



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 Agenda Changes/Supplemental Packet

TO: MAYOR WYTHER AND HOMER CITY COUNCIL

FROM: JO JOHNSON, MMC, CITY CLERK

DATE: MAY 26, 2015

SUBJECT: AGENDA CHANGES AND SUPPLEMENTAL PACKET

CONSENT AGENDA

Resolution 15-038(S), A Resolution of the Homer City Council Electing to Participate in the AMLJIA Loss Control Incentive Program for the City of Homer for the 2015-2016 Policy Year. City Manager/Finance Director. Page 3

ORDINANCES

Ordinance 15-17, An Ordinance of the City Council of Homer, Alaska, Amending Ordinance 13-03(S)(2) to Permit the City to Prepay Principal of the Natural Gas Distribution Special Assessment Bond Authorized by Ordinance 13-02(S)(2), and Authorizing an Amendment to the Loan Agreement Between the City and the Kenai Peninsula Borough Regarding the Bond. City Manager.

First Amendment to Loan Agreement as backup. Page 5

Ordinance 15-18(S), An Ordinance of the City Council of Homer, Alaska, Amending the FY 2015 Capital Budget by Appropriating ~~\$613,000~~ **\$621,500** From the General Fund Fund Balance to the Public Safety Building Project Account to Fund the New Public Safety Building to 35% Design. Mayor. Page 9

CITY MANAGER'S REPORT

Memorandum 15-079 from City Manager, Re: Tax Revenue and Public Safety. Page 13

Letter from Concerned Citizens and Business Owners of Kachemak Bay, Re: Polystyrene
Debris in Kachemak Bay. Page 19

RECOMMENDATION:

Voice consensus to changes under Agenda Approval.

Fiscal Note: N/A

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

3 City Manager/
4 Finance Director

5 **RESOLUTION 15-038(S)**

6
7 A RESOLUTION OF THE HOMER CITY COUNCIL ELECTING TO
8 PARTICIPATE IN THE AMLJIA LOSS CONTROL INCENTIVE
9 PROGRAM FOR THE CITY OF HOMER FOR THE 2015-2016 POLICY
10 YEAR.

11
12 WHEREAS, The City of Homer is a member of the Alaska Municipal League Joint
13 Insurance Association (hereinafter “AMLJIA”); and

14
15 WHEREAS, The AMLJIA provides comprehensive risk management assistance and
16 provides workers’ compensation, liability and property coverage for the City of Homer; and

17
18 WHEREAS, The AMLJIA developed the Loss Control Incentive Program to help reduce
19 member losses individually and pool wide; and

20
21 WHEREAS, The AMLJIA provides all written program materials necessary, and offers
22 assistance to participants; and

23
24 WHEREAS, Pool members that participate in the Loss Control Incentive Program and
25 complete the required activities, will have the opportunity to earn a discount on their
26 contribution; and

27
28 WHEREAS, It is the City of Homer’s policy to provide a safe environment for its students,
29 employees, citizens, and the visiting public; and

30
31 WHEREAS, The Loss Control Incentive Program will enhance such an environment.

32
33 NOW, THEREFORE, BE IT RESOLVED by the Homer City Council electing to participate in
34 the AMLJIA Loss Control Incentive Program for the 2015-2016 policy year.

35
36 PASSED AND ADOPTED by the City Council of Homer, Alaska, this 26th day of May, 2015.

37
38 CITY OF HOMER

39
40
41 _____
42 MARY E. WYTHE, MAYOR

43 ATTEST:

44

45

46

47

48 _____
JO JOHNSON, MMC, CITY CLERK

49

50 Fiscal Note: Acct. No. 100-0100; Estimated ~~\$10,000~~ **\$22,521.00** discounted in 2015.

FIRST AMENDMENT TO LOAN AGREEMENT

This FIRST AMENDMENT TO LOAN AGREEMENT (“Amendment”), dated as of June ___, 2015, amends the LOAN AGREEMENT (“Loan Agreement”) dated as of March 25, 2013, by and between the KENAI PENINSULA BOROUGH (“Lender”), an Alaska municipal corporation, and the CITY OF HOMER (“Borrower”), an Alaska municipal corporation.

R E C I T A L S

WHEREAS, by Ordinance 13-03(S)(2), adopted February 25, 2013, Borrower authorized the issuance to Lender of a Natural Gas Distribution Special Assessment Bond (“Bond”) in the principal amount of not to exceed \$12,700,000, and the execution and delivery of the Loan Agreement; and

WHEREAS, by Resolution 15-017, adopted March 23, 2015, Borrower confirmed the assessment roll for the Homer Natural Gas Distribution Special Assessment District (“District”); and

WHEREAS, on April 3, 2015, the Superior Court in *Castner v. City of Homer, et al.*, Case No. 3HO-13-00038CI, ruled that Borrower’s method of assessing condominium units in the District was unlawful, and this decision has been stayed pending review by the Alaska Supreme Court; and

WHEREAS, the City Council of Borrower may consider whether to (i) waive the assessment of certain properties in the District that cannot be served by the natural gas distribution system, and (ii) recognize subdivisions reducing the number of contiguous lots under common ownership by assessing only the reduced number of lots; and

WHEREAS, Borrower and Lender agree that it is in their mutual best interest to permit Borrower to prepay the principal of the Bond in an amount equal to any reduction in the amount of assessments in the District that results from (i) any requirement that Borrower reassess condominium units in the District, or (ii) any decision by the City Council of Borrower to waive the assessment of properties in the District that cannot be served by the natural gas distribution system or to assess only a reduced number of contiguous lots in common ownership resulting from resubdivision.

NOW, THEREFORE, in consideration of the mutual covenants herein, the parties hereto covenant and agree as follows:

Section 1. Section 3.03 of the Loan Agreement is amended by adding the following paragraphs at the end of the section:

Notwithstanding any other provision of this Agreement, if the total amount of assessments against condominium units in the District is reduced pursuant to the decision of the Superior Court in *Castner v. City of Homer, et al.*,

Case No. 3HO-13-00038CI, or a decision of the Alaska Supreme Court on review of the Superior Court's decision, Borrower shall prepay principal of the Loan in an amount equal to the amount of such reduction. Borrower may make this prepayment from Free Main Allowance and other reimbursements that Borrower receives from ENSTAR Natural Gas Company, provided that immediately following such a prepayment the amount in the Reserve Fund will not be less than the Reserve Requirement.

Notwithstanding any other provision of this Agreement, if the total amount of assessments against properties in the District is reduced due to action of the City Council of Borrower either (i) waiving the assessment of certain properties in the District that cannot be served by the natural gas distribution system, or (ii) recognizing subdivisions reducing the number of contiguous lots under common ownership by assessing only the reduced number of lots, Borrower shall prepay principal of the Loan in an amount equal to the amount of such reduction. Borrower may make this prepayment from Free Main Allowance and other reimbursements that Borrower receives from ENSTAR Natural Gas Company, provided that immediately following such a prepayment the amount in the Reserve Fund will not be less than the Reserve Requirement.

Lender consents to Borrower's amendment of Borrower's Ordinance 13-03(S)(2) to permit Borrower to apply Free Main Allowance and other reimbursements that Borrower receives from ENSTAR Natural Gas Company in the manner described in the preceding two paragraphs.

Section 2. Except as expressly amended herein, all terms and conditions of the Loan Agreement as originally executed shall remain in full force and effect.

IN WITNESS WHEREOF, the Lender and the Borrower have caused his Amendment to be executed in their respective names all by their duly authorized officers, as of the date first set forth above.

LENDER: KENAI PENINSULA BOROUGH

By: _____
Mike Navarre, Mayor

ATTEST:

Johni Blankenship, Borough Clerk

BORROWER: CITY OF HOMER

By: _____
Mary K. Koester, City Manager

ATTEST:

Jo Johnson, City Clerk

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

3 Mayor

4 **ORDINANCE 15-18**

5
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
7 AMENDING THE FY 2015 CAPITAL BUDGET BY APPROPRIATING
8 \$613,000 FROM THE GENERAL FUND FUND BALANCE TO THE
9 PUBLIC SAFETY BUILDING PROJECT ACCOUNT TO FUND THE
10 NEW PUBLIC SAFETY BUILDING TO 35% DESIGN.

11
12 WHEREAS, Resolution 14-093 adopted by the City Council on October 13, 2014,
13 established the 2015-2020 Capital Improvement Plan and the Capital Project Legislative
14 Priorities for Fiscal Year 2016; and

15
16 WHEREAS, A new public safety building has been included in the “Top 5” CIP Priority
17 List since 2015 and inserted as the number one non-water and sewer project; and

18
19 WHEREAS, Ordinance 13-38(S) adopted by the City Council on September 23, 2013
20 funded preliminary design of the new public safety building in; and

21
22 WHEREAS, Resolution 14-020 adopted by the City Council on January 13, 2014
23 established the Public Safety Building Review Committee; and

24
25 WHEREAS, The Public Safety Building Review Committee has met many times to
26 advance the project and work on space needs analysis, comparison of alternatives,
27 preliminary design, cost estimation, site selection, and developing a financing plan; and

28
29 WHEREAS, The Public Safety Building Review Committee has done all the work they
30 can without additional funding; and

31
32 WHEREAS, Designing the new public safety building to 35% will give the City a product
33 that is ready to take to the voters for bonding; and

34
35 WHEREAS, It is appropriate and in the City’s interest to dedicate \$613,000 of 2015 and
36 2016 State Revenue Sharing in order to move this project forward; and

38 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

39

40 Section 1. The City of Homer hereby amends the FY 2015 Capital Budget by
41 appropriating \$606,000 from the General Fund Fund Balance for 35% design of the new public
42 safety building.

43

44 Transfer From:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
100-0100	General Fund Fund Balance	\$613,000

47

48 Transfer To:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
156-0377	Public Safety Building Project Account	\$613,000

51

52 Section 2. This is a budget amendment ordinance, is temporary in nature, and shall
53 not be codified.

54

55 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ___day of _____, 2015.

56

57 CITY OF HOMER

58

59

60 _____
MARY E. WYTHE, MAYOR

61

62

63 ATTEST:

64

65 _____

66 JO JOHNSON, MMC, CITY CLERK

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68

69

70

71 YES:

72 NO:

73 ABSTAIN:

74 ABSENT:

75 First Reading:
76 Public Hearing:
77 Second Reading:
78 Effective Date:

79
80

81 Review and approved as to form:

82

83 _____

84 Mary K. Koester, City Manager

85

86 Date: _____

87

Thomas F. Klinkner, City Attorney

Date: _____

88 Fiscal Note: Fiscal information included in body of Ordinance.



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(f) 907-235-3148

Memorandum 15-079

TO: Mayor Wythe and Homer City Council
FROM: Katie Koester, City Manager
DATE: May 26, 2015
SUBJECT: Tax Revenue and Public Safety

Mayor Wythe asked for information regarding taxation as background for Resolution 15-040.

Property Taxes in the City of Homer

The property tax rate in Homer totals 11.3 mills (4.5 City of Homer, 4.5 Kenai Peninsula Borough, and 2.3 South Peninsula Hospital). This translates to a tax levy of \$1,130 for every \$100,000 in assessed valuation. However, the first \$50,000 in valuation is tax exempt for most residents who request the exemption. In addition, senior citizens (age 65 and older) benefit from an exemption on the first \$150,000 in valuation for the City of Homer portion and on the first \$300,000 in valuation for the Kenai Peninsula Borough portion. The KPB exemption applies to service area tax assessments as well; for example the one which supports South Peninsula Hospital (City of Homer Adopted Budget for FY15, p. 28).

In 2014 the City of Homer brought in shy of \$3 million in property tax revenue.

.01 mill = \$6,600
.24 mill = \$165,000
.5 mill = \$330,000
1 mill = \$660,000

Mill Rate in Public Safety Terms

HPD 2015 operating budget: \$3.5 million
HPD operating budget mill rate equivalent: 5.3
HVFD 2015 operating budget: \$1.025 million
HVFD operating budget mill rate equivalent: 1.55

Sales Tax

As Council is well aware, sales tax is a larger contributor of dollars to the General Fund by about 2:1. 2014 sales tax revenue was budgeted at just shy of \$7.5 million. It is worth mentioning that sales tax revenue is down by 8% the first quarter of 2015 compared to 2014. The City budgeted for a 2% increase in sales tax revenue. If this trend continues, the City could be looking at coming in $\frac{3}{4}$ of a million dollars short this year in sales tax revenue.

Enc:

2014 Mill Rate Table from KPB

Sales Tax Summary by Jurisdiction from KPB for First Quarter of 2015

TAF	TAG	
	10 SELDOVIA	
10	Seldovia	4.60
11	Seldovia RSA	0.75
50	Borough	4.50
	9.85	
	11 SELDOVIA RSA	
11	Seldovia RSA	0.75
50	Borough	4.50
67	Road Maint.	1.40
	6.65	
	20 HOMER	
20	Homer	4.50
50	Borough	4.50
52	So. Hospital	2.30
	11.30	
	21 HOMER ODLA	
20	Homer	4.50
21	Homer ODLA	9.9625
50	Borough	4.50
52	So. Hospital	2.30
	21.2625	
	30 KENAI	
30	Kenai	4.35
50	Borough	4.50
51	Cent. Hosp.	0.01
	8.86	
	40 SEWARD	
40	Seward	3.12
43	Sew/Bear Cr. Flood	0.75
50	Borough	4.50
	8.37	
	41 SEWARD SPECIAL	
41	Seward Special	3.12
43	Sew/Bear Cr. Flood	0.75
50	Borough	4.50
	8.37	
	43 SEWARD-BEAR CREEK FLOOD SA	
43	Sew/Bear Cr Flood	0.75
50	Borough	4.50
67	Road Maint.	1.40
	6.65	
	52 SOUTH HOSPITAL	
52	So. Hospital	2.30
50	Borough	4.50
	6.80	
	53 NIKISKI FIRE	
53	Nikiski Fire	2.90
50	Borough	4.50
51	Cent. Hosp.	0.01
54	No. Pen Rec.	1.00
67	Road Maint.	1.40
	9.81	
	54 N. PENINSULA RECREATION	
54	No.Pen.Rec.	1.00
50	Borough	4.50
51	Cent. Hosp.	0.01
58	Cen.Emer.Ser.	2.65
67	Road Maint.	1.40
	9.56	

TAF	TAG	
	55 NIKISKI SENIOR	
55	Nikiski Sen.	0.20
50	Borough	4.50
51	Cent. Hosp.	0.01
53	Nikiski Fire	2.90
54	No. Pen Rec.	1.00
67	Road Maint	1.40
	10.01	
	57 BEAR CREEK FIRE	
57	Bear Creek Fire	3.25
43	Sew/Bear Cr. Flood	0.75
50	Borough	4.50
67	Road Maint.	1.40
	9.90	
	58 CENTRAL EMERGENCY SERVICES	
58	Cen. Emer.Ser.	2.65
50	Borough	4.50
51	Cent. Hosp.	0.01
67	Road Maint.	1.40
	8.56	
	61 CENTRAL HOSPITAL WEST	
50	Borough	4.50
51	Cent. Hosp.	0.01
67	Road Maint.	1.40
	5.91	
	63 CENTRAL HOSPITAL EAST	
50	Borough	4.50
51	Cent. Hosp.	0.01
64	Cent. Pen. EMS	1.00
67	Road Maint.	1.40
	6.91	
	64 CENTRAL PEN. EMERGENCY MEDICAL	
64	Cent Pen. EMS	1.00
50	Borough	4.50
52	South Hosp.	2.30
67	Road Maint.	1.40
	9.20	
	65 SOUTH HOSPITAL/ROADS	
50	Borough	4.50
52	South Hosp.	2.30
67	Road Maint.	1.40
	8.20	
	67 KPB ROAD MAINTENANCE	
50	Borough	4.50
67	Road Maint.	1.40
	5.90	

TAF	TAG	
	68 ANCHOR POINT FIRE/EMERGENCY	
68	Fire/Emergency	2.25
50	Borough	4.50
52	South Hosp.	2.30
67	Road Maint.	1.40
	10.45	
	70 SOLDOTNA	
70	Soldotna	0.50
50	Borough	4.50
51	Cent. Hosp.	0.01
58	Cent. Emer. Ser.	2.65
	7.66	
	80 KACHEMAK*	
80	Kachemak	1.00
50	Borough	4.50
52	South Hosp.	2.30
	7.80	
	81 KACHEMAK EMERGENCY SERV.	
81	Kachemak EMS	2.60
50	Borough	4.50
52	South Hosp.	2.30
67	Road Maint.	1.40
	10.80	
	50K Borough TAF's and Homer 20K All other City TAF mills do not apply	
	EMS VOLUNTEER 10,000 EXEMPTION ALL BOROUGH TAF'S HOMER (20) & SEWARD (40)	
	*Kachemak City TAG 80-No tax on personal property/boats/aircraft	
	100,000 PERSONAL EXEMPTION ALL BOROUGH TAF'S HOMER (20) & SOLDOTNA (70)	
	AIRCRAFT TAX: FLAT TAX FOR ALL BOROUGH TAF'S, SELDOVIA (10) & SOLDOTNA (70) Borough Flat Portion + City Flat Portion TAG'S 20,40 & 41 Full value X TAF Millrate Plus (+) Borough Flat Portion	
	BOAT TAX: FLAT TAX FOR ALL BOROUGH TAF'S HOMER(20) & SOLDOTNA(70) Borough Flat Portion + City Flat Portion TAG'S 10, 40 & 41 Full value X TAF Millrate PLUS (+) Borough Flat Portion TAG 30 Class 1 & 2 Exempt and Class 3-7 Full value X TAF Millrate PLUS (+) Borough Flat Portion	
	Senior Exemptions: Borough 300,00 exempt unless Variable 10,20,30,40,41,70,80 upto 150,000 exempt over is Taxed at City TAF Rate	
	Disability Tax Credit: TAF 30 Kenai \$250.00 Borough TAF'S \$500.00	

*TAF= Tax Authority Fund
*TAG = Tax Authority Group

SUMMARY BY JURISDICTION

Period Range : 1/1/2015 to 3/31/2015

Tax Type : STX Line Item : TOTNONTAX

	<u>1st</u> <u>Quarter</u>	<u>2nd</u> <u>Quarter</u>	<u>3rd</u> <u>Quarter</u>	<u>4th</u> <u>Quarter</u>	<u>Totals</u>	% Change from Previous Year in				<u>Total %</u> <u>Change</u> <u>from</u> <u>Previous</u> <u>Year</u>	
						<u>1st</u> <u>Quarter</u>	<u>2nd</u> <u>Quarter</u>	<u>3rd</u> <u>Quarter</u>	<u>4th</u> <u>Quarter</u>		
	<u>Year 2015</u>										
Seldovia Winter	1,412,988	-	-	-	1,412,988	40.32%	0.00%	0.00%	0.00%	0.00%	40.32%
Homer	42,510,527	-	-	-	42,510,527	-8.15%	0.00%	0.00%	0.00%	0.00%	-8.15%
Kenai	78,720,963	-	-	-	78,720,963	15.56%	0.00%	0.00%	0.00%	0.00%	15.56%
Seward	14,213,305	-	-	-	14,213,305	-37.21%	0.00%	0.00%	0.00%	0.00%	-37.21%
Soldotna	42,433,186	-	-	-	42,433,186	-5.84%	0.00%	0.00%	0.00%	0.00%	-5.84%
Borough	587,882,712	-	-	-	587,882,712	-7.87%	0.00%	0.00%	0.00%	0.00%	-7.87%
	<u>Year 2014</u>										
Seldovia	1,007,011	1,240,090	1,222,684	799,655	4,269,440	61.49%	140.70%	122.65%	-14.47%	62.78%	
Homer	46,282,935	66,543,863	74,607,003	63,246,874	250,680,675	-10.37%	-2.22%	-8.31%	-9.60%	-7.51%	
Kenai	68,122,159	90,197,808	98,387,372	88,654,019	345,361,358	-6.76%	7.77%	8.25%	-18.30%	-3.03%	
Seward	22,637,279	37,630,105	40,834,408	22,786,360	123,888,152	15.72%	6.57%	-13.09%	-16.13%	-3.98%	
Soldotna	45,064,386	53,672,151	63,717,020	61,962,076	224,415,633	-1.61%	-6.35%	-6.28%	-9.50%	-6.32%	
Borough	638,109,414	816,235,669	942,527,460	899,458,956	3,296,331,499	15.10%	29.89%	23.96%	17.78%	21.78%	
	<u>Year 2013</u>										
Seldovia	623,561	515,203	549,142	934,989	2,622,895	-12.54%	-12.09%	-22.66%	5.93%	-9.29%	
Homer	51,639,917	68,057,947	81,371,124	69,965,426	271,034,414	-10.90%	3.20%	7.77%	-2.82%	-0.14%	
Kenai	73,064,824	83,695,130	90,885,390	108,506,302	356,151,646	33.89%	-5.28%	-1.76%	7.23%	5.80%	
Seward	19,561,984	35,309,648	46,983,029	27,167,252	129,021,913	5.11%	10.57%	-24.30%	24.66%	-4.00%	
Soldotna	45,802,377	57,311,919	67,984,487	68,463,746	239,562,529	31.04%	24.71%	22.00%	8.24%	19.85%	
Borough	554,398,758	628,405,478	760,346,913	763,655,826	2,706,806,975	11.09%	-15.76%	-6.29%	-15.66%	-8.61%	

POLYSTYRENE DEBRIS IN KACHEMAK BAY

To Mayor Wythe and Homer City Council Members:

We are writing with grave concerns about the ongoing deterioration of styrofoam blocks and the resulting environmental degradation to Kachemak Bay due to the give-away of used pontoons from the Homer Boat Harbor Renovation project last fall. Apparently the contractor involved with the project made the unsealed polystyrene floats available to the general public, who then towed them across the bay to various properties where they continue to be exposed to the elements and are breaking down.

The most obvious impacts from this pollution are aesthetic; large foam blocks litter the bays and beaches around Kachemak Bay, and foam pellets can be found throughout the intertidal and littoral zones around the Bay. Considering that much of our local economy is based on tourism, touting our pristine waters, beaches, and wildlife, the last thing we want is to showcase our toxic waste to the world as the tourist season unfolds.

However, the impacts associated with this polystyrene debris are more far-reaching than mere visual problems. The foam used in floating docks is expanded polystyrene, or EPS. When uncovered EPS floats become exposed to the elements, they begin to break down into smaller and smaller buoyant clusters of single beads which are virtually indestructible. Often mistaken for food by fish and birds, they can wreak havoc with fish and animal digestive systems and even cause death. These beads are lipophilic, which means they absorb hydrocarbons (oil and fuel), thus when ingested by sea creatures can not only clog their digestive systems but will leach toxic chemicals into their bodies, into the water column, and onto the beaches. Polystyrene can even break down into nearly microscopic particles, called micro-plastics, thus allowing it to be consumed by the smallest organisms in the food chain, which are subsequently eaten by larger creatures with longer lives. This bioaccumulation of toxic substances can eventually end up on our very own plates as salmon and halibut dinners.

Another often over-looked aspect with these redistributed harbor floats is invasive species which have been documented in the Homer Boat Harbor. This is an understudied aspect but of concern as well.

The legal ramifications associated with hydrocarbon infused, unsealed polystyrene floats that are being used in a Critical Habitat Area for non-permitted docks should be of great concern to the City of Homer. Oversight of the give-away of used floats by the Homer Harbor and the contractor who replaced the docks seems to have been lacking. The low bid contract winner would undoubtedly have put forth a much higher bid if the original plan called for proper disposal of the used floats.

As business owners and residents, we have invested untold sums in making Kachemak Bay a healthy and attractive venue for our local tourism economies. We believe the City of Homer has a legal obligation to retrieve the remaining polystyrene blocks and to develop and implement a plan to remove the related pollution littering Kachemak Bay because the docks belonged to the City of Homer and the problems resulting from them originated from the City of Homer's contracting practices.

How do we get styrofoam off our beaches? One solution is to have a no-questions-asked collection site at the harbor where anyone can bring in any styrofoam from the bay so it can be properly disposed of by the City of Homer. We could also have a pollution hotline number people could call with specific

locations of beach debris too large for an individual to bring back that the City could retrieve. The City could also work with the Alaska Department of Natural Resources and the Alaska Department of Fish & Game since the debris is landing on Kachemak Bay State Park beaches and affects wildlife in and out of the ocean. It is vital that we understand how we got in this position so we may avoid such future issues and that we work as a community together now to clean up our Bay.

We appreciate you taking the time to read this letter and considering the issues involved and thank you for your dedicated service to our community as council members and mayor.

We look forward to your timely response.

Signed, Concerned Citizens and Business Owners of Kachemak Bay

Diane McBride, Kachemak Bay Wilderness Lodge
Marian Beck, The Saltry Restaurant
Lani Raymond
Carol Ford
Chelsea Horn
Melisa Miller
Clyde Boyer
Vivian Finlay
Beka Thoening
Dr. Deborah Boege-Tobin
Nina Faust, Kachemak Crane Watch
Dorothy Melambianakis, Friends of Kachemak Bay State Park
Libby Bushell, HoWL Programs Director
Bob Shavelson, Cook Inletkeeper
Laura Patly, Massage for Health & Wellbeing
Rika and John Mouw
Gary Thomas
Yvonne B. Weber
Asia Freeman, Bunnell Street Arts Center
Kaitlin Vadla
Sarah Youngren
Tom Pogson, Alaska Kayak School
Gart Curtis
Morgan McBride
Daniel Zatz, ZatzWorks
Kyra Wagner, Sustainable Homer
Anne Nixon, Wilderness Garden Day Spa
Daniel Perry



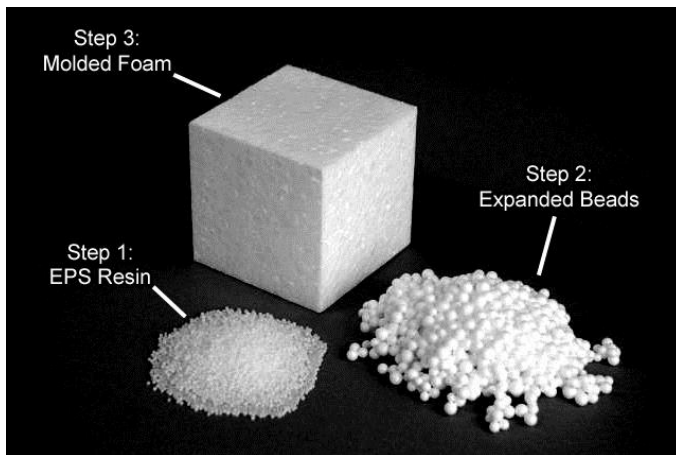
Why is the exposed foam on my floating dock a problem? Some answers to common questions.

What is the foam in my floating dock made of?

The foam used in floating docks is expanded polystyrene, or EPS. Polystyrene is also what Styrofoam® is made of, but the foam in fast food containers is extruded polystyrene (XPS) rather than the expanded polystyrene (EPS) in your floating dock. EPS is very light and buoyant and is used in insulation, packaging, building materials, and has many other industrial uses.



Cross-section of an encapsulated EPS float



EPS at different stages of production. The diameter of EPS resin beads can be as small as 0.2mm.

EPS is a long chain hydrocarbon made from petroleum. EPS begins production as solid beads of polystyrene resin with pentane or butane gas dissolved in the base material. When heated with steam, the gas in the beads causes them to expand up to 50 times their original size. The expanded beads are then put into molds where additional heat increases their expansion and fuses them together into whatever shape is required.

What happens when the foam in my floating dock becomes exposed?

When uncovered EPS floats are used in floating docks, or when encapsulated EPS floats become exposed to the elements, they begin to break down. This process occurs mainly through exposure to sunlight which causes the surface of the foam to crack, become brittle, and disintegrate. Wind, waves and rocks can cause further physical breakdown of the foam. The foam breaks down into smaller and smaller buoyant clusters of tiny individual beads of polystyrene. The single beads are virtually indestructible.



A deteriorating EPS float drifting through Kachemak Bay trailing chunks of debris

Is the exposed foam in my floating dock really a problem for the environment?

Chunks of EPS remain buoyant and are spread far and wide by ocean currents, continuing to break down into progressively smaller pieces as they travel. These pieces of foam are often mistaken for food by surface feeding animals, including fish and seabirds. Seabirds have been known to feed these pieces of foam to their chicks, often killing them. As the foam pellets accumulate in the stomachs of fish and birds, they give a false feeling of fullness and can cause the animals to starve to death, if the obstructions in their digestive systems do not kill them first.

Polystyrene beads also absorb other chemicals as they float through the ocean, such as oil and fuel, and these chemicals can leach into the body tissues of the organisms that consume them.

How could those environmental impacts affect me?

As the polystyrene foam in your exposed floating dock breaks down and spreads into your local marine ecosystem, its pollutive properties make their initial impact on the waterways you call home. Polystyrene foam can break down into nearly microscopic particles, called microplastics, so its effects on the food web can begin at the very bottom. Even microbes and tiny invertebrates can ingest those microplastics, which then leach their chemicals into the body tissues of those organisms. Those tiny creatures become the food for zooplankton and other filter feeders, which then become the food of larger fish, and onwards up the food chain at higher and higher concentrations. Because larger predators tend to have longer life spans, they ingest a life time's worth of prey that have been feeding on toxic microplastics, resulting in the highest concentration of toxicity being found in top predators. In the fish world, these top predators include salmon, halibut, ling cod and other major fishery species. So, in essence, if you let your exposed float deteriorate long enough, you may end up eating it for dinner.

Another immediate effect of deteriorating polystyrene floats is the enormous amount of marine litter they generate. Depending on the local tides, beaches can become covered in accumulated plastic waste. One sizeable chunk of polystyrene can break down into enough small pieces to cover a vast area of beach.

Although volunteer groups collect and remove hundreds of pounds of marine debris from Kachemak Bay beaches every summer, cleanup is costly and labor intensive, with many debris-covered areas being out of reach. In maritime economies that depend on lucrative tourism industries that showcase our natural coastlines and highlight wild fisheries and subsistence ways of life, beaches covered in chunks of old floats with slicks of polystyrene pellets in the surf do nothing but damage to our bottom line as a community.



Polystyrene debris washed up on Montague Island

If you have any questions, please contact ADFG Habitat Division at (907) 714-2475

Photos courtesy of Alaska Docks; EPS Foam Pro; ADFG-Division of Habitat; Alaska Dispatch



May 26, 2015

To All Regional and Community Jail Contract Holders:

As you are aware the Department of Corrections received 33.25% less funding to support the Regional and Community Jail Program for FY 2016. The Department’s goal in distributing the received allocation is to provide some level of funding for all communities with existing contracts. In order to accomplish this, it has been determined that it is in best interest of the state to renegotiate all Regional and Community Jail Program contracts. This will enable the state to enter into new contacts based on available funding.

It has been challenging to arrive at an equitable distribution of the available FY 2016 funds to ensure some level of funding for each community. Taking into consideration historical funding levels and bed utilization, the FY 16 appropriation of \$7 million was allocated in the following manner:

Regional and Community Jail contracts that realized bed utilization of 70% or more in FY 2013 or FY 2014, will receive 80% of their FY 2015 contract amount and those with a bed utilization of less than 70% will receive 55% of their FY 2015 contracts. This resulted in the following allocations.

<u>Regional & Community Jails</u>	<u>Proposed FY 16 Funding Level</u>
Bristol Bay Borough	\$285,739
City of Cordova	\$135,303
City of Craig	\$322,724
City of Dillingham	\$526,851
Haines Borough	\$215,954
City of Homer	\$424,080
City of Kodiak	\$991,552
City of Kotzebue	\$982,050
North Slope Borough	\$1,032,870
City of Petersburg	\$173,626
City of Seward	\$368,952
City of Sitka	\$391,194
City of Unalaska	\$431,207
City of Valdez	\$354,749
City of Wrangell	\$325,274

In addition, given the fiscal situation of the state, efforts to maintain and minimize transports are also a priority and the DOC will work diligently with the Departments of Public Safety, Law, and the Alaska Court System to reduce the transports associated with some cases. There will also be a coordinated effort to establish video hearings and electronic monitoring in various communities.

Other conditions of the contract will include the requirement that the DOC provide training for ACOMS and Time Accounting to communities so that updated information can be maintained and entered directly into the system by each community.

Please review, sign and return the attached letter of interest no later than June 1, 2015 if you are interested in continuing to participate in the Regional & Community Jails program.

Sincerely,



Remond Henderson
Deputy Commissioner

cc: Gary Folger, Commissioner
Department of Public Safety

Ronald F Taylor, Commissioner
Department of Corrections

Carrie Belden, Director of Probation & Parole
Department of Corrections

April Wilkerson, Director of Administrative Services
Department of Corrections



**LETTER OF INTEREST
REGIONAL & COMMUNITY JAILS PROGRAM
FY2016 Contracts**

REGIONAL & COMMUNITY JAIL NAME: _____

AMOUNT OF FY2016 FUNDS: _____

The following is a breakdown of the FY2016 contract allocations based on the funding received under HB72 to support the Regional & Community Jails Program.

Bristol Bay Borough	\$285,739
City of Cordova	\$135,303
City of Craig	\$322,724
City of Dillingham	\$526,851
Haines Borough	\$215,954
City of Homer	\$424,080
City of Kodiak	\$991,552
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City of Seward	\$368,952
City of Sitka	\$391,194
City of Unalaska	\$431,207
City of Valdez	\$354,749
City of Wrangell	\$325,274

Please sign below and return the original copy to:

Alaska Department of Corrections
Attn: April Wilkerson, Director
Administrative Services
P.O. Box 112000
Juneau, Alaska 99811-2000

Upon receipt of the signed copy of this document the Department of Corrections will initiate and distribute amended FY2016 contracts for implementation.

Name and Title: _____

Date: _____