



City of Homer

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Memorandum Agenda Changes/Supplemental Packet

TO: MAYOR WYTHE AND HOMER CITY COUNCIL

FROM: JO JOHNSON, MMC, CITY CLERK 

DATE: FEBRUARY 23, 2015

SUBJECT: AGENDA CHANGES AND SUPPLEMENTAL PACKET

ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS

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AML Policy Committee Report by Councilmember Zak Page 13

CITY MANAGER'S REPORT

Status of City Projects by Public Works Director Page 15

RECOMMENDATION:

Voice consensus to changes under Agenda Approval.

Fiscal Note: N/A



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City of Homer –Session Lobbyist Report

February 19, 2015

Overview – Early Issues Continue to Take Top Billing...

During the past two weeks and the last report, the main issues of this Session remain constant; hearings on legislation dealing with implementation of the marijuana initiative continue on almost a daily basis, the political tussle between some legislative leaders and the Governor continues to evolve, Medicaid Expansion is pushed hard by Governor Walker and now deliberated by House & Senate Finance Committees, and the budget crisis continues to dominate EVERY corner of the Capitol. Budget reduction targets are \$250million less than current year FY15. And the Capitol budget as proposed by the Governor is approximately \$500+ million less. **This week's announcement by House & Senate Finance chairs to attempt to hold the line on the Capitol Budget by NOT appropriating funds for 'discretionary spending' to Legislative Districts was not that much of a surprise given the budget crisis.** This could be the first in at least the last 10 years where Finance Chairs held the line on 'no discretionary spending'. However, it still remains to be seen and it's not over until it's over.

Five separate legislative bills deal with the marijuana initiative (see attached Legislative Bill Report) making it difficult to identify the Legislatures' timeline for full implementation. We are now certain that the first deadline in the initiative, February 24, 2015, will come and go without legislative action implementing the personal use; crimes and defense sections of the initiative. That bill (SB30) has morphed into a version four times its original size to address Legislator concerns relative to the criminal code. There are also four different committees dealing with the issue. However, most believe the Legislature will sort through all proposals implementing the initiative by adjournment. It should be noted that during this first month of Session the Legislature spent dozens of hours taking testimony from those States having already implemented these laws and are examining those State's do's and don'ts and experiences.

The tussle between the Governor and some House and Senate leadership members continues. However, the Governor's recent announcement to withdraw his personal lawsuit against Exxon relative to Pt. Thompson has definitely improved the political environment between the 2nd Floor (Legislative Chambers) and 3rd Floor (Governor's Office) in the Capitol. More positive dialogue was exhibited today when DNR officials testified before Senate Resources. Deputy Director Marty Rutherford introduced DNR's technical team who has been in place throughout the AK LNG project phases initiated by the Parnell Administration. These individuals have been instrumental in the work product and advancement of the AK LNG project to date. It appeared as though the personal introductions at the hearing intended to assure the Legislature that Governor Walker is committed to continuing and advancing the AK LNG.

With the deadline passing for the Governor's ability to modify the budget through amendments, changes can now only be made by the House & Senate Finance Committees. The House intends to finalize their subcommittee work by the end of February sending it the House Floor for a final vote in mid-March. At that point they will send the budget to the Senate where their subcommittees will put dollar amounts to programs. The Senate version of the budget is expected to pass the Senate Floor by the end of March. The difference in the House & Senate budgets will be determined by a conference committee. Conference Committee members include 3 House and 3 Senate members including House & Senate Finance co-chairs. After intense line by line negotiations, approving the final numbers and passage of the budget is one of the last votes prior to adjournment.

FY16 Operating Budget – Gov. Walker’s Budget Amendments

Today was the 30th Legislative day and the deadline for the Governor’s final amendments to the FY16 budget; operating and capital. The next phase of the budget process is entirely up to the Legislature; House & Senate Finance Committees. Our advocacy needs to now be directed toward the House & Senate Finance Committees where final decisions will be made.

The elimination of the contract jail program came to light in a recent budget overview. This action left the City of Homer and 14 other communities with zero funding. After an uncomfortable finance subcommittee hearing earlier this week where the Departments of Public Safety and the Court System expressed concern over how to deal with prisoners under this scenario, the Governor restored \$7 of the \$10 million or 70% of the funds. It is highly unusual for Agencies not to be in alignment behind the Governor’s proposals. But when asked by Legislators how the cuts would be implemented, there was obvious consternation and unanswered questions as to the cost to these other Agencies. In fairness to Governor Walker, he’s been on the job for only 2 ½ months and handed a budget shortfall with the magnitude never before faced by our State’s leaders. And hopefully they will at the very least accept Governor Walker’s \$7million amendment as a starting point in making the contracts whole.

In addition to reductions to contract jails, the ALMR payment on Behalf of Political Subdivisions (Dept. of Administration Budget) took a hit and statewide reduction of \$340,000.00 from the \$500,000 appropriation or a 68% cut. The DOA has said they intend to work with communities and don’t expect the cuts to negatively impact contracts. That remains to be seen. This program has been on the chopping block even in times of flush budgets and has been an annual struggle.

Status of Legislation

- 1) HB 72 FY16 Operating Budget: **Community Revenue Sharing** remains as proposed in the Governor’s budget at \$57.33million statewide. At this funding level the City of Homer is estimated to receive \$325,457 or 4.44% less than in FY15.
- 2) SB 26 FY16 Capital Budget: **Homer’s \$1.980 million water storage and distribution system** funding remains intact. The Senate is beginning the capital budget overviews and scrutinizing every project. As stated before, local and federal match helps but given the state of the budget we can’t take anything for granted. And to restate, these are the ONLY general fund dollars funding a project on the Kenai Peninsula.
- 3) The **Education budget** that kept the Legislature in overtime last session and included \$300 million to K-12 over the next three years was reduced in Governor Walkers FY16 budget. Last year ½ of the funds were included inside the Base Student Allotment (the foundation formula) and ½ was passed to districts as grants and distributed on a Average Daily Membership method. Gov. Walker maintained the BSA funding but eliminated the grants in FY16 and beyond.
- 4) **PRS/TRS** – A presentation by Dept. of Administration Commissioner Fisher was held in Senate Finance today. Senator McKinnon asked the Commissioner what the state intends to do about the depleting funds/payments by the State into the retirement systems brought on by the 300 state employee reductions proposed in the Governor’s budget. The State is not required to continue paying into the retirement funds for terminated employees; the municipalities are. DOA responded that they are looking at solutions to the termination cost issue and will be bringing options forward (proposing legislation?).

All CoH Tracked Legislation - See Legislative Bill Report attached.

END

Linda 460-6767
Yuri 388-8611

City of Homer

Hearing	Bill No.	Short Title	Prime Sponsor	Status	Status Date	Bill Summary
	HB 3	Workers' compensation Death Benefit	Josephson	(H) L&C	1/21/15	In work-related injuries causing death, adds one year of health insurance coverage as a death benefit for certain survivors of police officers, firefighters and emergency medical technicians. Coverage applies to volunteers in these roles, airport police and University of AK police.
	HB 4	Automated external defibrillators	Wilson	(S)HSS	2/13/15	Limits civil damages for defibrillator use to instances of gross negligence and removes the requirement that training be provided by a particular organization.
	HB 39	State Group Health Insurance Policies	Seaton	(H)FIN	2/6/15	Establishes a volunteer advisory committee on Wellness within the Department of Administration. Sets goal of keeping annual state health care cost increases to no more than 2% a year via implementation of committee recommendations.
H-CRA Sat 2/21 10:00	HB 47	PERS: Interest on Delinquent Contributions	Foster	(H)CRA- Heard & Held	2/10/15	Allows municipal employers with a population decrease greater than 25% in the 2010 census to calculate their PERS contribution based on the number of active employees in the system on June 30, 2012 versus 2008. Changes the interest calculation for late payments for these municipal employers from an actuarial formula to the lesser of either a negotiated agreement with the State or 3 percentage points above the 12th Federal Reserve District discount rate in effect on the applicable calendar year. Implements these changes retroactive to July 1, 2009.

Hearing	Bill No.	Short Title	Prime Sponsor	Status	Status Date	Bill Summary
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	HB 53	Use of Pesticides and Broadcast Chemicals	Kreiss-Tomkins,Ortiz	(H) TRA	1/21/15	Requires State to develop a pesticide application plan and provide public notice prior to using pesticides or broadcast chemicals in certain state owned or leased areas including within 150 feet of fish habitat or within 600 feet of a water source used for human consumption. The plan must be provided to local governing bodies, who may request a hearing. Public comments must be incorporated into revised plans if a hearing is held.
	HB 58	Eligibility for AK Energy Efficiency Loans	Kreiss-Tomkins	(H)ENE-Heard & Held	2/10/15	Adds federally recognized tribes that are tax exempt to the list of entities eligible to receive loans from the Alaska energy efficiency revolving loan fund.
	HB 59	Marijuana Concentrates	Seaton	(H) HSS-Heard and Held	2/3/15	Adopts legislative intent language to: delay implementation of regulations for marijuana concentrates until November 2016 and make specified activities related to marijuana concentrates illegal and grounds for license revocation. Prohibits registered marijuana establishments from manufacture, possession, distribution, manufacture or display of marijuana concentrates until November 24, 2016. Effective immediately, allows marijuana establishments licensed under AS 17.38 to avoid prosecution for marijuana offenses unrelated to marijuana concentrates.
H-STA Thur 2/19 0800	HB 68	Electronic Distribution of Reports	Kreiss-Tomkins	(H)STAHeard & Held	2/17/15	Requires all state agencies with the technological capability to do so to post all agency reports in the Alaska Online Public Notice System; prohibits print copies of reports except under specified conditions. Prohibits hiring contractors to produce photos or graphics for reports unless certain conditions are met.

	HB 74	Donated Leave by Certain Public Employees	Lynn	(H)STA	1/23/15	Allows public employees to donate sick leave or donated leave to other employees to use as leave for medical purposes.
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Hearing	Bill No.	Short Title	Prime Sponsor	Status	Status Date	Bill Summary
H-CRA Sat 2/21 10:00	HB 75	Municipal Regulation of Marijuana; Advisory Boards	(H) CRA	(H) CRA	1/23/15	Allows municipalities authority to regulate marijuana. Requires creation of local advisory board for any municipality that hasn't prohibited marijuana operations.
	HB 77	Disability:ID/license and training requirements	Thompson	(H)STA	1/23/15	Adds training requirements to existing police standards council related to recognition of disabilities;Requires state to allow persons to voluntarily include disability information on state ID cards and drivers' licenses. Requires drivers' license exam to include responsibilities of drivers' when encountered by a peace officer.
H-JUD Wed, Fri 2/18,2/20 1300	HB 79	Marijuana Reg; Controlled Substances; Crimes; Defense	(H) JUD	(H)JUD Heard and Held	2/13/15	Make multiple changes to criminal statutes involving a controlled substance to conform to Marijuana initiative, including legal amount to possess, age-based restrictions, location etc. Establishes defense in a marijuana prosecution if specified legal requirements are met (age, location, amount, etc.). Prohibits open marijuana containers except under specified conditions.

	HB 84	Reporting of Federal Receipts	Reinbold	(H)FIN	1/28/15	State agencies and municipalities must report federal receipts, conditions, match requirements and % of overall budget to Department of Administration by Oct.31 for prior FY; report must include plan for addressing reductions in federal receipts greater than 5%. DOA is required to submit a report to LB&A by Nov. 30 compiling information; authorizes LB&A to recommend reduction or repeal of agency appropriations to the legislature based on report. State agencies and municipalities must have an appropriation from the legislature to accept fed receipts that require the state to match, supplement or replace such receipts.
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Hearing	Bill No.	Short Title	Prime Sponsor	Status	Status Date	Bill Summary
	HB 90	Peace Officer/Firefighter Retirement	Millet	(H)L&C	1/30/15	Establishes the Protective Occupation Retirement Council to advise the ARM Board concerning retirement benefits for protective occupation employees. Establishes a new DB retirement plan for protective occupation employees joining after 7/1/06; sets employer and employee contribution rates; provides for adjustments to employee contribution rates; adjusts retirement benefits depending on years of service; Requires Council to actuarially calculate the assumed variable benefit for eligible employees; provides specified annual stipend amounts to employees for purchase of major medical insurance; allows protective occupation employees hired after 7/1/06 who are part of the DC plan to make a one time irrevocable decision to participate in the DB plan.

	HB 96	Collection of Biometric Information	Thompson	(H)STA	2/4/15	Establishes a new section of law covering the collection of biometric information, including disclosure, sale, disposal, use, storage and exemptions.
	HB 104	Immunity for Fire Departments & Members	Tilton	(H) CRA	2/11/15	Expands immunity for fire departments and its employees in current state law to include departments that operate under a contract with municipalities or villages and are registered with the State fire marshal.

Hearing	Bill No.	Short Title	Prime Sponsor	Status	Status Date	Bill Summary
	HJR 2	Const.Amend: Permanent Fund Earnings Account	Hawker, Millet	(H)STA	1/21/15	Amends Constitution to: establish an earnings account as a separate account within the Alaska Permanent Fund. Allows fiscal year appropriations from the earnings account that do not exceed 4.5% of the average market value of the Fund on June 30 for the first five of the six fiscal years immediately prior; allows appropriations from the earnings account at any time to the Permanent Fund. Effective January 1, 2017, puts the earnings reserve account into the Permanent Fund and reconstitutes Fund according to specifications.
	SB 8	Industrial Hemp Production Licenses	Ellis	(S) RES	1/21/15	Specifies requirements for obtaining license to produce industrial hemp, including fingerprints and background check fees. Requires DCCED to develop regulations specifying allowable level of THC no greater than 3%, establishing testing standards, assessing fees and other requirements. Allows licensed industrial hemp license as affirmative defense against prosecution under certain conditions.

	SB 12	Paid Sick Leave	Weilechowski	(S) L&C	1/21/15	Requires employers not subject to collective bargaining agreements to provide a minimum of 1 hour of paid sick leave for every 40 hours worked; establishes conditions for use of sick leave and allows employees to recover damages if an employer is non-compliant. Allows employers to substitute paid leave for required sick leave if certain conditions are met. Applies to work performed after September 30, 2015.
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Hearing	Bill No.	Short Title	Prime Sponsor	Status	Status Date	Bill Summary
	SB 13	Warrantless search of electronic data	Weilechowski	(S)CRA	1/21/15	Prohibits municipalities or its agents from collecting or using electronic data or telephone records obtained without a search warrant. Prohibits state agencies or their agents from cooperating with federal agencies in collection or use of electronic data or telephone records without a search warrant.
	SB 14	Emergency Medical Services; Defibrillators	Coghill	(S) L&C	1/21/15	Adds a licensed mobile intensive care paramedic to the State Medical Board membership. Expands definition of health care provider to include emergency medical technician, emergency medical dispatcher and licensed mobile intensive care paramedic. Expands medical review organizations to include specified emergency medical personnel under specified conditions.
	SB 17	Denial of Public Records Request	Weilechowski	(S) STA	1/21/15	Requires denial of a public records request to be in writing, state the reason for denial, inform the requestor of a right to appeal and adhere to other criteria, including meeting requirements set in regulation.

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SB 36	Electronic Distribution of Reports/Notices	Giessel	(S)STA Heard & Held	2/12/15	Allows municipalities to post tax millage information, foreclosure lists and redemption notices on municipal web sites as an alternative to publication in a newspaper; for municipalities with no web site, allows notice posting in 3 public places for at least 4 consecutive weeks. Requires state agencies to produce reports electronically rather than by print and requires state agency reports to be posted on the state online public notice system.
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AML Policy Committee report Feb 16 – 19, Councilman Zak

Feb 16, 2015

Councilman Zak attended the AML Policy Committee meeting and served as the Chairman of the Economic Development policy group. The committee decided that each chair would write a policy that addresses Economic Development philosophy statement for the Alaska Municipal League. The audience for which the policy tool is written is the AML Staff, the AML Board, the Legislatures, and the Communities which AML services.

The policy committee chair is John Hosey and as these policies are added to in the future proposals will be required to come by a resolution of support from a municipality.

The draft policy statements are due from each chair to Kathie Wisserman by Tuesday, March 2nd. The next meeting of the committee will be Tuesday, March 10th at 1:30 pm.

Economic Development

Even though government cannot affect all the factors important to economic development, it can have a significant impact through both its traditional role as public service provider and regulator, and its entrepreneurial role as a dealmaker and business recruiter. Of these two roles, the former is essential government must provide quality basic services and an efficient regulatory environment if it wishes to create economic development. Providing further incentives to businesses is optional, whether it makes sense depends on what government can reasonably offer, the extent to which such offerings are necessary to attract firms, and the cost of those offerings.

Public policy can affect factors that are important to businesses, primarily through regulation, taxes, and incentives. It is therefore incumbent upon the Governor and Legislature to maintain a long-term commitment to Alaska's future by continuing financial policy as opposed to a short-term reactive approach that emphasizes fiscal austerity.

1:00 pm

The councilman attended the AML Board meeting.

The Board discussed the dropping price of oil and sustainability of the States budget. There was also discussion about unfunded mandates, local control, and Senior Exemptions and the costs to communities, Senator Murkowski will be coming to speak to the AML on Wednesday and the Board discussed priorities to discuss as PILT, Timber Receipts, and Waters of the US.

Feb 17, 2015

The councilman attended the Energy committee session and then a working lunch on energy.

From 1:15 – 4:45 pm The councilman attended the seminar on Legalized Marijuana from the Local Perspective and learned there are draft ordinances and resolutions as well as a history of what communities in Alaska have done at the Alaska Municipal League website.

In the evening the councilman attended the AML reception at the Governors Mansion.

Feb 18th

The councilman attended the AML meeting and heard presentations from Representative Talerico, the Office of Management and Budget / Director Pat Pitney, Chris Hladick, manager of the City of Unalaska, Senator Murkowski, Speaker Chenault, and Governor Walker.

The councilman collaborated with an AML policy committee chair on assistance with natural resource policy.

In the evening the councilman attended the AML reception.

Status of Projects – Potential Need for City Council Input

- **Waddell Road Improvements** - Public Works has made significant progress toward the completion of this project in recent weeks. Using our term contract with Kinney Engineering (they designed the Spit and DWD Trails for us); engineers are initiating the planning and design of the road improvements. Utility locates, field surveys and geotechnical investigations have been completed. Potentially affected property owners have been contacted in preparation for land purchase and/or re-platting efforts. Appraisals are being completed to evaluate options and prepare purchase offers. ***In the future, the Council will need to approve preliminary designs, authorize land purchases, and appropriate construction funding.***
- **Deep Water Dock Feasibility Study** – A Request for Proposal was advertised late last year for the completion of a feasibility study. Proposals were scored in January. R&M Consultants of Anchorage have been determined to be the most qualified. Public Works has issued Intent to Negotiate and is in the process of determining a detailed scope of work, cost and schedule (with the assistance of the Harbormaster). Upon successful completion of negotiations, Public Works intends to issue Intent to Award and ultimately enter into a formal agreement. ***In the future, the Council will need to approve the award of the feasibility study contract and approve recommendation from the Harbor Commission regarding preliminary study findings.***
- **Lilian Walli Subdivision – Proposed Eric Lane (Fairview Avenue) Special Assessment District (SAD)** – The Lilian Walli subdivision was created in the 1980’s, but no development has occurred. The City Council has shown interest in facilitating development in this area. Recently, a request for a SAD was initiated. A majority of property owners benefitting from the construction of Eric Lane road improvements and the extension of a sewer line have shown interest in forming a SAD. A neighborhood meeting was held last week to discuss the project. Also discussed were the impediments that exist to initiating any kind of development in this subdivision. ***In the future, the Council may need to schedule a work session to evaluate impediments to development and identify ways to facilitate the creation of a SAD and/or support home building in this area.***
- **Water Distribution/Storage Improvements** – The grant funding (30% match required) for the construction of the first phase of this project (water main extensions along Kachemak Drive and South Slope Drive/Shellfish Avenue) remains in the State budget. The Council authorized an application for a low interest loan to finance the City’s share of the construction cost. Neighborhood meetings will be held to discuss property owner’s concerns and evaluate the potential for creating SAD’s to provide for the construction of sewer mains and provide funding/finance options. ***In the future, the Council will need to:***
 1. Decide how benefitted property owners will pay their fair share of the cost and under what conditions service connections will be allowed.
 2. Approve potential SAD’s.
- **The Health of HART and HAWSP Program Funds** – These funds will be critical in funding many of the projects listed above. Revenue into these funds has been reduced in the past several years due to the elimination of food taxes. ***In the future, a work session would be valuable to review the fiscal status of these funds with the Finance Department and the expected demands on the funds with Public Works.***