on deaf ears. You just did not get the result you desired. Kachemak City will be expected to pay the adopted rates unless and until the Homer City Council makes adjustments.

As you know, the Homer City Council intends to consider water and sewer fees again in June for the year beginning July 1, 2014 through June 30, 2015. Since the new model and rates have only been in effect for about five months, there really is not enough data available to support changing the model or the rates. Therefore, at this time, I do not anticipate that the Council will make any adjustments, although they could.

This does offer another opportunity for Kachemak City to present its case. The Council, if it deems appropriate and justified, could modify the sewer rates for Kachemak City residents. A resolution establishing the water and sewer rates for the next year is on the June 9 Council agenda. I anticipate that the Council may hear the resolution again and hold a public hearing on June 23. The Clerk's office can provide you with scheduling and agenda information.

With the above in mind, the City of Homer will continue to accept partial sewer payments from Kachemak City until the Homer City Council adopts new rates for the year beginning July 1, 2014. If the Council alters the rates for Kachemak City and/or takes action that is retroactive, we can make adjustments to the amount owed accordingly. The Finance Department records show that Kachemak City currently owes almost \$20,000 plus interest in unpaid sewer fees.

Thanks for your time and consideration. Please contact me if you have any questions or wish to discuss this matter further.

Sincerely,

Walt Wrede
City Manager

1 CITY OF HOMER
2 HOMER, ALASKA

3 Mayor

4 RESOLUTION 14-063
5

6 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
7 EXPRESSING SUPPORT FOR THE ALASKA DEPARTMENT OF
8 TRANSPORTATION AND PUBLIC FACILITIES (ADOT/PF)
9 PIONEER AVENUE REHABILITATION PROJECT SCOPE OF
10 WORK AND PROVIDING SPECIFIC COMMENTS.
11

12 WHEREAS, Alaska Department of Transportation and Public Facilities (ADOT/PF)
13 Central Region planners and engineers visited the City Administration on May 23, 2014 to
14 discuss State Transportation Improvement Program (STIP) Amendment Number 9 and
15 specifically, a proposed scope of work for the Pioneer Avenue Rehabilitation Project; and
16

17 WHEREAS, The City had proposed a STIP project for Pioneer Avenue that included a
18 widened roadway, five foot bike lanes on either side of the road, a reconstructed drainage
19 system, new sidewalks, new lighting, landscaping, and pedestrian safety improvements
20 (described as a 3R project); and
21

22 WHEREAS, DOT/PF informed the City that the formula for distributing federal highway
23 funds has changed resulting in significantly less money for community roads, that the
24 \$10,164,000 price tag for the City request was unaffordable, and that if the City stood firm on
25 its request, it could set the project back years and possibly jeopardize funding altogether; and
26

27 WHEREAS, DOT/PF has proposed a scaled back, \$3,498,000 project that attempts to
28 incorporate some of the City's requests; particularly with respect to bike lanes and pedestrian
29 safety (described as a 1R project); and
30

31 WHEREAS, DOT/PF's proposal includes narrowing the driving lanes and the center turn
32 lane to 10 feet, adding 4.5 foot bike lanes on either side of the road, adding pedestrian refuges,
33 repaving, and adding a stop control beacon at the intersection of Pioneer and Main; and
34

35 WHEREAS, If this project were accepted by the City, design could start late this year
36 with construction potentially taking place in 2016; and
37

38 WHEREAS, DOT/PF stated that limited drainage work could be done as part of this
39 project however, major systematic upgrades would require more funds than they had available
40 and waiting for those funds could set the project back years; and

41
42 WHEREAS, DOT/PF indicated further that it was willing to wait for the City to raise
43 funds on its own from other sources to do drainage work and sidewalk and lighting upgrades
44 but if it took too long, the existing money could be jeopardized and moved to another project;
45 and

46
47 WHEREAS, The City indicated to ADOT/PF that it was not inclined to assume
48 ownership responsibility for Pioneer Avenue unless the roadway and right-of-way is widened,
49 and some the major drainage issues were addressed first.

50
51 NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby expresses its
52 support for ADOT/PF's Pioneer Avenue Rehabilitation Project Scope of Work.

53
54 BE IT FURTHER RESOLVED that the Council offers the following specific comments for
55 consideration:

- 56 1.
57

58 PASSED AND ADOPTED BY THE HOMER CITY COUNCIL this 9th day of June, 2014.

59
60 CITY OF HOMER
61
62
63
64 _____
65 MARY E. WYTHE, MAYOR

66 ATTEST:
67
68 _____
69 JO JOHNSON, MMC, CITY CLERK
70

71 Fiscal Note: N/A
72

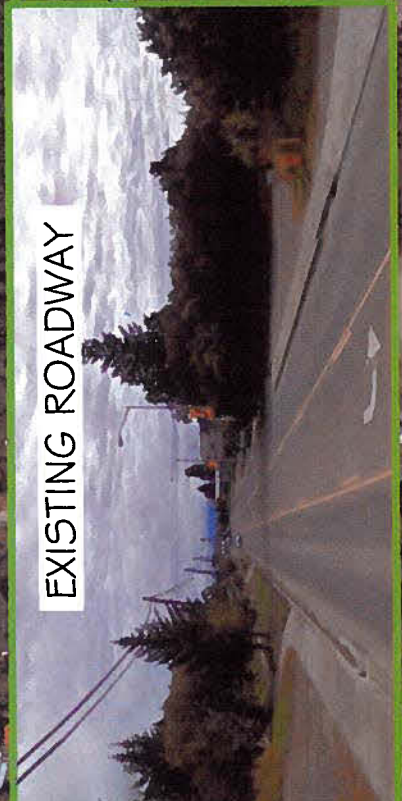
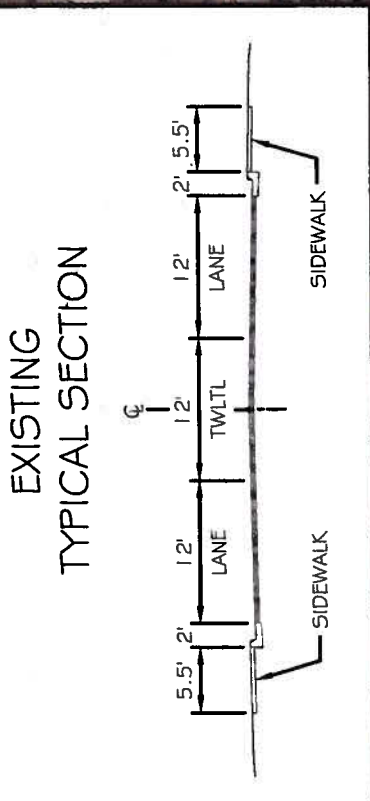


STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES

PIONEER AVENUE REHABILITATION



PROPOSED ROADWAY



PIONEER AVENUE REHABILITATION

PRESENTATION FOR SCOPING WITH THE CITY OF HOMER

OVERVIEW.....	RED
CROSS SECTIONS AND LANE WIDTHS.....	ORANGE
PREVENTATIVE MAINTENANCE (1R) COST.....	YELLOW
RESURFACING, RESTORATION, & REHABILITATION (3R) COST.....	WHITE
STIP NOMINATION PACKAGE.....	GREEN
HSIP: PIONEER AVE & MAIN ST OVERHEAD BEACON PROJECT.....	BLUE

FRIDAY, MAY 23, 2014
10:00A, HOMER CITY HALL

Pioneer Avenue Rehabilitation – Overview

Functional Classification	Rural Minor Arterial		
Posted Speed Limit	25-mph		
Length	0.988-miles		
AADTs	Pioneer Ave	East End Road	Lake Street
	7360 (2012)	8057 (2012)	5210 (2012)
	7410 (2011)	8073 (2011)	5250 (2011)
	7460 (2010)	8104 (2010)	5288 (2010)
	7396 (2009)	8053 (2009)	4349 (2009)
Intersections	Sterling Hwy – Stop Controlled (sign) Main Street – Stop Controlled (beacon to be installed 2014/2015) Lake Street – Stop Controlled (beacon)		

Preventative Maintenance (1R)

Scope:

- ROW acquisitions less likely, none assumed in estimate
- Rehabilitation of structural section, maintain location of existing C&G and sidewalks
- Lane widths reduced to design minimum of 10ft, TWLTL reduced to 10ft, two 4.5ft bike lanes added
- C&G, curb ramp, drainage, and signing improvements as needed
- Pedestrian refuges included
- Additional lighting not included

Cost Summary (Planning Level):

Phase 2 - Design:	\$465,000
Phase 3 - ROW:	\$50,000
Phase 4 - Construction:	\$2,300,000
Phase 7 - Utilities:	\$100,000
SUBTOTAL	\$2,915,000
Contingency	20%
TOTAL	\$3,498,000

Resurfacing, Restoration, & Rehabilitation (3R)

Scope:

- ROW acquisitions required
- Rehabilitation of structural section, maintain existing lane widths
- Widen roadway to right or left to add 5ft bike lane in each direction
- No on street parking
- Reconstruction of drainage, sidewalks, utilities, and lighting
- Crosswalks, traffic calming features, lighting upgrades and landscaping included

Cost Summary (Planning Level):

Phase 2 - Design:	\$1,300,000
Phase 3 - ROW:	\$750,000
Phase 4 - Construction:	\$5,770,000
Phase 7 - Utilities:	\$650,000
Subtotal	\$8,470,000
Contingency	20%
TOTAL	\$10,164,000

Pioneer Avenue Rehabilitation – Overview

Lane Widths

Highway Preconstruction Manual (HPCM) Section 1100 (PG 1100-16) references HPCM Section 1600 for rehabilitation projects and *A Policy on Geometric Design of Highways & Streets* (Green Book) for reconstruction projects. Given we are considering design minimums, the Green Book was used.

Green Book, 2011 6th Edition, Section 4-3 (PG 4-7 and 4-8)

In urban settings, recommend 11ft (minimum 10ft in low speed settings)

Center TWLTL, recommend 11-16ft (minimum 10ft in conjunction with 10ft drive lanes)

Municipality of Anchorage (MOA) Design Criteria Manual, Jan 2007, Section 1.6 (PG 1-18 - 1-22)

Urban and rural center TWLTL, recommend 14ft

Central Business District center TWLTL, recommend 11ft

Bike Lane Widths

Guide for the Development of Bicycle Facilities, 2012 4th Edition, Chapter 4.5 (PG 4-7)

For curbed sections, minimum 5ft to face of curb for Class A Bike Lanes

Safety Factors

Highway Safety Improvement Program (HSIP) Handbook, March 2013 (PG A-14, A-18)

TWLTL for this road segment provides a ~32% crash reduction factor over no TWLTL

Adding bike lanes has a crash reduction factor of 10% for bike related crashes

Widening Pros and Cons

	Pro	Con
Widen to the Left (North)	<ul style="list-style-type: none"> • ROW appears to be wider, may not need as many acquisitions 	<ul style="list-style-type: none"> • Relocate underground utilities u • Greater excavation into uphill embankment • Retaining wall required (6'x150') • May require additional roadside drainage work
Widen to the Right (South)	<ul style="list-style-type: none"> • Avoids fiber optic line • Downhill grade, no crown shift and less excavation required 	<ul style="list-style-type: none"> • ENSTAR gas line relocation (no cost if done within 5 years) • ~25 Luminaire relocations • ~13 fire hydrant relocations, likely to relocate entire line • Retaining wall required (6'x150') • Possible full ROW acquisitions



20

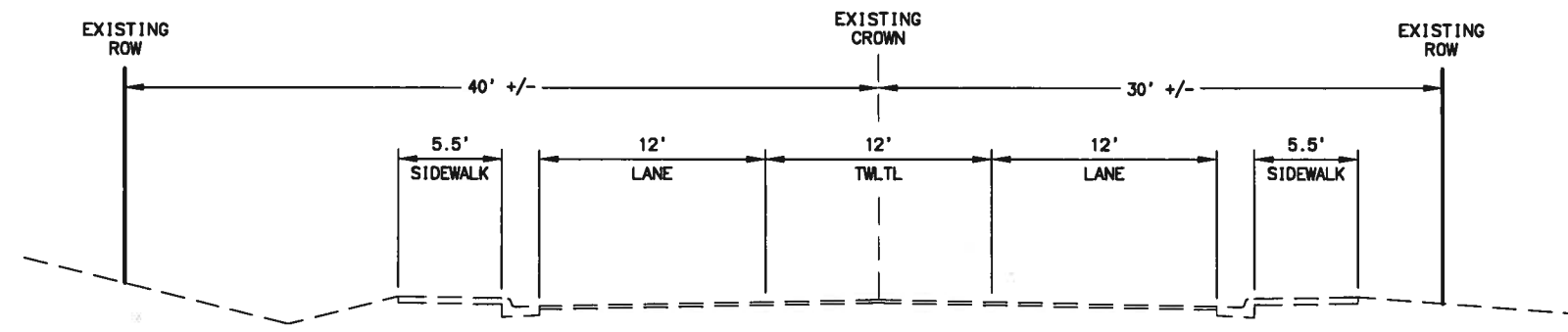
Screenshot taken from KP8 Parcel Viewer (02/14/2014)



CROSS SECTIONS AND LANE WIDTHS

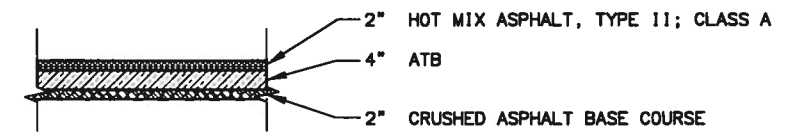
REVISIONS			STATE	PROJECT DESIGNATION	YEAR	SHEET NO.	TOTAL SHEETS
NO.	DATE	DESCRIPTION	ALASKA	NEED ID: 23178	2014	B1	B2

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 CHECKED BY: SR
 DATE: 3/24/2014 12:56 PM
 SCALE: N/A
 LAYOUT: B1
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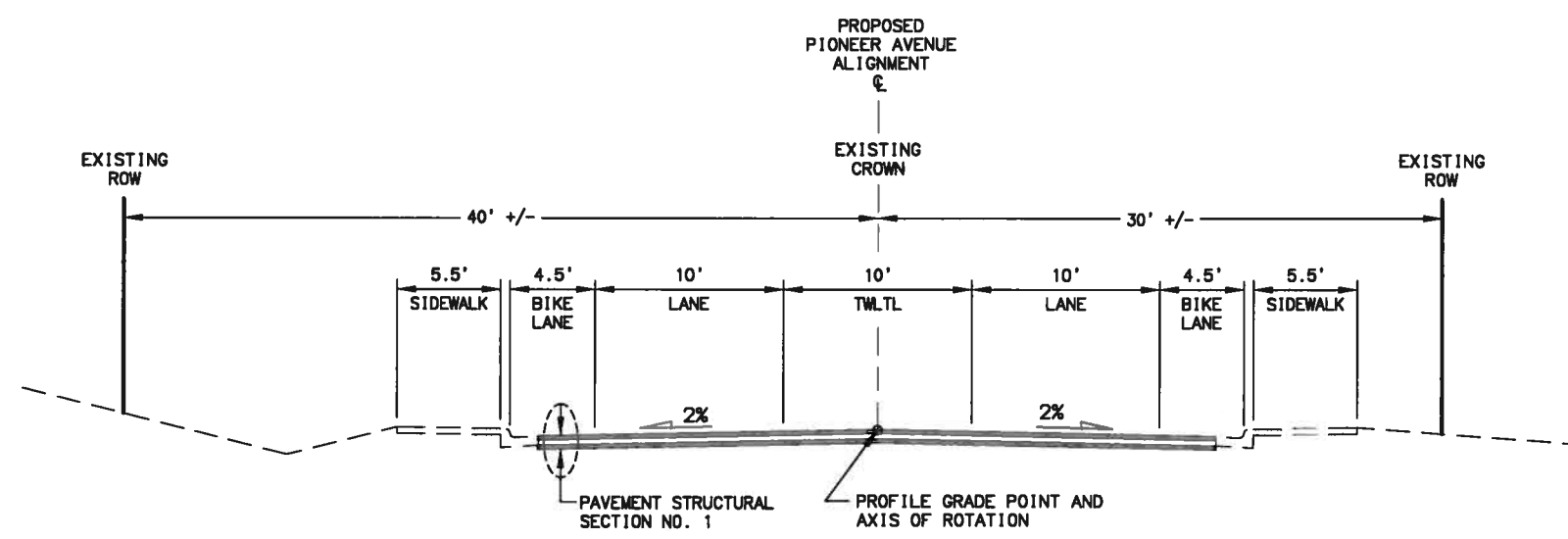
EXISTING CONDITIONS

CDS MP 0.000 TO CDS MP 0.988



PAVEMENT STRUCTURAL SECTION NO. 1

N.T.S.



WITHIN THE EXISTING FOOTPRINT

CDS MP 0.000 TO CDS MP 0.988

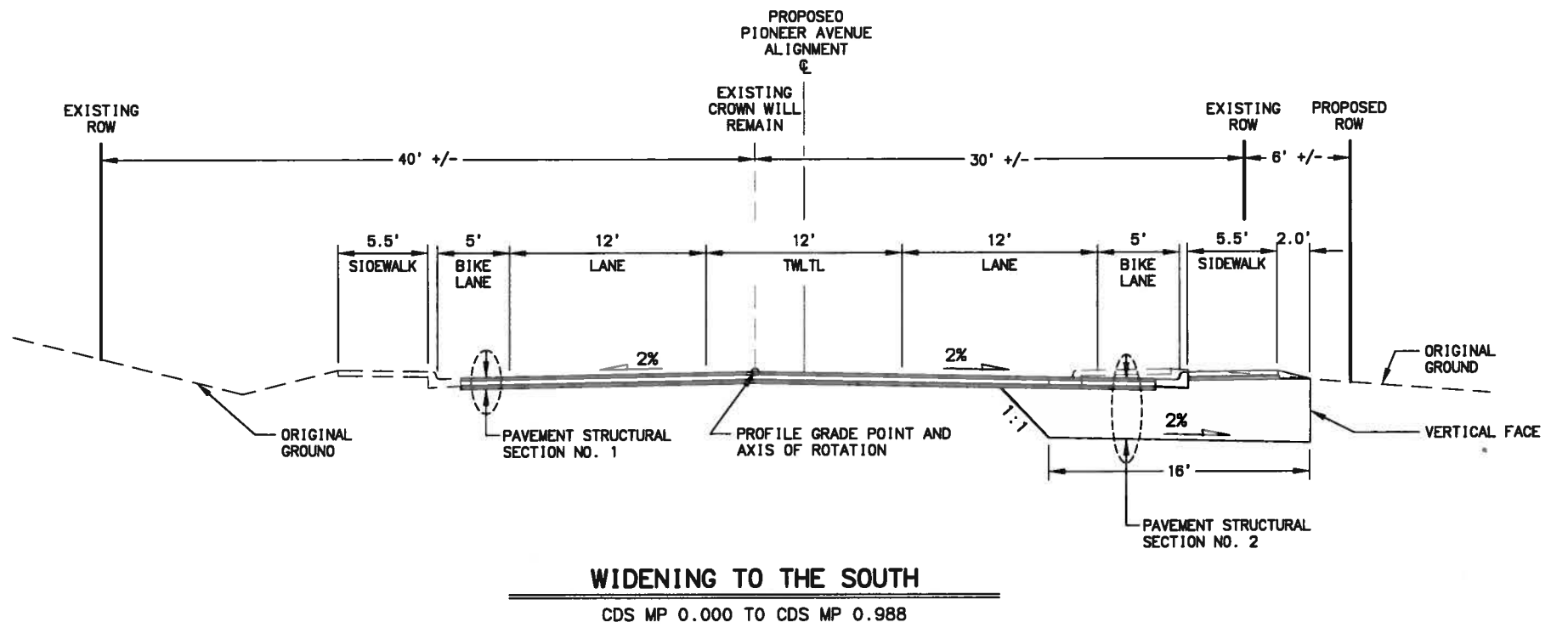
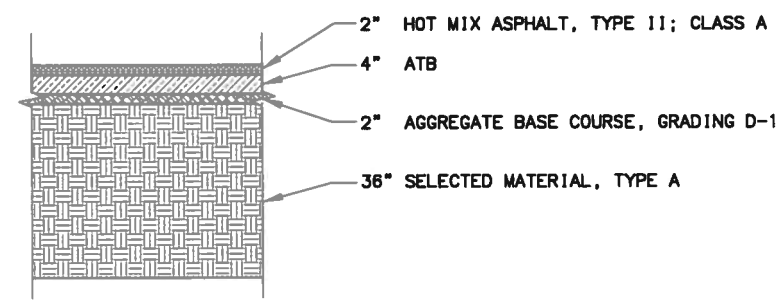
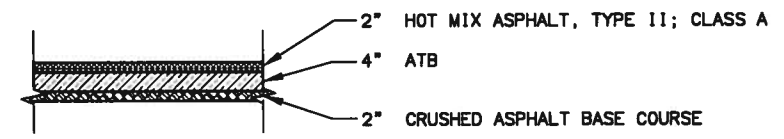
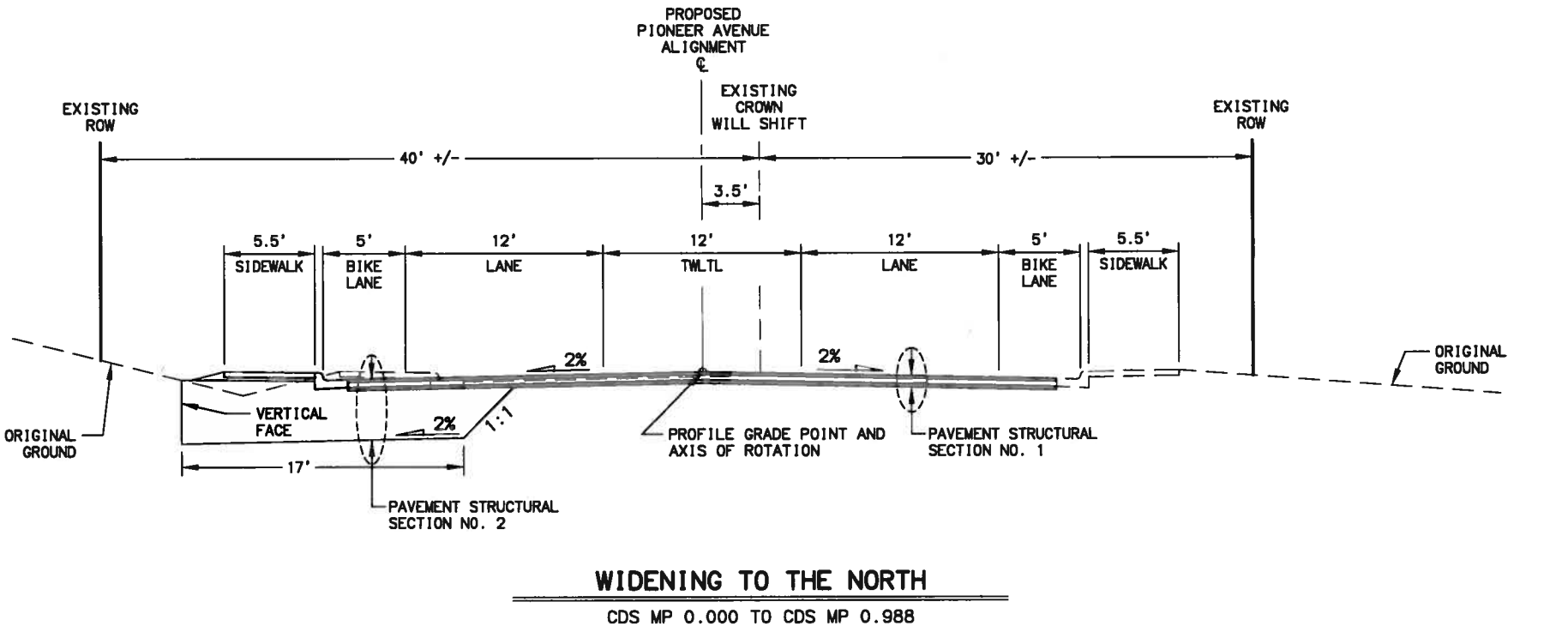
TYPICAL SECTION NOTES:

1. WHERE CURB IS PRESENT, TYPICAL SECTION DIMENSIONS ARE MEASURED TO FACE OF CURB.
2. APPLY STE-1 TACK COAT TO CURB EDGES, SAW CUT EDGES, AND BETWEEN LIFTS OF PAVEMENT AND ATB.
3. SLOPE IS APPROXIMATELY 2%. MATCH TO EXISTING CURB ELEVATION.
4. WHEN NEW EMBANKMENT IS TO BE COMPACTED AGAINST EXISTING EMBANKMENT, BENCH SLOPES ACCORDING TO THE SPECIFICATIONS.
5. RIGHT-OF-WAY (ROW) LINES ARE APPROXIMATE AND FOR VISUALIZATION PURPOSES ONLY.

STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES

**PIONEER AVENUE
REHABILITATION**

TYPICAL SECTIONS



- TYPICAL SECTION NOTES:**
- WHERE CURB IS PRESENT, TYPICAL SECTION DIMENSIONS ARE MEASURED TO FACE OF CURB.
 - APPLY STE-1 TACK COAT TO CURB EDGES, SAW CUT EDGES, AND BETWEEN LIFTS OF PAVEMENT AND ATB.
 - SLOPE IS APPROXIMATELY 2%. MATCH TO EXISTING CURB ELEVATION.
 - WHEN NEW EMBANKMENT IS TO BE COMPACTED AGAINST EXISTING EMBANKMENT, BENCH SLOPES ACCORDING TO THE SPECIFICATIONS.
 - RIGHT-OF-WAY (ROW) LINES ARE APPROXIMATE AND FOR VISUALIZATION PURPOSES ONLY.

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 CHECKED BY: SLR
 DRAWN BY: SLR
 PERS: N/A
 SCALE: N/A
 LAYOUT: B2
 DATE TIME: 3/24/2014 12:56 PM
 DRAWING LOCATION: \\volavif03\hyd\prj\projects\Pioneer Ave Rehabilitation\Civ\3012\Exhibits\Primary Typical Section.dwg

HSIP Crash Reduction Factors

HSIP Handbook, 12th Edition (03/21/2013)

Crash Reduction Factor for Center Two-Way Left Turn Lane		
INPUT	Road:	To:
		Accesses (both sides of street)
	Length of segment, miles	0.988
COMP	Driveway Density (DD)	69.84
	P_{D}	0.91
	$P_{LT/D}$	0.5
	AMF (% of current Pattern)	68%
	Crash Reduction Factor:	32%

NOTE: If there are segments within the TWLTL that have significantly differing characteristics, compute a CRF for each segment, and include each as a line under Improvement Type 103 on the Project Ranking Worksheet.



Research Results Digest 299

TREATMENT: Add Two-Way Left-Turn Lane (TWLTL)

AMF Level of Predictive Certainty: Medium-High

METHODOLOGY: Analysis-Driven Expert Panel

ACCIDENT MODIFICATION FUNCTION

REFERENCE: Harwood, Council, Hauer, Hughes, & Vogt - 2000 (7)

$$AMF = 1 - 0.7P_{LT/D}$$

COMMENTS:

- Expert panel considered this AMF function to be the best estimate for the installation of a TWLTL without data on left-turn volumes within the TWLTL.
- Expert recommends a minimum driveway density of 5 driveways/mile for the AMF to be applied, the AMF for any lesser density would be equal to 1.0.
- Estimate function for driveway-related accidents is based on work by Hauer, which included a critical review of 14 studies conducted between 1964 and 1997.³ The AMF function shown here is more conservative than the Hauer AMF.
- Most of the studies reviewed by Hauer analyzed TWLTLs in urban and suburban areas. Hauer noted that the safety effects on rural roads should be at least as large as those on urban and suburban roads. Thus, the AMF shown here is applicable to rural and urban two-lane and multilane roads.

where:

P_{D} = driveway-related accidents as a proportion of total accidents

$P_{LT/D}$ estimated as:

$$\frac{0.0047DD + 0.0024DD^2}{1.199 + 0.0047DD + 0.0024DD^2}$$

where:

DD = driveway density (driveways per mile)

$P_{LT/D}$ = left-turn accident susceptible to correction by TWLTL as a proportion of driveway-related accidents

$P_{LT/D} = 0.5$ (estimated by expert panel on the basis of work by Hauer)³

FOOTNOTES:

³Hauer - 2000 (75)

407	Install Dedicated Bicycle Lanes Target crashes between vehicles and cyclists on a roadway without a rideable shoulder or bike lane.	-10%
-----	--	------



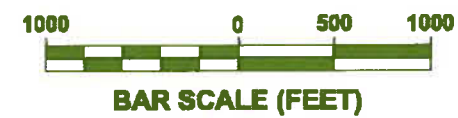
HOMER Intersections Planning Study



LEGEND

-  SIGNALIZATION
-  ROUNDABOUT
-  CHANNELIZATION
-  PEDESTRIAN REFUGE ISLAND / CHOKER
-  PROPOSED ROAD CONNECTIONS (THIS REPORT AND OTHERS)
-  20XX YEAR OF NEED
-  ALL WAY STOP CONTROL

RECOMMENDED IMPROVEMENTS



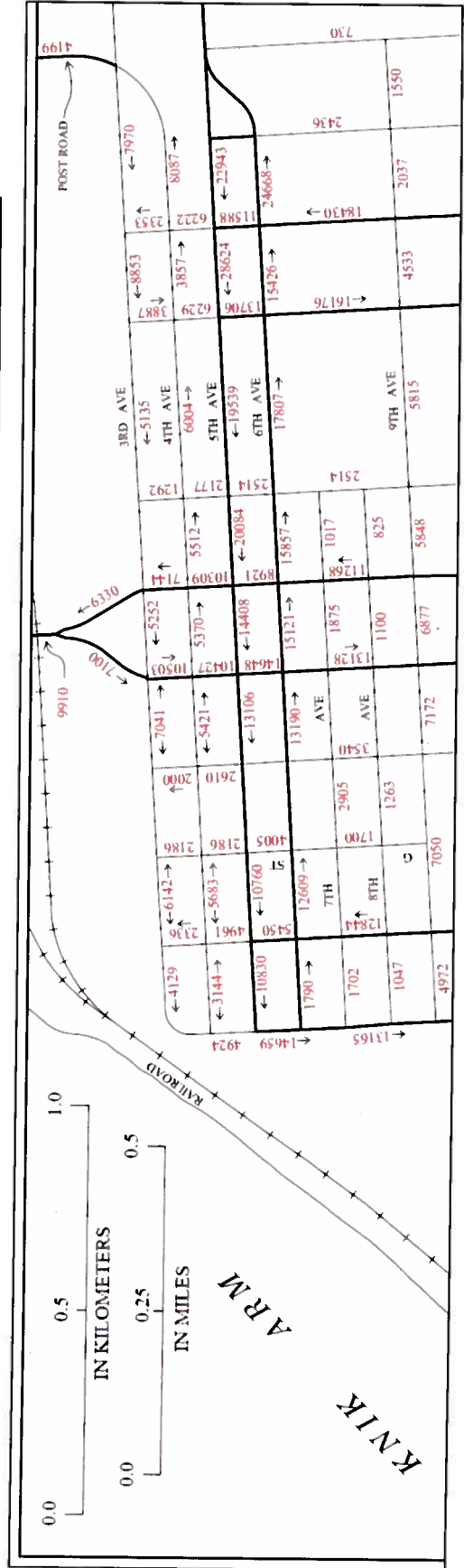
Centerline Median Example - Sterling Highway at Pioneer Avenue



Downtown Anchorage - 4th Avenue



2013 AADTs on 4th Avenue in Anchorage downtown district range from 5,370 to 5,683.



1.6 B Arterials (Cont'd)

b) Minor Arterials

Minor arterials are typically intended to carry 10,000 to 20,000 vehicles per day. While minor arterials are primarily intended to move traffic, they also carry traffic parallel to or connecting with major arterials, thus supplementing the flow on the major system. Minor arterials serve as the distribution link between major arterials and lower classification streets such as collectors and local streets. They connect smaller residential areas in addition to connecting the residential areas with facilities such as schools, neighborhood business areas, and recreational facilities. They should not divide neighboring residential areas but instead connect them with safe pedestrian access.

(1) Class IIA Central Business District (CBD)

Minor arterials through a central business district may allow parking and will have a higher concentration of pedestrian activity than rural or urban arterials. As a result, they should be designed for lower speeds, have narrower lanes, and should provide a greater degree of access control. Because ROW within a CBD is limited, it will also be necessary to attach pedestrian facilities to the back of curb and provide for bicycle facilities that share the roadway with vehicles. Landscaping will be more important in the central business district to provide aesthetics and attract pedestrians to the area. The roadway characteristics are shown in Table 1-3 and the typical section on Figure 1-8.

(2) Class II Urban

Urban minor arterials provide access through corridors where more pedestrians will be present than do rural minor arterials. To promote safer conditions for pedestrians and the additional activity within an urban corridor, urban minor arterials should have posted speed limits lower than those for rural minor arterials. The roadway characteristics are shown in Table 1-3 and the typical section on Figure 1-9.

(3) Class II Rural

Rural minor arterials carry vehicles through less developed areas than urban and CBD minor arterials. As such, they should be designed and posted for higher speeds to increase efficiency. Because of the higher speeds vehicles will travel, they should also be designed with wider lanes to provide a better level of comfort for drivers. The roadway characteristics are shown in Table 1-3 and the typical section on Figure 1-10.

**TABLE 1-3 PRIMARY STREETS: MINOR ARTERIAL'S
ROADWAY CHARACTERISTICS**

Characteristics	CBD (Class IIA) ² Figure 1-8	Urban (Class II) Figure 1-9	Rural (Class II) Figure 1-10
Lane Width	11'	11'	12'
Shoulders Width	N/A	N/A	6'
Median Width	11' (2-Way Left Turn Lane)	14' (2-Way Left Turn Lane)	14' (2-Way Left Turn Lane)
Design Speed	35 MPH	45 MPH	45 MPH
Posted Speed	30 MPH	35 MPH	40 MPH
Intersections	At-Grade	At-Grade	At-Grade
ADT ¹	10,000 – 20,000	10,000 – 20,000	10,000 – 20,000
No. of Lanes	2 – 4	2 – 4	2
Transit Stops	Permitted	Permitted	Permitted
Parking	May be allowed	Prohibited	Prohibited
Pedestrian Facilities	Back of Curb	Separated	Separated
Bicycle Facilities	Shared with traffic	Separated	Separated

¹ Average Daily Traffic

² This classification applicable only in area bounded by and including L Street, 3rd Avenue, Karluk Street, and 15th Avenue.

PREVENTATIVE MAINTENANCE (1R)
COST ESTIMATE

**HIGHWAY DESIGN FUNDING PROJECT DETAIL- One Step Programming,
PE thru Final PS and E**

Project Name: Pioneer Avenue Rehabilitation - 1R

AKSAS/Federal #: TBD / TBD

Authorization : [X] PE thru final PS&E under One Step Programming

Activity		Current Budget/Programmed	Latest Estimate	Expended (incl encumbrances)	LE-Budget = Funding Request	** Consultant Funded Amt.
Prior Authorization Summary	Recon Study	n/a	n/a	n/a	n/a	
	Enviro Document	n/a	n/a	n/a	n/a	
Surveying	Pre Env.	0	70,000	0	70,000	60,000
	Post Env.	0	15,000	0	15,000	10,000
Environmental	Pre Env.	0	25,000	0	25,000	15,000
	Post Env.	0	10,000	0	10,000	5,000
Traffic	Pre Env.	0	10,000	0	10,000	5,000
	Post Env.	0	20,000	0	20,000	15,000
Materials	Pre Env.	0	10,000	0	10,000	
	Post Env.	0	5,000	0	5,000	
Foundations	Pre Env.	0	0	0	0	
	Post Env.	0	0	0	0	
Bridge Design	Pre Env.	0	0	0	0	
	Post Env.	0	0	0	0	
Design Administration & Engineering	Pre Env.	0	50,000	0	50,000	30,000
	Post Env.	0	150,000	0	150,000	125,000
Review/Contracts	Pre Env.	0	1,000	0	1,000	
	Post Env.	0	2,000	0	2,000	
ROW Titles & Plans	Pre Env.	0	10,000	0	10,000	5,000
	Post Env.	0	20,000	0	20,000	15,000
Utilities	Pre Env.	0	15,000	0	15,000	5,000
	Post Env.	0	30,000	0	30,000	10,000
ICAP		0	21,300	0	21,300	
Subtotal		0	464,300	0	464,300	300,000
Non-Par		0	1,000	0	1,000	
TOTAL		0	465,300	0	465,300	300,000

** This column is to be used for tracking consultant funded agreements. The funded amount shown in this column should be viewed as informational. This dollar amount should already be accounted for in the "Previous Funding" and "Requested Funding" columns.

Explanation: Request FHWA ATP with PE thru final PS&E under one-step programming.

UNOFFICIAL ENGINEER'S ESTIMATE

STATE OF ALASKA — DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES — CENTRAL REGION

Project No: N/A

Project Name: **Pioneer Ave Rehabilitation**

Date: 9-Apr-14

1R Estimate

Item No.	Pay Item	Pay Unit	Unit Price	Quantity	Amount
===== BASIC BID =====					
202(2)	Pavement Removal	SQUARE YARD	4.00	25,500	102,000.00
301(1)	Aggregate Base Course, Grading D-1	TON	40.00	100	4,000.00
306(1)	Asphalt Treated Base Course	TON	60.00	2,500	150,000.00
306(2)	Asphalt Cement, Grade 58-34	TON	800.00	125	100,000.00
401(1A)	Hot Mix Asphalt, Type II; Class A	TON	80.00	3,000	240,000.00
401(2)	Asphalt Cement, Grade 58-34	TON	800.00	165	132,000.00
401(6)	Asphalt Price Adjustment	CONTINGENT SUM	20,000.00	All Req'd	20,000.00
401(9)	Longitudinal Joint Adhesive	LINEAR FOOT	1.00	15,840	15,840.00
401(10)	Asphalt Material Price Adjustment - Unit Price	CONTINGENT SUM	0.00	All Req'd	-
501(4)	Class A Concrete	CUBIC YARD	3,000.00	20	60,000.00
603(1-18)	18 Inch CSP	LINEAR FOOT	100.00	200	20,000.00
603(1-24)	24 Inch CSP	LINEAR FOOT	125.00	150	18,750.00
604(4)	Adjust Existing Manhole	EACH	1,200.00	20	24,000.00
604(5)	Inlet, Type A	EACH	4,000.00	6	24,000.00
604(20)	Clean Drainage System	CONTINGENT SUM	20,000.00	All Req'd	20,000.00
608(6)	Curb Ramp	EACH	3,000.00	30	90,000.00
609(2)	Curb and Gutter, Type 1	LINEAR FOOT	40.00	600	24,000.00
615(1)	Standard Sign	SQUARE FEET	120.00	1,000	120,000.00
619(10)	Manufactured Inlet Protection System	EACH	200.00	25	5,000.00
639(6)	Approach	EACH	1,000.00	77	77,000.00
640(1)	Mobilization and Demobilization	LUMP SUM	100,000.00	All Req'd	100,000.00
640(4)	Worker Meals and Lodging, or Per Diem	LUMP SUM	30,000.00	All Req'd	30,000.00
641(1)	Erosion, Sediment, and Pollution Control Administration	LUMP SUM	5,000.00	All Req'd	5,000.00
641(2)	Temporary Erosion, Sediment, and Pollution Control	CONTINGENT SUM	25,000.00	All Req'd	25,000.00
641(6)	Withholding	CONTINGENT SUM	0.00	All Req'd	-
641(7)	SWPPP Manager	LUMP SUM	5,000.00	All Req'd	5,000.00
642(1)	Construction Surveying	LUMP SUM	20,000.00	All Req'd	20,000.00
642(3)	Three Person Survey Party	HOUR	300.00	20	6,000.00
643(2)	Traffic Maintenance	LUMP SUM	40,000.00	All Req'd	40,000.00
643(3)	Permanent Construction Signs	LUMP SUM	15,000.00	All Req'd	15,000.00
643(15)	Flagging	CONTINGENT SUM	75,000.00	All Req'd	75,000.00
643(23)	Traffic Price Adjustment	CONTINGENT SUM	0.00	All Req'd	-
643(25)	Traffic Control	CONTINGENT SUM	125,000.00	All Req'd	125,000.00
644(1)	Field Office	LUMP SUM	10,000.00	All Req'd	10,000.00
644(2)	Field Laboratory	LUMP SUM	5,000.00	All Req'd	5,000.00
644(8)	Vehicle (LT/SUV)	LUMP SUM	25,000.00	All Req'd	25,000.00
644(10)	Engineering Communications	CONTINGENT SUM	2,000.00	All Req'd	2,000.00
644(15)	Nuclear Testing Equipment Storage Shed	EACH	6,000.00	1	6,000.00
646(1)	CPM Scheduling	LUMP SUM	2,000.00	All Req'd	2,000.00
670(10D)	MMA Pavement Markings, Longitudinal Inlaid	LINEAR FOOT	5.00	31,680	158,400.00
670(10E)	MMA Pavement Markings, Symbols and Arrow(s) Inlaid	EACH	600.00	30	18,000.00
670(10F)	MMA Pavement Markings, Transverse and Gore Inlaid	LINEAR FOOT	5.00	3,000	15,000.00
Planning Level 1R Estimate		Basic Bid, Pay-Item Subtotal:			1,933,990.00
		Minus Construction engineering 644() Exclusions			-50,000.00
					1,883,990.00
		Construction Engineering (CE) at 15% +			282,598.50
					2,166,588.50
		ICAP at 4.79% +			103,779.59
					2,270,368.09

**RESURFACING, RESTORATION,
& REHABILITATION (3R) COST ESTIMATE**

**HIGHWAY DESIGN FUNDING PROJECT DETAIL- One Step Programming,
PE thru Final PS and E**

Project Name: Pioneer Avenue Rehabilitation - 3R

AKSAS/Federal #: TBD / TBD

Authorization : [X] PE thru final PS&E under One Step Programming

Activity		Current Budget/Programmed	Latest Estimate	Expended (incl encumbrances)	LE-Budget = Funding Request	** Consultant Funded Amt.
Prior Authorization Summary	Recon Study	n/a	n/a	n/a	n/a	
	Enviro Document	n/a	n/a	n/a	n/a	
Surveying	Pre Env.	0	150,000	0	150,000	140,000
	Post Env.	0	50,000	0	50,000	40,000
Environmental	Pre Env.	0	40,000	0	40,000	30,000
	Post Env.	0	10,000	0	10,000	5,000
Traffic	Pre Env.	0	25,000	0	25,000	5,000
	Post Env.	0	40,000	0	40,000	25,000
Materials	Pre Env.	0	75,000	0	75,000	
	Post Env.	0	25,000	0	25,000	
Foundations	Pre Env.	0	5,000	0	5,000	
	Post Env.	0	15,000	0	15,000	
Bridge Design	Pre Env.	0	0	0	0	
	Post Env.	0	0	0	0	
Design Administration & Engineering	Pre Env.	0	75,000	0	75,000	50,000
	Post Env.	0	275,000	0	275,000	225,000
Review/Contracts	Pre Env.	0	2,500	0	2,500	
	Post Env.	0	7,500	0	7,500	
ROW Titles & Plans	Pre Env.	0	25,000	0	25,000	5,000
	Post Env.	0	300,000	0	300,000	20,000
Utilities	Pre Env.	0	20,000	0	20,000	25,000
	Post Env.	0	100,000	0	100,000	25,000
ICAP		0	59,400	0	59,400	
Subtotal		0	1,299,400	0	1,299,400	595,000
Non-Par		0	1,000	0	1,000	
TOTAL		0	1,300,400	0	1,300,400	595,000

** This column is to be used for tracking consultant funded agreements. The funded amount shown in this column should be viewed as informational. This dollar amount should already be accounted for in the "Previous Funding" and "Requested Funding" columns.

Explanation:

UNOFFICIAL ENGINEER'S ESTIMATE

STATE OF ALASKA — DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES — CENTRAL REGION

Project No: N/A

Date: 24-Mar-14

Project Name: **Pioneer Ave Rehabilitation**
3R Estimate

Item No.	Pay Item	Pay Unit	Unit Price	Quantity	Amount
===== BASIC BID =====					
201(3A)	Clearing and Grubbing	ACRE	10,000.00	1	10,000.00
202(1)	Removal of Structures and Obstructions	LUMP SUM	66,000.00	All Req'd	66,000.00
202(2)	Removal of Pavement	SQUARE YARD	4.00	25,500	102,000.00
202(3)	Removal of Sidewalk	SQUARE YARD	20.00	3,227	64,533.33
202(4)	Removal of Culvert Pipe	LINEAR FOOT	30.00	200	6,000.00
202(8)	Removal of Inlet	EACH	1,500.00	10	15,000.00
202(9)	Removal of Curb and Gutter	LINEAR FOOT	9.00	5,217	46,949.76
203(3)	Unclassified Excavation	CUBIC YARD	10.00	15,457	154,567.11
203(6)	Borrow	TON	20.00	11,129	222,576.64
301(1)	Aggregate Base Course, Grading D-1	TON	40.00	546	21,823.56
306(1)	Asphalt Treated Base Course	TON	80.00	5,000	400,000.00
306(2)	Asphalt Cement, Grade 58-34	TON	800.00	250	200,000.00
401(1A)	Hot Mix Asphalt, Type II; Class A	TON	90.00	3,250	292,500.00
401(2)	Asphalt Cement, Grade 58-34	TON	800.00	179	143,000.00
401(6)	Asphalt Price Adjustment	CONTINGENT SUM	20,000.00	All Req'd	20,000.00
401(9)	Longitudinal Joint Adhesive	LINEAR FOOT	1.00	15,840	15,840.00
401(10)	Asphalt Material Price Adjustment - Unit Price	CONTINGENT SUM	0.00	All Req'd	-
501(4)	Class A Concrete	CUBIC YARD	1,200.00	150	180,000.00
603(17-24)	24 Inch Pipe	LINEAR FOOT	150.00	300	45,000.00
603(17-36)	36 Inch Pipe	LINEAR FOOT	200.00	50	10,000.00
603(20-24)	End Section for 24 Inch Pipe	EACH	600.00	2	1,200.00
603(20-36)	End Section for 36 Inch Pipe	EACH	1,000.00	2	2,000.00
604(4)	Adjust Existing Manhole	EACH	1,200.00	15	18,000.00
604(5)	Inlet, Type _	EACH	4,000.00	10	40,000.00
608(1a)	Concrete Sidewalk, 4 inches thick	SQUARE YARD	65.00	3,227	209,733.33
608(6)	Curb Ramp	EACH	3,000.00	30	90,000.00
609(2)	Curb and Gutter, Type 1	LINEAR FOOT	40.00	5,217	208,665.60
610(2)	Ditch Lining	TON	80.00	200	16,000.00
615(1)	Standard Sign	SQUARE FEET	120.00	1,500	180,000.00
619(10)	Manufactured Inlet Protection System	EACH	200.00	25	5,000.00
620(1)	Topsoil	SQUARE YARD	5,000.00	5	25,000.00
621(12)	Landscaping	LUMP SUM	25,000.00	All Req'd	25,000.00
627(6)	Fire Hydrant Relocation	EACH	10,000.00	13	130,000.00
639(6)	Approach	EACH	1,500.00	100	150,000.00
640(1)	Mobilization and Demobilization	LUMP SUM	150,000.00	All Req'd	150,000.00
640(4)	Worker Meals and Lodging, or Per Diem	LUMP SUM	50,000.00	All Req'd	50,000.00
641(1)	Erosion, Sediment, and Pollution Control Administration	LUMP SUM	5,000.00	All Req'd	5,000.00
641(2)	Temporary Erosion, Sediment, and Pollution Control	CONTINGENT SUM	25,000.00	All Req'd	25,000.00
641(6)	Withholding	CONTINGENT SUM	0.00	All Req'd	-
641(7)	SWPPP Manager	LUMP SUM	5,000.00	All Req'd	5,000.00
642(1)	Construction Surveying	LUMP SUM	30,000.00	All Req'd	30,000.00
642(3)	Three Person Survey Party	HOUR	300.00	50	15,000.00
643(2)	Traffic Maintenance	LUMP SUM	80,000.00	All Req'd	80,000.00
643(3)	Permanent Construction Signs	LUMP SUM	20,000.00	All Req'd	20,000.00
643(15)	Flagging	CONTINGENT SUM	150,000.00	All Req'd	150,000.00
643(23)	Traffic Price Adjustment	CONTINGENT SUM	0.00	All Req'd	-
643(25)	Traffic Control	CONTINGENT SUM	250,000.00	All Req'd	250,000.00
644(1)	Field Office	LUMP SUM	10,000.00	All Req'd	10,000.00
644(2)	Field Laboratory	LUMP SUM	5,000.00	All Req'd	5,000.00

Item No.	Pay Item	Pay Unit	Unit Price	Quantity	Amount
644(8)	Vehicle (LT/SUV)	LUMP SUM	20,000.00	All Req'd	20,000.00
644(10)	Engineering Communications	CONTINGENT SUM	2,000.00	All Req'd	2,000.00
644(15)	Nuclear Testing Equipment Storage Shed	EACH	6,000.00	1	6,000.00
646(1)	CPM Scheduling	LUMP SUM	2,000.00	All Req'd	2,000.00
660(3)	Highway Lighting System Complete	LUMP SUM	540,000.00	All Req'd	540,000.00
660(17)	Traffic Signal Modifications at Main Street	LUMP SUM	150,000.00	All Req'd	150,000.00
660(29)	Type 1A Junction Box	EACH	750.00	20	15,000.00
670(10D)	MMA Pavement Markings, Longitudinal Inlaid	LINEAR FOOT	5.00	31,680	158,400.00
670(10E)	MMA Pavement Markings, Symbols and Arrow(s) Inlaid	EACH	600.00	30	18,000.00
670(10F)	MMA Pavement Markings, Transverse and Gore Inlaid	LINEAR FOOT	5.00	2,000	10,000.00
<div style="border: 1px solid red; padding: 5px; display: inline-block;"> Planning Level 3R Estimate </div>		Basic Bid, Pay-Item Subtotal:			4,832,789.34
		Minus Consturction engineering 644() Exclusions			-45,000.00
					4,787,789.34
		Construction Engineering (CE) at 15% +			718,168.40
					5,505,957.74
ICAP at 4.79% +			263,735.38		
			5,769,693.11		

Pioneer Avenue Rehabilitation – 3R Utility Relocation Estimate

Project Left (North)

ACS	Fiber (underground, conduit)	\$50/ft * 1000ft	= \$50,000
	Splice (assume 150)	\$200 * 150 * 2	= \$60,000
	Telecom (underground, conduit, 900-1500)	\$90/ft * 900ft	= \$81,000
HEA	Electric (urban underground, 3-phase, conduit)	\$180/ft * 2500ft	= \$450,000
		SUBTOTAL	= \$641,000

Project Right (South)

ACS	Cable (underground, 0.875)	\$70/ft * 180ft	= \$12,600
Enstar	Gas (2")	\$90/ft * 2000ft	= \$180,000*
HEA	Electric (urban underground, 3-phase, conduit)	\$180/ft * 2000ft	= \$360,000
		SUBTOTAL	= \$552,600

*Cost of Enstar gas relocation will be the responsibility of Enstar if project done within the next 5 years.

Significant utility relocation will be required whether roadway widening is selected to the north or south. It is possible that widening would occur on both sides to minimize impact. Use conservative estimate of **\$650,000** for estimate.

SJR 3/26/2014

STIP NOMINATION PACKAGE

**2012-2015 Alaska Statewide Transportation Improvement Program
Amendment 7 Incorporated; approved August 20, 2013**

Need ID: 23178 **Region:** Central

Place Name: Homer

Highway:

Title: Pioneer Avenue Rehabilitation



Project Description:

Resurface approximately 1 mile of Pioneer Avenue from the Sterling Highway to the intersection of Lake Street and East End Road. Project may include bike lanes, drainage, lighting, curb and gutter and sidewalk construction and landscaping. All work is intended to be limited to that which can be accommodated within the existing ROW.

PHASE	FUNDING	FFY12	FFY13	FFY14	FFY15	After FFY15
Design	SM	0	0	21,491	0	
Design	STP	0	0	216,509	0	
Right of Way	SM	0	0	0	39,822	
Right of Way	STP	0	0	0	401,178	
Totals:		0	0	238,000	441,000	3,600,000

Program Type: CTP
Primary Work: Reconstruction
Secondary Work:
Sponsor: City of Homer
Average AADT:
Pavement Rating:
Predominant Functional Class:

Election District: 30
PEB Score: N/A **Criteria:**
Borough/Census Area:
 Kenai Peninsula Borough
Municipal Planning Organization (MPO):
 not



Alaska Department of Transportation and Public Facilities Project Nomination Master Sheet

Please tell us about your project and include as much information as you can. Contact the appropriate planner for your area prior to completing this form.

Name of Project: Pioneer Avenue Rehabilitation

Contact Person: Walt Wrede, City Manager

Sponsor: City of Homer

Phone, FAX, and e-mail: (907) 235-8121, (907) 235-3140, citymanager@ci.homer.ak.us

Address: 491 E. Pioneer Avenue, Homer, Alaska 9603-7624

- **What is your project? Please describe it. For instance, if it's a road or trail, how long and wide will it be? If it's a bridge what will it span? Provide as much detail as possible.**

The project will narrow the driving lanes, add distinct bicycle lanes, include well-marked crosswalks, and incorporate other traffic calming features to further slow traffic and improve pedestrian and bicycle safety. Landscaping and appropriate "downtown" lighting will also be included in the project.

- **Are parts of the project already constructed? Will another agency do some of the work? If so, please explain.**

This project involves rehabilitation of an existing right-of-way.

- **Why do you want this project? Is there a safety concern? Does what you have now need replacement, rehabilitation or reconstruction? Please explain.**

The Pioneer Avenue Complete Street Project will encourage non-motorized transportation. Pioneer Avenue is a mile-long arterial road which provides access to the part of Homer typically thought of as "downtown." Pioneer Avenue does not function well as a downtown street. While the posted speed limit is 25 mph, wide lanes and lack of traffic calming features encourage drivers to go much faster. Using a bicycle on a sidewalk in a business district is against state law, but the practice is tolerated on Pioneer Avenue because it is generally acknowledged that the street is unsafe for cyclists. Crosswalks are few and far-between (five total) and many drivers fail to notice pedestrians in time to stop when pedestrians are waiting to cross. Some east-west crossings are particularly long and intimidating (Main Street and Heath Street). For all these

reasons, walking is not very popular along Pioneer Avenue, to the detriment of downtown businesses.

The project involves rehabilitation of the current right-of-way.

- **Who will use this project and how will it help them? Are there health, quality of life and/or economic benefits? Please explain.**

Pedestrians and tourists alike frequent the downtown business district to which Pioneer Avenue provides access. This project will slow traffic and create a safer environment for pedestrians and bicyclists to visit businesses. Creation of inviting streetscape with access to business will certainly create opportunities for additional commerce while improving the quality of life.

- **Who will maintain the project after it is built?**

The City of Homer will continue existing maintenance and operations duties. City may consider negotiation for ownership of right-of-way.

- **Who owns the land where the project will be built? Will ADOT & PF have to purchase right-of-way?**

State DOT/PF owns right-of-way and should not required additional purchase.

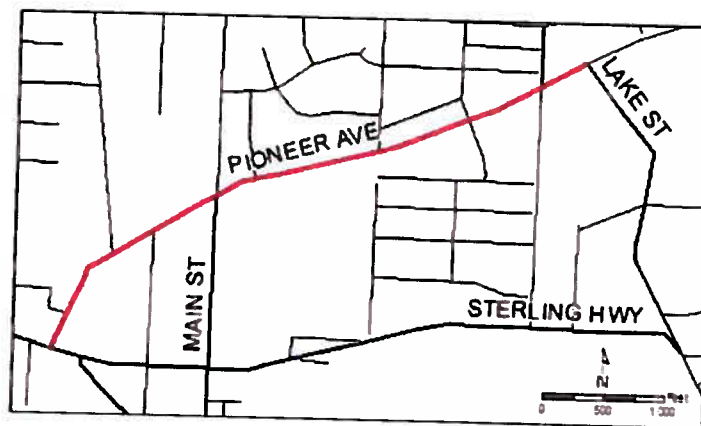
- **Do you have a resolution of support from a local elected body or traditional council? If so, please attach.**

Yes, see attachment.

- **How will you help? Do you have land for right-of-way or in-kind services to donate? Will you contribute money to the project? If known, what is the total dollar or percentage of total project cost to be contributed?**

The City of Homer is willing to retain the current maintenance agreement.

- **Include photo, a map or graphic please.**



Project Nomination Package

NEED ID # 23178
Project Name: Homer Pioneer Avenue Rehabilitation
Project Type: STREETS AND ROADS **Region:** C
Sponsor: City of Homer **Sponsor Contact:** Walt Wrede
Sponsor's Priority: **Phone:** (907) 235-8121
Location:
Borough: KENAI PENINSULA BOROUGH

Description: Resurface approximately 1 mile of Pioneer Avenue from the Sterling Highway to the intersection of Lake Street and East End Road. Project may include bike lanes, drainage, lighting, curb and gutter and sidewalk construction and landscaping. All work to occur within existing ROW.

Justification: This project will resurface and improve Pioneer Avenue which serves as the downtown commercial and residential center of Homer. It is a high volume road and the pavement is in need of resurfacing to extend its life. This project will also provide better access for pedestrians and cyclists. Pioneer Avenue does not currently function well as a downtown street for pedestrians and bicyclists. Using a bicycle on a sidewalk in a business district is against state law, but the practice is tolerated on Pioneer Avenue because it is generally acknowledged that the street is unsafe for cyclists. Crosswalks are few and far between (five total) and many drivers fail to notice pedestrians in time to stop when pedestrians are waiting to cross.

	Project Cost	Sponsors Contribution
Phase 2:	\$300,000	
Phase 3:	\$441,000	
Phase 4:	\$2,000,000	
Phase 7:	\$926,000	
Total Cost:	\$3,667,000	

1	2	3	4	5	6	7	8	9	10	11	12	13	14
5	5	3	3	0	3	5	5	3	5	0	3	0	0

Total Region Score: 153

1. **Economic Benefit:** This project supports economic benefit and this area is endorsed as part of the core commercial center in the Homer Town Center Development Plan and 2008 Zoning Regulations. As pedestrians have easier access to businesses, new economic opportunities will develop. Tourism will also be enhanced as bicycle access will become more attractive as a result of this project.[5]
2. **Health and Quality of Life:** Project provides a significant contribution to quality of life in Homer and works to remove a significant negative factor--the lack of adequate pedestrian accessibility in this downtown core area. Bicyclists also have difficulty safely using this main route through the center of town, and there are a myriad of recreation oriented community resources and youth destinations on or near this route (high school, library, UAA community campus). Walkability and bicycle accessibility are increasingly important as a community value. The project is supported by the Homer Trails and Pathways Plan.[5]
3. **Safety:** This project proposes mitigation which is recognized in practice to address the higher than average crash rate by utilizing engineering strategies including several SHSP Strategies (SP.3 Improve visibility of pedestrians) by introducing lighting and sidewalks, curb and gutter; (SP.1 Installation of countdown times for pedestrians) with increased crosswalks; (SP.2 Preservation of ROW for pedestrians and bicyclists) and possible bike lanes.[3]
4. **Improves Intermodal Transportation:** Provisions for bikes and pedestrians would connect to other non-motorized access and trails within Homer, including the Homer Spit pathway. This would facilitate access to the Harbor and coastline for recreational users.[3]
5. **Local Capital Contribution:** None[0]
6. **M&O Priority:** The City of Homer will continue their maintenance and operation of this state owned facility. It is likely DOT ownership will transfer to the City upon completion of this project.[3]
7. **Public Support:** A preponderance of public record supports this project, both in local economic development plans (Homer Trails and Pathways Plan) and (Homer Economic Development Plan), Downtown Zoning Regulations 2008 and by resolution (City of Homer 09-29A).[5]
8. **Environmental Approval:** Environmental Approval likely with Categorical Exclusion as project takes place within original footprint of existing roadway and ROW.[5]
9. **Surface Rehabilitation:** Moderately deficient relative to standards. Road lacks appropriate features to function as the busy downtown road it has evolved into. Furthermore there is a PMS recommendation for rehab within 2 years.[3]
10. **Cost Effectiveness:** $\$3,667k/1\text{ mile}/5,067\text{ aadt} = \0.72 [5]
11. **Deficient Bridges:** N/A[0]
12. **Functional Class:** Rural Major Collector[3]
13. **Other Factors:** Creation of an inviting streetscape with access to businesses will certainly create opportunities for additional commerce while improving quality of life in Homer.[0]



Pioneer Avenue Rehabilitation
MP 0.00 to 0.988



Image provided by map.borough.kemal.ak.us - Quickbird 2003ish



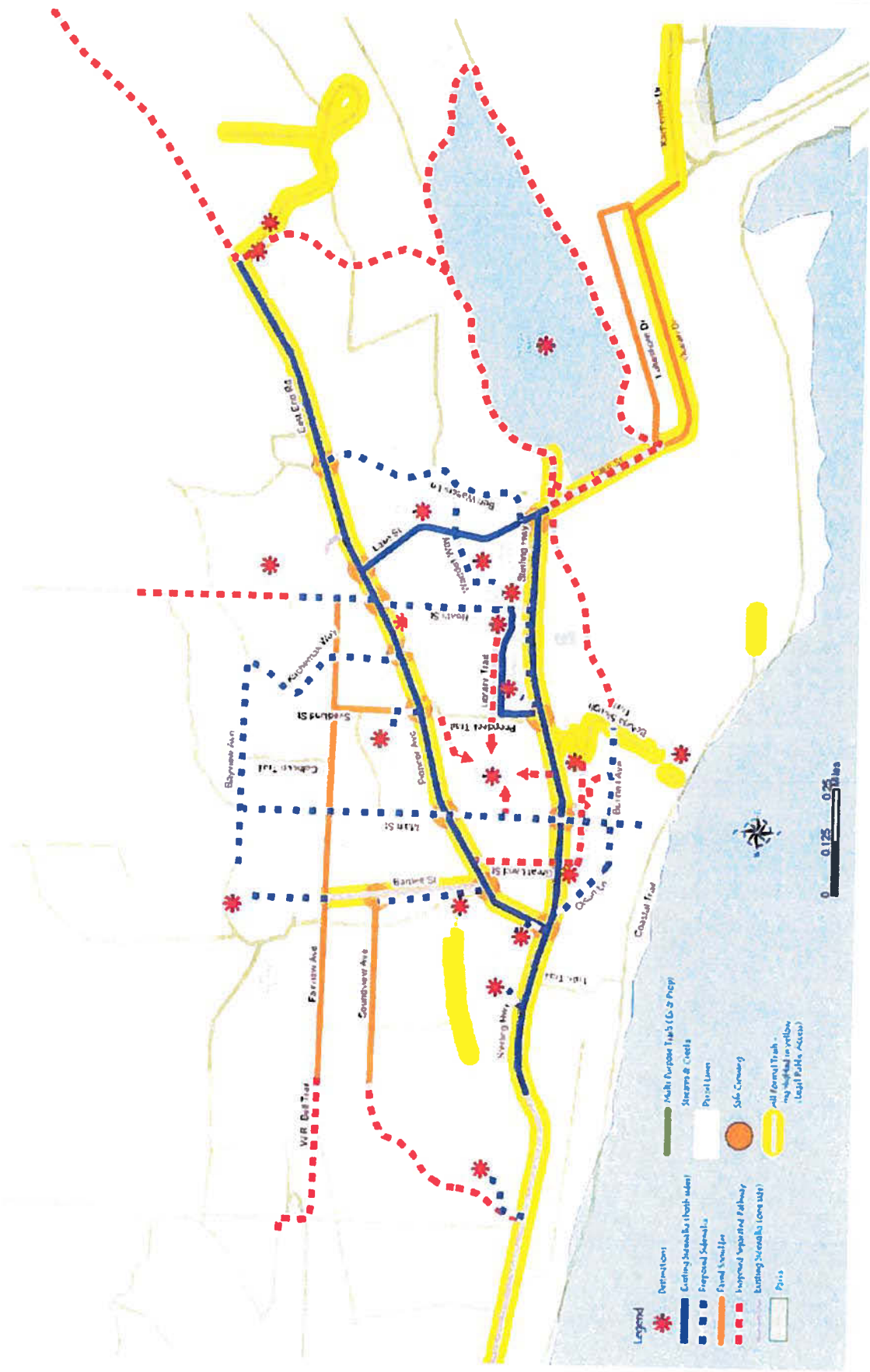


Figure A: Sidewalks, Walkways and Safe Crossings

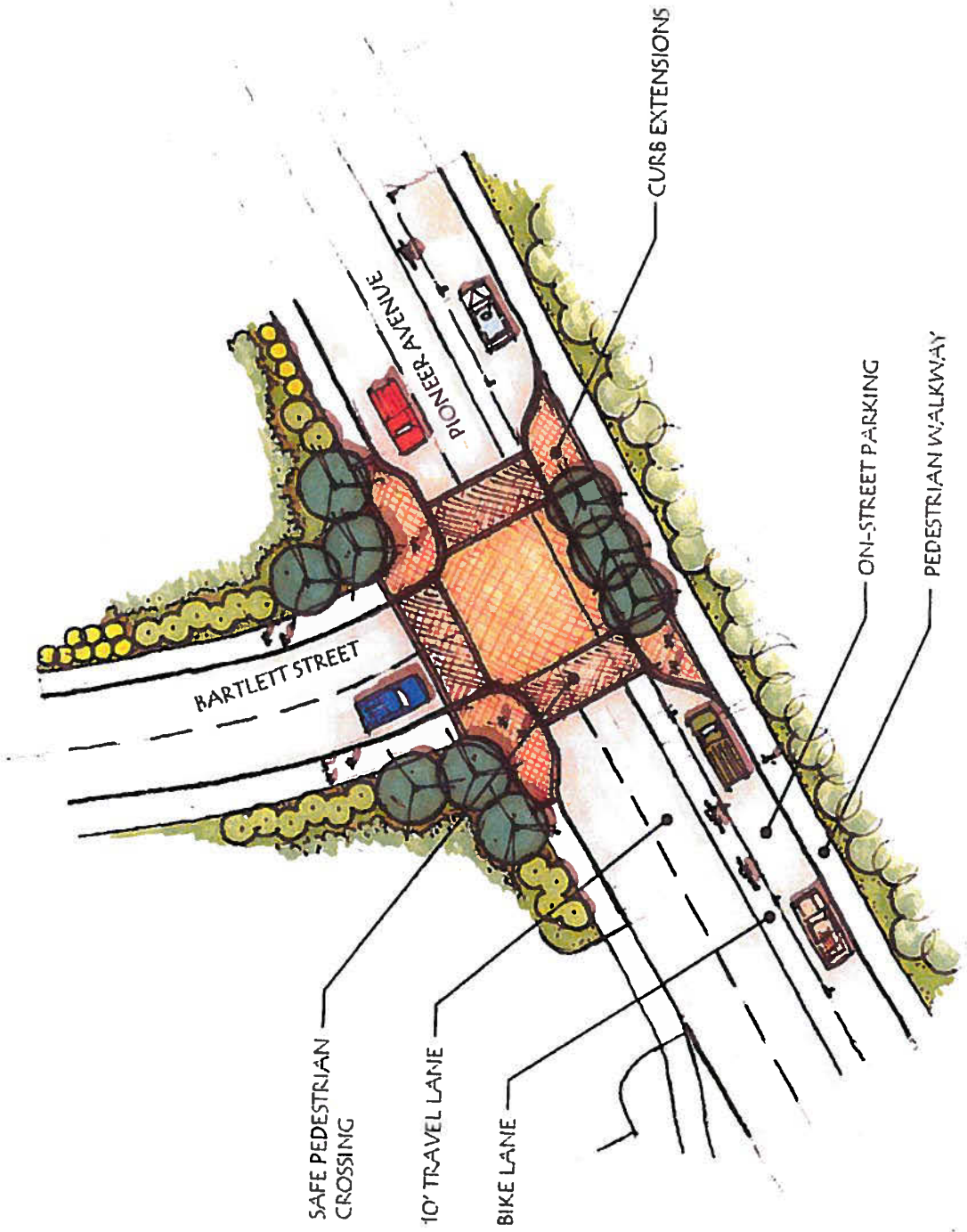
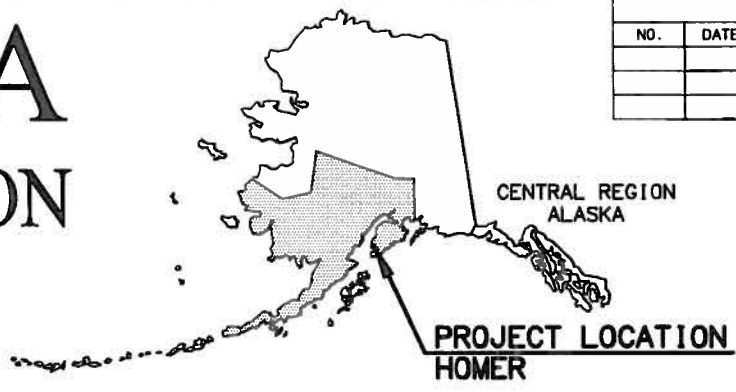


Figure 10: Pioneer Avenue and Bartlett Street
(Note: conceptual drawing not to be used for construction)

DESIGNED BY: JMK
 CHECKED BY: SKN
 DRAWN BY: MAC
 SHEETS: 14
 SCALE: N/A
 LAYOUT: A1
 DATE TIME: 11/18/2013 5:04 PM
 DRAWING LOCATION: P:\Projects\081238\05_P\Genes-MoIn\CAU\Civil\SC12-CT-IL-61238-05.dwg

STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES



REVISIONS			STATE	PROJECT DESIGNATION	YEAR	SHEET NO.	TOTAL SHEETS
NO.	DATE	DESCRIPTION	ALASKA	0001(468)/55889	2014	A1	A4
						PLAN SET TOTAL	14
ROUTE: 110100				MILEPOINT: 0.618			

PROPOSED HIGHWAY PROJECT

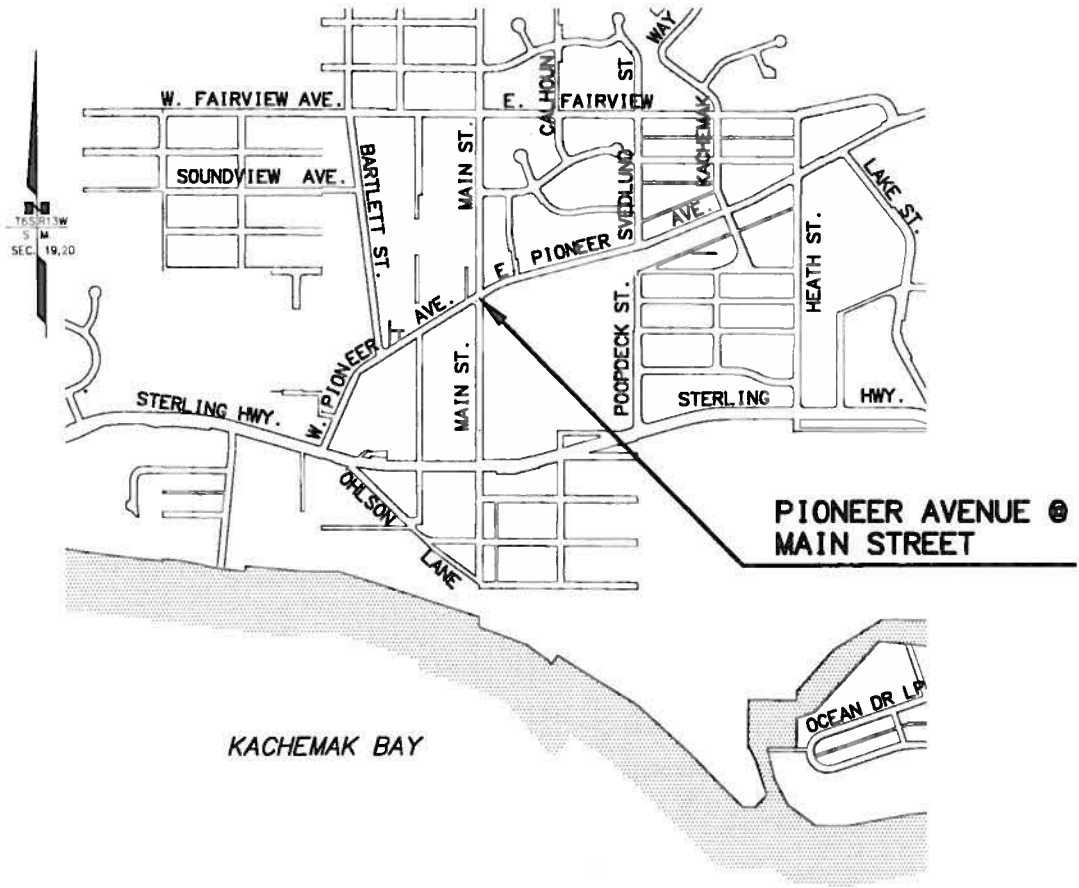
HSIP: PIONEER AVE & MAIN ST

OH BEACON




PROJECT NO. 0001(468)/ 55889

PROJECT SUMMARY		
ROADWAY SECTION	WIDTH	LENGTH
PIONEER AVENUE @ MAIN STREET	37 FT	250 FT

DESIGN DESIGNATIONS		
ROADWAY SECTION	A.A.D.T. 2014	DESIGN SPEED
PIONEER AVENUE @ MAIN STREET	6,253	30 MPH



STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES

APPROVED:

REGIONAL PRE-CONSTRUCTION ENGINEER _____ DATE _____

CONCUR:

DIRECTOR, DESIGN & CONSTRUCTION _____ DATE _____
 CERTIFIED TRUE & CORRECT AS-BUILT OF ACTUAL FIELD CONDITION:

CONSTRUCTION PROJECT MANAGER _____ DATE _____

PRE PS&E

REVISIONS			STATE	PROJECT DESIGNATION	YEAR	SHEET NO.	TOTAL SHEETS
NO.	DATE	DESCRIPTION	ALASKA	0001(468)/55889	2014	H6	H8

NOTES:

- INSTALL NEW SIGNAL POLE P1, CONDUIT, AND JUNCTION BOXES AS SHOWN.
- INSTALL NEW LOAD CENTER LC-A CABINET AS SHOWN ON THE PLANS.
- INSTALL 12-INCH TRAFFIC SIGNAL HEADS ON MASTARM AS SHOWN ON PLANS. SIGNAL HEADS 1, 2, 3, AND 4 ARE TO BE RED.
- INSTALL A DUAL CIRCUIT "MUSHROOM" FLASHER IN BOTTOM OF 4-WAY SIGNAL HEAD FRAME ASSEMBLY HOUSING. WIRE FROM LOAD CENTER-"A" WITH 1-3C#8 AS SHOWN IN PLANS.
- WIRE SIGNAL HEADS 1 AND 3 WITH A 1-3C#14 EACH AND SIGNAL HEADS 2 AND 4 WITH A 1-3C#14 EACH. SIGNAL HEADS 1 AND 3 SHALL BE WIRED INTO ONE CIRCUIT AND HEADS 2 AND 4 INTO THE OTHER CIRCUIT OF THE DUAL CIRCUIT "MUSHROOM" FLASHER.
- UNLESS OTHERWISE NOTED ON SHEET C1 OR SPECIAL PROVISIONS, ALL WORK ON THIS SHEET SHALL BE PAID UNDER ITEM 660(2E).
- FINAL ELEVATIONS TO BE DETERMINED IN THE FIELD AND SHALL BE APPROXIMATELY 4± INCHES FROM THE ROAD SURFACE.
- SEE SHEET H7 FOR SIGNING AND STRIPING LAYOUT.

SUMMARY OF LOAD CENTER LC-A									
LOAD CENTER TYPE:		2							
SERVING UTILITY:		HOMER ELECTRIC ASSOCIATION							
SERVICE CONDUIT TYPE:		RIGID METAL CONDUIT							
LOCATION DATA									
LOAD CENTER:		"PA" 52+40.32 66.1' RT							
POWER SOURCE:		NEW LINE EXTENSION							
PHOTOELECTRIC CONTROL:		NONE							
SERVICE VOLTAGE		1 PASE, 3 WIRE, 120/240 VOLTS AC WITH GROUNDED NEUTRAL							
PROVIDE METER SOCKET?		YES							
MAIN BREAKER A:		240 VOLT, 2 POLE, 100 AMPERES							
CONTACTOR:		NONE							
PANEL A									
POLE	AMP TRIP	DESCRIPTION	POLE KVA	A#	B#	POLE KVA	DESCRIPTION	AMP TRIP	POLE
1	15/1	FLASHING BEACON	0.1	0.1					2
3							SPARE	20/2	4
5									6
7							SPARE	20/2	8
9									10
11									12
13									14
* CIRCUIT THROUGH CONTACTOR								TOTAL KVA	0.1
								AMPS	0.4

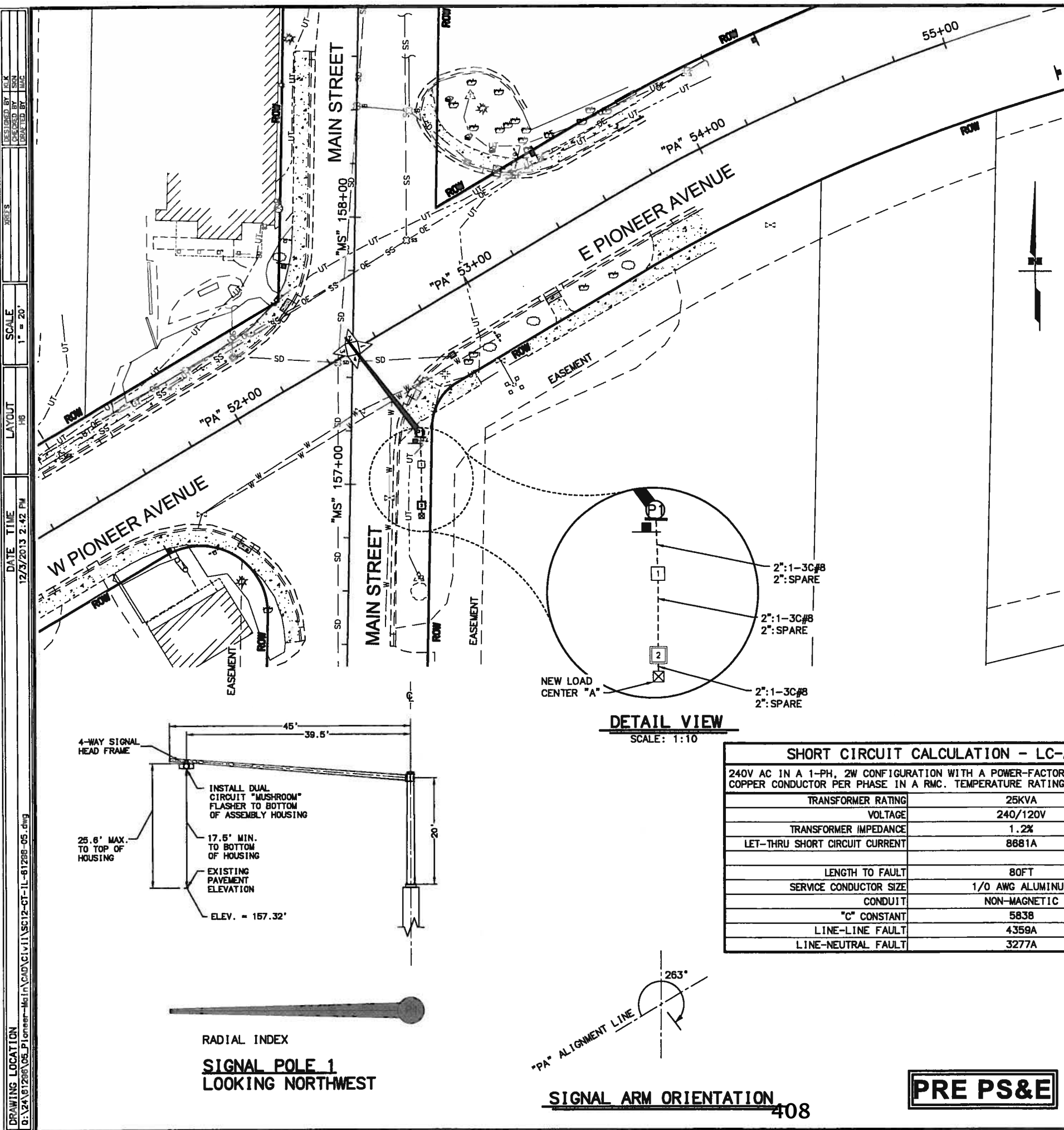
LOAD CENTER NOTES:

- PROVIDE COMPLETE CONTACTOR SYSTEM WITH PHOTOELECTRIC CONTROL UNIT. PROVIDE RECEPTACLE WITH CAP, FOR PHOTOELECTRIC CELL, ON TOP OF LOAD CENTER.

FOUNDATION SCHEDULE			
	STATION ALIGNMENT	OFFSET	STRUCTURE
LC-A	"PA" 52+40.32	66.1' RT.	TYPE 2 LOAD CENTER
P1	"PA" 52+55.79	39.0' RT.	SIGNAL POLE P1

JUNCTION BOX SCHEDULE				
SIGNAL JBOX	STATION ALIGNMENT	OFFSET	TYPE	REMARKS
1	"PA" 52+50.12	49.5' RT.	1A	NEW
2	"PA" 52+42.35	62.7' RT	1I	NEW

SHORT CIRCUIT CALCULATION - LC-A	
240V AC IN A 1-PH, 2W CONFIGURATION WITH A POWER-FACTOR OF 1.00, 1 COPPER CONDUCTOR PER PHASE IN A RMC. TEMPERATURE RATING 75°C.	
TRANSFORMER RATING	25KVA
VOLTAGE	240/120V
TRANSFORMER IMPEDANCE	1.2%
LET-THRU SHORT CIRCUIT CURRENT	8681A
LENGTH TO FAULT	80FT
SERVICE CONDUCTOR SIZE	1/0 AWG ALUMINUM
CONDUIT	NON-MAGNETIC
"C" CONSTANT	5838
LINE-LINE FAULT	4359A
LINE-NEUTRAL FAULT	3277A



DESIGNED BY: PKK
 CHECKED BY: WNR
 DRAWN BY: WMC
 SHEETS: 1 OF 1
 SCALE: 1" = 20'
 LAYOUT: H8
 DATE: 12/3/2013 2:42 PM
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STATE OF ALASKA
 DEPARTMENT OF TRANSPORTATION
 AND PUBLIC FACILITIES

HSIP: PIONEER AVENUE & MAIN STREET OH BEACON

FLASHING BEACON SYSTEM
 PIONEER AVE & MAIN ST

PLANS DEVELOPED BY:
 DOWL HKM

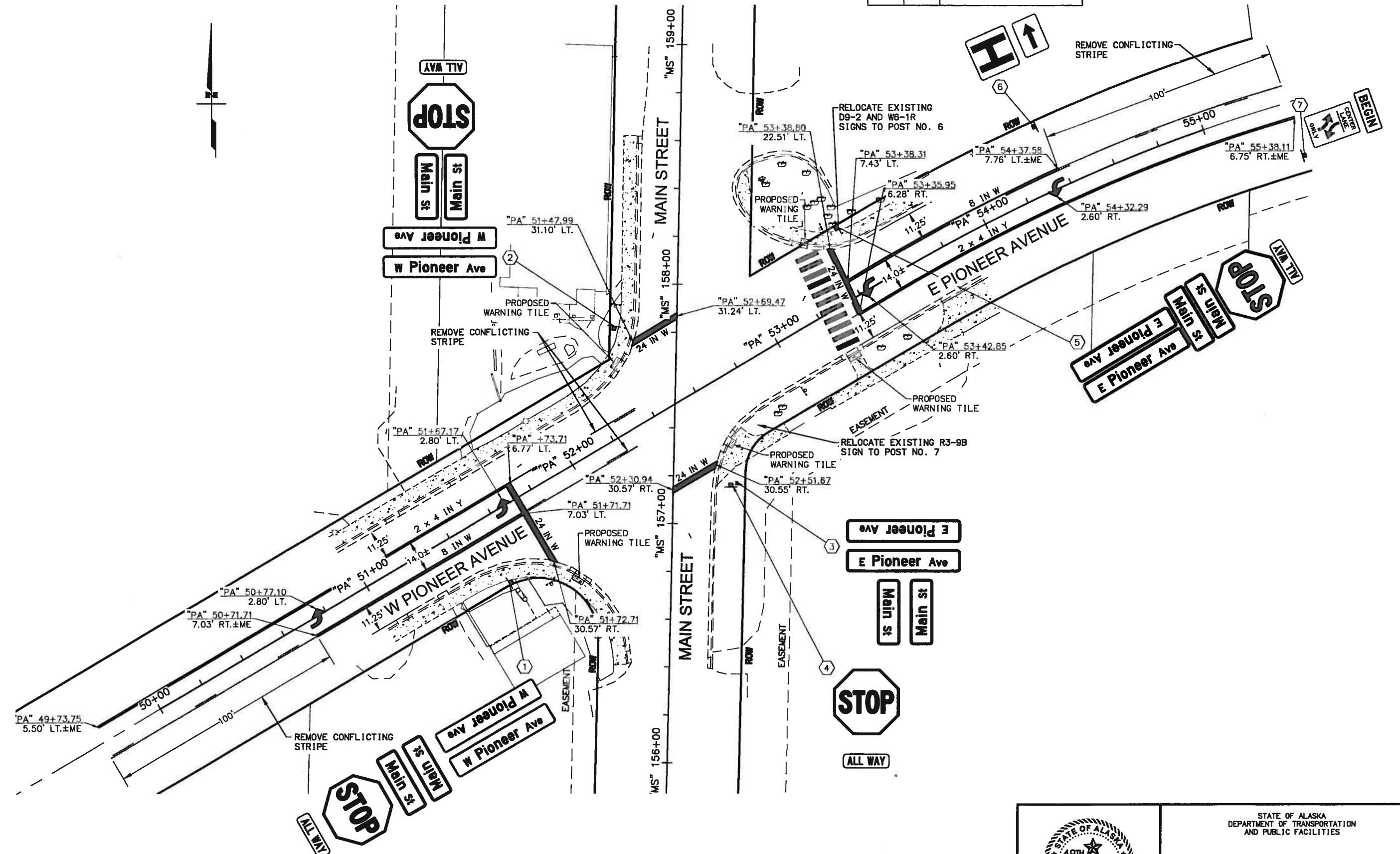
PRE PS&E

SIGNAL ARM ORIENTATION 408

RADIAL INDEX
SIGNAL POLE 1
 LOOKING NORTHWEST

REVISIONS			STATE	PROJECT DESIGNATION	YEAR	SHEET NO.	TOTAL SHEETS
NO.	DATE	DESCRIPTION	ALASKA	0001(468)/55889	2014	H7	H8

DRAWING LOCATION: G:\24\1296\05_Pioneer-Main\CAD\Civil\SC12-CT-IL-81296-05.dwg
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 LAYOUT: H7
 SCALE: 1" = 20'
 DESIGNED BY: DSK
 CHECKED BY: ESN
 DRAWN BY: MAC



PRE PS&E



PLANS DEVELOPED BY:
DOWL HKM

STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES

**HSIP: PIONEER AVENUE &
MAIN STREET OH BEACON**

SIGNING AND STRIPE LAYOUT

CITY OF HOMER
HOMER, ALASKA

City Clerk

RESOLUTION 14-067

A RESOLUTION OF THE HOMER CITY COUNCIL AWARDING THE CONTRACT FOR THE PARKS, ART, RECREATION AND CULTURE (PARC) NEEDS ASSESSMENT TO THE FIRM TO BE ANNOUNCED OF CITY AND STATE IN THE AMOUNT TO BE DISCLOSED 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 April 10 and 17, 2014, the Peninsula Clarion and the Anchorage Daily News on April 13, 2014, and posted on the Clerk's home page; and

WHEREAS, Proposals were due on May 8, 2014 and an addendum was issued to extend the due date to May 15, 2014; and

WHEREAS, Five proposals were received and were studied by a review team who determined two proposers would be invited to interview; and

WHEREAS, Interviews were conducted on June 5, 2014 and the firm of _____ of _____, _____ 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 _____ from the City of Homer.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, approves the contract award for the Parks, Art, Recreation and Culture Needs Assessment to the firm of _____ of _____, _____ in the amount of \$ _____ and authorizes the City Manager to execute the appropriate documents.

PASSED AND ADOPTED by the Homer City Council this 6th day of June, 2014.

CITY OF HOMER

MARY E. WYTHE, MAYOR

45 ATTEST:

46

47

48 _____

49 JO JOHNSON, MMC, CITY CLERK

50

51 Fiscal Note: PARC Needs Assessment \$

**Request for Proposals
By the City of Homer, Alaska
For a Parks, Art, Recreation and Culture Needs Assessment**

MAR 28 2014

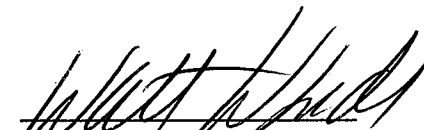
The City of Homer, Alaska is requesting proposals from qualified firms to conduct a park, art, recreation and culture needs assessment. Proposals will be received at the Office of the City Clerk, City Hall, City of Homer, 491 East Pioneer Avenue, Homer, Alaska until 4:30 P.M., Thursday, May 8, 2014. The time of receipt will be determined by the City Clerk's time stamp. Bidders are required to be on the Plan Holder's List to have their proposals evaluated by the selection committee.

The purpose of the project is to determine the resources and prioritize the needs for the community concerning parks, arts, recreation and culture facilities and programs, with a ten to fifteen year outlook. The project consists of furnishing all labor, materials, equipment, tools, supervision, and other facilities necessary to perform the desired services. The City reserves the right to negotiate the scope of work with the selected firm to meet project objectives and budgetary goals. In the event that a negotiation is unsuccessful, the City may enter into negotiations with next highest rated firm. The City reserves the right to accept or reject any or all proposals, to waive irregularities or informalities in the proposals, and to award the contract to the respondent that best meets the City's needs.

Plan holder registration forms, and Plans and Specifications are available on line at <http://www.cityofhomer-ak.gov/rfps>. All proposers must submit a City of Homer Plan Holders Registration form to be on the Plan Holders List and to be considered responsive. Sealed proposals shall be received at the Office of the City Clerk **no later than 4:30 pm, Thursday, May 8, 2014**. Please direct proposal submission questions to Jo Johnson, City Clerk, at (907) 235-3130. Please direct technical questions regarding this proposal to the City Planning Office in writing at jengebretsen@ci.homer.ak.us, or to 491 E Pioneer Avenue, Homer, AK 99603.

Dated this 28th day of March, 2014.

CITY OF HOMER


Walt Wrede, City Manager

Homer News – April 10 and 17, 2014
Peninsula Clarion – April 13, 2014
Anchorage Daily News – April 13, 2014
Account Number – 100.0130.5227, 100.0110.5227

Request for Proposals
By the City of Homer, Alaska
Professional Planning and Recreation Services
City of Homer Parks, Art, Recreation and Culture Needs Assessment

The City of Homer, Alaska is requesting proposals from qualified planning and recreation firms for the project described herein.

The following subjects are discussed in this RFP to assist you in preparing your proposal.

- I. Introduction
- II. Scope of Services
- III. General Requirements
- IV. Proposal Format and Content
- V. Evaluation Criteria and Selection Process
- VI. Schedule

I. Introduction

The City of Homer is soliciting proposals from qualified consultants to provide professional services to produce a needs assessment for parks, art, recreation and cultural facilities and programs. The needs assessment timeframe should cover the next 10 years with an outlook to 15 years. The City anticipates approximately \$40,000 will be available for this project.

Homer has a rich history of music, arts, culture, recreation and parks. While the community is abundant in some aspects of programming and facilities, it has been over 30 years since a recreational survey was conducted. Currently, the City and community organizations face tight budgets, limited space and decreased grant opportunities. It is time to gather public input to determine the resources and prioritize the needs for our community concerning parks, arts, recreation and culture facilities and programs.

The City has formed the PARC committee, (Park, Arts, Recreation and Culture) as the administrative steering committee for this project. The consultant will work closely with City staff and the PARC committee. In addition, PARC will work closely with the Homer Parks and Recreation Advisory Commission to facilitate the public process for the project.

The City expects the assessment to be a grass-roots effort emphasizing citizen involvement with representation and contributions from a variety of citizens, formal and informal community groups and organizations, local agencies, City commissions, and the Council. The City expects the community participation plan to be innovative and inclusive. The goal is for the needs assessment to be completed within one year after award of the contract, and shall overlap with the school year by at least one month.

Project Overview and Methodology

The project area is the Anchor Point, Diamond Ridge, City of Homer, Kachemak City and Fritz Creek census areas. The City envisions two types of surveying for this project. The first survey type is a formal statistically valid survey of area residents. The second survey would be qualitative, using tools such as online surveys.

The City would like to use a three tiered approach for the qualitative survey. These groups would be echoed in public meeting formats. The first group is for “Art and Recreation Providers,” recognized as licensed businesses or registered non-profits within the project area, whose primary purpose is to provide art or recreation services. The City envisions asking these formal organizations, through their boards or executive directors, targeted questions about what activities, facilities and capitol assets they provide. At some point during the project, a public meeting will be held specifically for these providers.

The second group is “user group,” i.e. a group that participates in an art or recreation activity, but is not a formal business or non-profit. The third group is the general population. Within the general population, extra effort should target youth and senior citizens.

The City recognizes the limited project budget. The City will provide a spreadsheet of all art and recreation providers that have a business license or registered non-profit in the project area, and a list of user groups. The City, through City staff and PARC committee members, can also conduct community outreach, and participate heavily in the preparation of and conducting public meetings. The City is looking for a consultant who can create an innovative and inclusive community participation plan, utilizing staff and PARC members to provide labor.

Project Limitations:

- The City does not envision the needs assessment having a large component focusing on trails for walking, hiking, riding etc. The Homer-Non-Motorized Transportation and Trails Plan is adopted as part of the Comprehensive Plan. Trail construction (but not maintenance) also has separate funding through a dedicated sales tax.
- The City is less interested in statistics such as people per acre of park land, and more interested in community interests, support and priorities.
- The City is interested in visual, literary and performing arts and recreation for the resident population.

PARC Mission Statement

To determine the resources and prioritize the needs for our community concerning parks, arts, recreation and culture facilities and programs. (10-15 year outlook)

The City seeks to address the five questions below through this project.

Project Question and Methodology

1. Identify existing and potential resources

- a. How do people use their spare time?
 - b. Program resources: who offers what, when and how often?
 - c. Identify locations and facilities used
 - d. How are existing programs and facilities funded?
 - e. List City responsibilities – parks, maintenance, campgrounds, budget, income,
 - f. Identify volunteer efforts
2. Survey what programs and facilities are desired by the community
3. Conduct a gap analysis between haves and wants
 - a. Include future demographic trends
 - b. Identify barriers to access, (money, time, space/facilities, lack of information)
 - c. Consultant to provide an analysis on trends, observations and patterns of results
 4. Measure community values for art, recreation and quality of life
 - a. What level of importance do citizens place on the availability of these services?
 - b. Are Culture and Recreation essential services?
 - c. Is it important that they be available to all income levels?
 5. Funding Mechanisms
 - a. How could new programs and structures be funded?

II. Scope of Services

The project consists of furnishing all labor, materials, equipment, tools, supervision, and other facilities necessary to develop a needs assessment in accordance with the standards and criteria of the City of Homer.

Task 1. Background Research and Analysis

In Task 1, the consultant is expected to complete a review of all-relevant planning, financial, and development documents with regards to park, arts, recreation and culture. Examples of such documents the City will provide include:

- 2008 Comprehensive Plan
- Homer Non-Motorized Transportation and Trails Plan
- City of Homer Annual Budget
- Census and growth projections
- Community Health needs Assessment, Executive Summary March 2014, MaPP of SKP
- A small sample of strategic plans for art and culture organizations

At the completion of Task 1 the consultant should be knowledgeable of the history, social and development patterns, culture, recreation and fiscal issues facing Homer.

Task 2. Public Outreach

The consultant will formulate a public outreach plan to both educate the public about the needs assessment, and ensuring the assessment is as inclusive as possible. Methods shall include community meetings, newspaper and radio coverage, speaking to community groups etc. The plan will include using city staff and PARC members for tasks as appropriate. For example, the consultant shall prepare paid newspaper advertising and fliers, and the City will submit the advertising to the newspapers and distribute fliers in the community.

- Project Review point: PARC will review and comment on the public participation plan.

Task 3. Surveying

As previously discussed, surveying shall include two types of surveys.

- Project Review point: The PARC committee will review and comment on the survey questions prior to administering the surveys.

Task 4. Analysis

The consultant will analyze survey results to provide a gap analysis. The consultant will also synthesize funding options. This analysis should differentiate between existing municipal park maintenance costs, and desired new facilities and programs.

Task 5. Document preparation and community presentations

Documents: The consultant shall provide a draft of the needs assessment document with survey results, preliminary gap assessment and funding options to the P&R Commission and the PARC committee for comment. The consultant will then provide a revised draft for public review. A final draft will be submitted for City Council adoption.

Community meetings/presentations: The consultant will be required to conduct at least four community meetings, one presentation to the City Council, one presentation to the Parks and Recreation Advisory Commission, and one qualitative assessment activity involving youth. The consultant may teleconference or Skype with the PARC committee, at various stages of the assessment effort. Special effort is requested in this project to include children and senior citizens in the assessment.

Project Schedule

The proposal should include a schedule of major milestones for the project. The City anticipates the schedule should include, but not be limited to, the following stages:

- Project Start-Up
- Background Research
- Community Participation
- Data Collection and Analysis
- Parks and Recreation Commission + PARC Committee Draft
- Revised Draft, Public review
- Final Draft for City Council action

Products

All documents, reports, studies, and maps are to be produced in a digital and PDF format. Information will be transferred to the City electronically and 25 hard copies will also be provided. The consultant will agree to transfer ownership of all information and materials produced as part of the plan to the City.

Draft and Final Documents:

- Formatted for an 8 1/2" x 11" Document
- Microsoft "Word" 2010 or InDesign, and pdf format

III. General Requirements

The following information is presented as a general guideline for the preparation of the proposals. It is not intended to be an exhaustive list of project requirements.

- a) It is the responsibility of the firms submitting proposals to determine the actual efforts required to complete the tasks and total project.
- b) The PARC committee will review the draft needs assessment after each task. The selected firm or individual should expect substantial input from the City.
- c) All documents for this project including drawings and reports shall be in a format and on media approved by the City. Upon completion, the Owner shall be furnished with CD-ROM discs of all documents.
- d) Bidders are required to be on the Plan Holder's List to have their proposals evaluated by the selection committee.

IV. Proposal Format and Content

Proposals which do not address the items listed in this section, may be considered incomplete and may be deemed non-responsive by the City. Direct questions regarding this proposal to Julie Engebretsen, Deputy City Planner, City of Homer, (907) 235-3106 or jengebretsen@ci.homer.ak.us. The City of Homer reserves the right to reject any and all proposals submitted and shall not be liable for any costs incurred by any proposer in response to this solicitation or for any work done prior to the issuance of a notice to proceed.

PROPOSAL FORMAT

- A. Letter of Transmittal

B. Narrative

1. Provide a brief description of the firm including its experience, and the experience of its key individuals. Include brief resumes of the key personnel who will work on this project. Discuss the experience of these persons and relate that experience to this project. Include what portion of this contract each person would be working upon.
2. Provide a list of relevant projects designed by or under the direction of the individual or firm submitting the proposal. Provide three client references.
3. Include a Work Program that is designed to satisfy the requirements listed in the "Scope of Services." Describe your understanding of the project, the proposed work plan, and the schedule you intend to follow in order to complete the project in a timely manner.

C. Fee Proposal and Rate Schedule

1. Submit a fee proposal to perform the Scope of Services described herein. All basic services of each task shall be completed for total compensation not to exceed the lump sum fees contained in the Professional's cost proposal. Additional services will be compensated in accordance with the Professional's fee schedule. These services shall be negotiated and approved in advance.
2. Provide an exact statement of the services to be provided within the fees proposal and fee schedule to be used in billing for services, including out-of- scope services.
3. Provide a fee schedule for the Professional and personnel/sub-consultants assigned to the project.

D. Submit one (1) original and twelve (12) copies of the completed Proposal in a sealed, opaque envelope marked as follows:

City of Homer
Park Art Recreation and Culture Needs Assessment
PROPOSAL DATED _____, 2014.

The Proposals shall be addressed to:

City of Homer, City Clerk
491 East Pioneer Avenue
Homer, Alaska 99603

Proposals shall be received at the office of the City Clerk until 4:30 PM, May 8, 2014.

V. Evaluation Criteria and Selection Process

The City will select the consultant who best meets the needs of the City as evidenced by their qualifications, experience, project understanding and approach, and other factors as outlined in this RFP.

A selection committee consisting of the Park, Arts, Recreation and Culture committee and two city staff members will conduct interviews with selected finalists. The committee will evaluate the proposals submitted and make a recommendation to the City Manager. The City Manager will make a recommendation to the City Council, for award of contract.

The committee will employ the following criteria (with relative weights) in evaluating each proposal and making their recommendation:

- 1. Overall Approach and Project Understanding (35 %)
- 2. Qualifications and Team Experience (25 %)
- 3. Work Plan, Schedule, Public Approach and Strategy (25 %)
- 4. Project Cost (15%)

VI. Schedule

Proposals due:	4:30 PM	May 8, 2014
Award contract:		May 27, 2014
Notice to proceed:		June 2014
Completion of contract:		April 30, 2015

CITY OF HOMER

Proposal Receipt Log: **Parks, Art, Recreation and Culture Needs Assessment**

Due Date and Time: **Thursday, May 15, 2014 @ 4:30 p.m.**

City Clerk's Office

Proposal NO.	Bidder Name and Address	
1.	Information Insights 212 Front St. Ste 100 Fairbanks, AK 99701	5/7/14 12:24 p.m.
2.	Greenplay, LLC. 1021 E. South Boulder Road Louisville, CO 80027	5/7/14 2:00 p.m.
3.	Corvus Designs 2506 Fairbanks St. Suite B Anchorage, AK 99503	5/9/14 11:17 a.m.
4.	Agnew: Beck 441 W. 5 th Ave. Anchorage, AK 99501	5/13/14 12:15 p.m.
5.	Management Learning Laboratories 163 Linbrook Dr. Winston-Salem, NC 27106	5/13/14 2:00 p.m.
6.		
7.		

Staff Member Comments: _____

CITY OF HOMER
HOMER, ALASKA

Zak

RESOLUTION 14-062

A RESOLUTION OF THE HOMER CITY COUNCIL OPENING
THE REGULAR CITY COUNCIL MEETINGS WITH PRAYER.

WHEREAS, The practice of opening public meetings is "part of the fabric of our society"; and

WHEREAS, This practice "evokes universal themes" such as "calling for a spirit of cooperation."

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council will begin the practice of opening their regular city council meetings with a prayer.

PASSED AND ADOPTED BY THE HOMER CITY COUNCIL this 9th day of June, 2014.

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, MMC, CITY CLERK

Fiscal Note: N/A

1 CITY OF HOMER
2 HOMER, ALASKA

3 City Manager/
4 Public Works Director

5 RESOLUTION 14-068
6

7 A RESOLUTION OF THE HOMER CITY COUNCIL AWARDING A
8 SOLE SOURCE CONTRACT FOR DISINFECTION BYPRODUCTS
9 REDUCTION STUDY ON THE WATER
10 TREATMENT/DISTRIBUTION SYSTEM TO THE FIRM OF HDR,
11 INC. OF ANCHORAGE, ALASKA, IN THE AMOUNT OF \$18,459
12 AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE
13 APPROPRIATE DOCUMENTS.
14

15 WHEREAS, Funds were appropriated in the 2014 budget to provide for the completion
16 of a Disinfection Byproduct Reduction Study by Ordinance 14-25; and
17

18 WHEREAS, HDR, Inc. is considered to be uniquely qualified to complete the work (see
19 Memorandum 14-096); and
20

21 WHEREAS, The City's Procurement Policy provides for non-competitive procurement
22 of engineering design services; and
23

24 WHEREAS, This award is not final until written notification is received by the firm from
25 the City of Homer.
26

27 NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, approves
28 a sole source contract for the Disinfection Byproducts Reduction Study on the Water
29 Treatment/Distribution System to the firm of HDR, Inc. of Anchorage, Alaska, in the amount of
30 \$18,459 and authorizes the City Manager to execute the appropriate documents.
31

32 PASSED AND ADOPTED BY THE HOMER CITY COUNCIL this 9th day of June, 2014.
33

34 CITY OF HOMER
35

36
37 _____
38 MARY E. WYTHE, MAYOR
39

40 ATTEST:

41

42

43

44 _____
JO JOHNSON, MMC, CITY CLERK

45

46 Fiscal Note: 256-0378 (Water Reserve) – Water Treatment Plant Gas Conversion - \$10,835

47 456-0380 (Harbor Reserve) – Harbor Shop Gas Conversion \$17,150

48 456-0380 (Harbor Reserve) – Spit Restrooms (4) Gas Conversion - \$37,850



City of Homer

www.cityofhomer-ak.gov

Public Works

3575 Heath Street
Homer, AK 99603

publicworks@cityofhomer-ak.gov

(p) 907- 235-3170

(f) 907-235-3145

Memorandum 14-096

TO: Walt Wrede, City Manager
FROM: Carey Meyer, Public Works Director
DATE: June 4, 2014
SUBJECT: **Award Sole Source Contract by to HDR, Inc.
Disinfection Byproduct Reduction Study**

Although there have been no violations, meeting the disinfection byproduct regulations regarding drinking water is a serious concern. Public Works is recommending that before investing in a capital expenditure; operational modifications and alternative solutions should be considered.

Many of these potential solutions are operational adjustments that could require little capital expenditures. If a capital investment is required, the evaluation of the effectiveness of all alternatives would help secure the necessary ADEC approval to construct.

Public Works proposes to award the completion of the Disinfection Byproduct Reduction Study to HDR, Inc. of Anchorage, Alaska for the following reasons:

- HDR completed the design of the new water treatment plant and is the most familiar with the treatment and distribution system.
- HDR personnel have national experience and can bring knowledge of solutions implemented by other water systems.
- The City of Homer's Procurement Policy provides for non-competitive, negotiated procurement of design services if approved by the City Council.

Recommendation: The City Council pass a resolution awarding a sole source contract to HDR Inc. of Anchorage, Alaska in the amount of \$18,459 to complete a Disinfection Byproducts Reduction Study on the Water Treatment/Distribution System; and authorize the City Manager to execute all appropriate documents.

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

