Visit with Open World Delegation
Mayor Castner, Harbormaster Hawkins and I had the pleasure of visiting with a delegation of fishing industry professionals from the Russian Far East who are touring Alaska through a partnership with Rotary International and the State Department. The group was composed of seafood processors, commercial fishermen, professors, government advisors, and environmental regulators. They were very engaged and drilled the Mayor with a gamut of questions regarding industry in Alaska. These cultural exchanges are a great opportunity to share our experiences, learn from others, and appreciate what we all have in common (like a true appreciation for fresh grilled salmon!).

ISO Visit This Summer
The ISO will be in Homer on July 18th or 19th to review and evaluate Homer’s fire protection. Unlike the full evaluation that was performed in 2014, this will be more similar to an audit to see if anything has changed. The process consists of the completion of a number of surveys and a thorough review of our records. There is also a quality assurance and quality control component to confirm the surveys and records are accurate. The ISO will review emergency communications provided by the Police Department’s Dispatch Center, the Public Work’s water supply and hydrants, and all aspects of the fire suppression capabilities of the Fire Department. The surveys have been distributed to the three departments and work has begun to prepare for the evaluation. The surveys contain the information collected in 2014 so it becomes a matter of updating the information to reflect any changes. In addition the ISO will review records of relevant activities, staffing, and required maintenance that has occurred since 2014. We are beginning an internal review of the surveys and our records to determine if there might be a change in the overall Class-4 ISO Rating. The outcome of this ISO audit process will provide a thorough assessment of the City’s current level of fire protection. This will provide an excellent baseline for the new Fire Department leadership team working in conjunction with the Public Works and Dispatch to develop strategies to restore the community’s Class-3 ISO rating and reduce fire insurance premiums in the future.
USS Theodore Roosevelt

Councilmembers Aderhold, Smith, Stroozas and I had the opportunity to tour the aircraft carrier USS Theodore Roosevelt in the Gulf of Alaska as part of the Navy’s public outreach to local communities. In 2016, Senator Murkowski’s Office contacted the City of Homer and shared that the Senator had been insisting the Navy and Alaskan Command work with local communities regarding exercise scheduling and activities. It was a fast paced and exciting peek into the world of military operations and a chance to observe an airport at sea; they can land and launch a jet airplane every 30 seconds.

The USS Roosevelt is in Alaskan waters as part of Northern Edge 2019, a biennial training exercise that brings troops, aircrafts, and ships from all the service branches together. Northern Edge representatives attended a Homer City Council meeting on December 5, 2016. A member of that delegation accompanied us on the tour to answer environmental impact questions. In addition to the four of us from Homer, there were representatives from Native villages around Kodiak and members of the Community Advisory Board.

From right to left: Councilmember Aderhold, City Manager Koester, Councilmembers Stroozas and Smith, along with a Navy staff member who photo-bombed us!
Alaska Ultimate Safaris Short Term Sublease at Homer Airport Terminal
Alaska Ultimate Safaris, a bear viewing company, has requested a short term sublease with the City for the cargo area at the west end of the airport. The City leases the land from the State but owns the terminal, so any leases the City has within the terminal must be approved by the State. With this sublease, Alaska Ultimate Safaris will be able to use the State’s tarmac to conduct business with their helicopter, which will carry passengers to Katmai and Lake Clark National Parks and Preserves. The increased activity will be beneficial to the vibrancy of the Homer airport. If you know of anyone interested in leasing space at the airport, please visit the City of Homer website where availability and rates are published https://www.cityofhomer-ak.gov/airport/leasing-terminal-space.

Fire Chief Kirko Hired
I am pleased to welcome Mark Kirko as the new Fire Chief for the Homer Volunteer Fire Department. Mr. Kirko currently serves as Fire Chief/CEO for North Whidbey Fire & Rescue in Oak Harbor, Washington where his duties include supervising six career staff and seventy-six part time and on-call volunteer firefighters and EMS providers. He brings 34 years of experience in fire service to the position, with twenty-five of those years in Alaska. Mr. Kirko started his fire service working twenty years with the Cordova Volunteer Fire Department. Beginning as a volunteer, he advanced through lieutenant and training officer positions to Fire Chief. He then served five years as Fire Chief and Emergency Management Director for the Skagway Fire Department until the need to be near elderly parents took Mr. Kirko and his wife to Vermont where he served six years as Fire Chief at the Windsor Fire Department. The position attracted 46 candidates, but after a lengthy hiring process that included written responses to questions, two interviews, meetings with career staff, officers, and the volunteer membership while instructing a section on an emergency service subject, Chief Kirko stood out as a great fit for our fire department and our community. Chief Kirko will begin in July. In the meantime, I will be continuing to work with Chief Purcell on the transition including establishing a fleet replacement schedule and emergency operations.

Homer Foundation listening session June 6th at 5:30pm in Council Chambers
The Homer Foundation will host a listening session in Council chambers June 6th at 5:30pm to gather input from nonprofits on how the Foundation might use City of Homer grant funds most effectively to support Homer’s nonprofit community. Council and City staff are encouraged to attend. This will also be a great opportunity to welcome the new executive director, Mike Miller who will be replacing long serving Joy Steward. Please thank Joy for all her work on behalf of the community when you get a chance.

Erosion on Homer Spit
On May 21st, representatives from Alaska Department of Transportation (ADOT), Army Corps of Engineers (Corps), and staff from the offices of Representative Vance, Senator Stevens, and Senator Murkowski met with Harbormaster Hawkins and me to discuss the recent erosion on the Homer Spit that has threatened local businesses, City property and the Sterling Highway. This was a productive meeting and I was pleased to see active participation by multiple jurisdictions. In the short term, ADOT is going to contract with a coastal engineer to study the erosion and the potential impact to the highway. This study should come out in the fall and will be the basis for pursuing federal highway dollars to protect the highway. ADOT was very clear that they can only work within their right of way and that their only obligation is to protect the Sterling Highway. A reinforcement project (think rip rap) may take many, many years to fund without a catastrophic event that opens up emergency funding channels. The Corps is going to look at doing some beach re-nourishment with City of Homer Harbor 2019 dredge materials as a pilot project this fall. Corps staff emphasized it would be difficult to see the result of beach re-nourishment in the short term as it requires ongoing sustained effort. Participants discussed initiating a Planning Assistance to States grant through the Corps (50/50 match) to
start the broader conversation on what the Spit should look like over the next 50 years. This may be a great topic for a re-write of the Homer Spit Comprehensive Plan. The community will need to be both a part of this long term conversation and educated about what the Corps, ADOT and the City can and cannot do and the significant costs associated with the different options.

AML Online Sales Tax Meeting in June
At the May 13th Council meeting I briefed Council on ongoing conversations through Alaska Municipal League regarding online sales tax collection and let you know about a June 6th meeting where municipal representatives will be meeting to hash out common definitions for a state wide sales tax that could be applied to online sales. I was happy to let the Kenai Peninsula Borough take the lead on this conversation, however the City of Homer’s participation was requested by the Borough and neighboring municipalities. Because the State’s largest communities, Anchorage and Fairbanks, do not collect a sales tax, the Kenai Peninsula Borough is a major player in this conversation and if we can act as one voice we will have a lot to contribute. Some of the definitions that could be problematic for Homer included the definition of temporary lodging. This is a long way of saying I will be out of the office June 6th to ensure City of Homer interests are represented in the online sales tax conversation. I have attached some materials from Larry Persily that help explain the issues municipalities will be wrestling with. I welcome your comments, concerns and anything you would like me to emphasize as I dive into this topic.

Kenai Peninsula Public Transportation Plan Available for Public Comment
A Coordinated Transportation Plan is required every 5 years for providers to apply for Human Services Transportation funds through DOT. City Planner Abboud has been representing the City of Homer by participating in monthly teleconference meetings. Currently in Homer, the Independent Living Center receives funding to operate a voucher program for elders and persons with disabilities. The Homer/Anchor Point area receives $50,000 to assist approximately 150 individuals with vouchers to subsidize rides with local cab companies. The intention of the Coordinated Plan is to maintain these services and collaborate with the Borough and local Cities to develop a more comprehensive transit plan for the Kenai Peninsula road system. The Kenai Peninsula Borough is soliciting comments on the draft plan. You can contact Project Coordinator Shari Conner at 907-714-4521 sconner@cpgh.org for more information (see attached flyer).

Enc:
FAQ on Online Sales Tax Collection from AML
Kenai Peninsula Public Transportation Plan Update Flyer
City of Homer Comments on 2019 STIP
Homer Foundation First Quarter City of Homer Fund Report
ADOT Field Survey Announcement for Sterling Highway MP 45-60
Letter of Support for Alaska State Parks’ Application to Exxon Valdez Oil Spill Trustee Council Grant
Letter from Rasmuson Foundation re: Awarding Library Grant
May Employee Anniversaries
How did the June 2018 U.S. Supreme Court decision change the sales tax world?

The U.S. Supreme Court on June 21, 2018, upheld the state of South Dakota’s right to require online sellers to collect and remit sales tax on orders delivered into the state. The 5-4 decision effectively overturned a Supreme Court decision from 1992 that went against the state of North Dakota. The 2018 case is South Dakota vs. Wayfair (a nationwide online retailer of furniture and home goods).

What were the issues in the court case?

In its ruling, the Supreme Court noted that the South Dakota Legislature had determined “that the inability to collect sales tax from remote sellers was ‘seriously eroding the sales tax base’ ... causing revenue losses and imminent harm.”

The court explained, “The central dispute is whether South Dakota may require remote sellers to collect and remit the tax without some additional connection to the state,” such as an office or warehouse or employees. And although the 1992 decision against North Dakota commented that requiring remote sellers to collect and remit sales tax “might unduly burden interstate commerce” without such a physical or legal connection, called nexus, the court’s 2018 decision found otherwise. “The administrative costs of compliance, especially in the modern economy with its Internet technology, are largely unrelated to whether a company happens to have a physical presence in a state,” the Supreme Court said in its 2018 decision.

Allowing online sellers to avoid collecting sales taxes “has come to serve as a judicially created tax shelter for businesses that decide to limit their physical presence and still sell their goods and services to a state’s consumers,” the court added.

In its order, the Supreme Court said it overruled the 1992 decision because it was “unsound and incorrect.”

Does the court decision require online sellers to collect sales tax?

No, it does not require online merchants of goods and services to do anything unless a state’s sales and use tax is written to apply to online orders (remote merchants). If a state chooses not to extend its sales and use tax to online orders, the Supreme Court decision does not require merchants to voluntarily collect and remit the tax. The decision is up to each state.

Does the court decision apply to municipalities?

No, not exactly, not directly. The word “municipality” appears nowhere in the Supreme Court decision. The case, the briefings, the discussion and the order focused solely on state sales and use tax. But, the same reasoning, the same legal questions likely would apply to municipal sales taxes: Are they discriminatory against interstate commerce, do they pose an undue burden on interstate commerce, are they administered fairly to all parties. As Alaska is the only state that allows municipal sales taxes without an overriding set of rules in a state sales tax, Alaska is unique. But we’re used to that.
What are the challenges for Alaska municipalities?

Without a clearly defined set of legal standards in the court decision for municipalities, Alaska cities and boroughs have to make their best legally educated guess at what set of tax definitions, rules, exemptions and administrative procedures would be needed to replicate and adhere to the intent of the court opinion allowing taxation of online sales. Such as, no undue burden on interstate commerce, no retroactive taxation, and a system that standardizes tax rules to reduce administrative and compliance costs for remote merchants. There is no checklist of what will work or what is not allowed — Alaska municipalities will have to set their own trail.

What’s the path forward for Alaska municipalities that want to collect taxes on online sales?

A coordinated approach is best. In fact, it’s probably the only way to succeed. It’s hard to imagine that a large, nationwide online merchant, a small remote seller — or a court, in the event of a legal challenge — would accept dozens of municipal codes, each with its own unique set of definitions, administrative rules, limits and exemptions as an acceptable system that standardizes taxes to reduce administrative and compliance costs.

By working together, Alaska cities and boroughs stand the best chance of crafting a workable sales and use tax structure that serves local needs while establishing a legally secure path to collecting municipal taxes from online sales.

What is the Alaska Municipal League doing to help?

The Alaska Municipal League established a working group in 2018 to explore the best answers for bringing Alaska cities and boroughs into the world of collecting tax revenue from online sales. AML is looking into the legal issues, software and administrative costs, including the option of contracting with a third-party vendor with experience in state sales taxes to handle the collection and distribution of tax remittances from online merchants. AML plans to provide frequent updates on its progress to its members, with reports at the board meeting in Anchorage in May, the summer meeting in Soldotna in August, and a final review at the general membership meeting in Anchorage in November.

The idea is that AML would establish a cooperative effort — entirely optional for each Alaska municipality — to participate in a centralized online sales tax collection, administration and enforcement program. Municipalities that join and agree to adopt the required changes to their sales tax codes would benefit from the collective strength of presenting a unified approach to online merchants nationwide. Cities or boroughs that choose not to join still could try on their own to adopt and enforce sales taxes on online merchants.

State law allows Alaska municipalities to sign intergovernmental cooperating agreements — similar to mutual-aid pacts between fire departments. AML’s legal review concluded that a cooperative tax administration and collection agreement essentially would be the same and would not require any state legislation.
Is there any guarantee that municipalities can force online sellers to collect the tax?

There is no guarantee that every online merchant will willingly collect and remit sales taxes to a centralized administration for Alaska municipalities. But the odds of success are much better than 100+ different sales tax administrations statewide.

The deciding factor may be how “homogenized” Alaska’s cities and boroughs are willing to make their tax codes. The more the codes are the same, the better the argument that the municipalities are adhering to the standards the Supreme Court cited in its Wayfair decision.

“Nobody can give you an absolute legal answer” as to how far municipalities can stray from the intent and spirit of the Wayfair decision and still win if taken to court, the vice president and tax counsel for the National Retail Foundation told AML. Her advice: Go with the Streamlined Sales Tax Project’s definitions

What is the Streamlined Sales Tax Project?

The Streamlined Sales Tax Project began in March 2000 with the goal “to find solutions for the complexity in state sales tax systems.” It was, in great part, that complexity that led to the 1992 Supreme Court decision against North Dakota’s efforts to require tax collections by remote merchants.

The result is the Streamlined Sales and Use Tax Agreement, which targets simplifying and modernizing sales and use tax administration to substantially reduce the burden of tax compliance. The agreement focuses on state-level administration of sales and use taxes; uniformity in each state’s state and local tax bases; uniformity of major tax base definitions; central electronic registration for merchants; simplification of state and local tax rates; uniform sourcing rules for all taxable transactions (defining the point of the taxable transaction); and simplified administration of exemptions, tax returns and payments.

As of March 2019, 24 states had adopted the agreement. No federal law requires states to sign on for the Streamlined Sales Tax Project, but doing so makes it easier for states to capture maximum revenues from remote merchants.

The more that Alaska municipalities can follow the Streamlined Sales and Use Tax Agreement, the better the odds of success in achieving full compliance from online merchants.

Can complexity lead to legal objections?

Yes, but it is unknown how much complexity would break the legal back of taxing online sales. In his dissenting opinion in the Wayfair case, Chief Justice John Roberts pointed to the complexity of sales tax laws nationwide. “Correctly calculating and remitting sales taxes on all e-commerce sales will likely prove baffling for many retailers. Over 10,000 jurisdictions levy sales taxes, each with different tax rates, different rules governing tax-exempt goods and services, (and) different product category definitions.” He noted that New Jersey collects sales tax on yarn purchased for art projects but not on yarn made into sweaters. “Texas taxes sales of plain deodorant at 6.25 percent but imposes no tax on deodorant with antiperspirant.” Illinois categorizes Twix bars as food and Snickers candy, and taxes them differently, the chief justice noted, only because Twix includes flour.
Why are Amazon and some merchants already collecting sales tax for Alaska municipalities?

Amazon has started collecting sales tax in several Alaska jurisdictions, though it appears that in most (many?) cases it is collecting tax only on Amazon’s own goods and not on sales of third-party merchandise. A coordinated, AML-led approach could remedy this shortcoming by directing municipalities to change their codes to encompass all goods sold online, whether direct by the merchant or fulfillment by a third-party seller. A coordinated effort also would clarify which business is responsible for collecting and remitting the tax: The website that takes the order or the business that fills the order?

As of March 2019, Amazon had yet to register with all Alaska municipalities, and for most municipalities the online merchant’s first sales tax returns are not due until a month after the end of the first quarter. After Amazon and other vendors file their first returns, Alaska municipalities will have a better sense of any enforcement issues.

There have been reports that Amazon is misapplying local taxes on some sales that should be tax-exempt. As it is now, each municipality has to contact Amazon individually — or any other online vendor — to educate the merchant on the details of their specific municipal tax code. A single online sales tax administrator for Alaska municipalities would improve the situation.

As to Amazon specifically, in a few cases the online retailer is collecting sales tax for deliveries in Alaska because it has a legal connection — a nexus — in that city or borough, such as an Amazon subsidiary or affiliate that does business in the municipality. But in most cases in Alaska, Amazon is collecting sales tax voluntarily. Unless a municipal code is written as a sales and use tax, or otherwise specifically addresses online sales, merchants such as Amazon are not legally obligated to collect the city or borough sales tax.

What’s a ‘use tax,’ and does it apply to Alaska municipalities?

A “use tax,” as part of a “sales and use tax,” makes it clear under the law that the tax applies to goods regardless whether they were sold over the counter in the jurisdiction or delivered into the jurisdiction for use. The Streamlined Sales Tax Project model code recommends participating states adopt a sales and use tax. Some Alaska municipalities already have it in code, but most do not. It is unknown at this time if the AML online sales tax project will adopt sales and use tax as its recommended language for municipalities.

How can online merchants determine which municipality gets the taxes?

One significant problem that Alaska municipalities must overcome is to construct a user-friendly online mapping system so that merchants can accurately determine the correct tax jurisdiction. Such as, a buyer may have a Soldotna ZIP code and mailing address but does not live within the city of Soldotna and believes they should not be liable for Soldotna city sales taxes. The same can be said for Interior residents with a North Pole mailing address. (ZIP+4, unfortunately, does not always match municipal boundaries in Alaska, and therefore cannot be used for determining the tax jurisdictions.) Other states and third-party contractors provide
online mapping tools for sellers, and third-party vendors could help Alaska develop one that covers the entire state. In addition to creating the “tax look-up map” (as it is called in the state of Washington), Alaska municipalities would have to establish a system for keeping the map current with new subdivisions, new addresses for businesses and residences, annexations and such.

*Can online vendors handle additional, specific sales taxes?*

Yes, such as on alcohol or tobacco taxes, in addition to general sales taxes. Other states levy additional taxes on certain items, such as alcohol, and nothing in the Streamlined Sales Tax Project argues against such additional sales or excise taxes. The third-party vendors that offer administration software for states can accommodate such taxes.

*What are some of the tax code decisions that Alaska municipalities will have to make?*

**Taxation limits**

- Several Alaska municipalities have in place a limit on the amount of a single transaction subject to sales tax. For example, in Juneau the sales tax stops charging after a single transaction (an invoice, not a single item) reaches $12,000 (though there is no limit to taxation of jewelry). In the Kenai Peninsula Borough, the cap is $500. It is unknown at this time if Alaska municipalities can maintain their disparate application of such “tax caps” and still have a reasonable chance of surviving a legal challenge should an online merchant want to contest the “undue burden” of navigating different tax limitations.

**Point of taxation**

- Alaska municipalities most certainly will need to define and adopt a common definition for the point of the taxation transaction, especially since this could affect the rate charged and where the tax is remitted. Such as, if a buyer receives the order at a post office in one city but takes it to their residence in another city, where did the taxable transaction occur, and which city gets the money? Where the item was delivered or where it was used? The same difficulty would apply to the online seller as it tries to determine the tax rate — it needs to know which address to check on the tax look-up map, the point of delivery or the residence of the buyer? This definition will need to be consistent for all Alaska municipalities that choose to participate in the AML effort.

**Definitions**

- Definitions should be consistent among participating municipalities for any tax-exemptions, such as food (taxed or not taxed, or divided between prepared and unprepared, and how to define those terms), sale-for-resale, purchases by senior citizens, manufacturing components, construction materials that will be incorporated into real property in the municipality, farming supplies, funeral supplies, medical equipment, over-the-counter drugs and medical items, sales to and/or by nonprofits,
sales by government agencies. The definitions will require a lot of work between municipalities.

Collection thresholds

- South Dakota sets a significantly higher minimum threshold for annual sales into the state by a remote merchant than for local businesses before the out-of-state business has to collect and remit sales taxes. Whatever Alaska municipalities decide needs to be consistent for all municipalities in the AML program. Otherwise, remote merchants could get caught up in a maze of different registration and reporting standards.
- For example, municipalities may want to exempt small-scale sellers from registering, collecting and remitting, such as businesses with less than $2,500 a year of sales into the jurisdiction. An example would be an online jewelry maker in New York that might sell $300 of goods into any one Alaska city in a year. How much do Alaska municipalities want to exempt occasional sellers from collecting sales tax? And should it be the same threshold for remote sellers as in-town businesses?

Examples of taxable decision items

- Do municipalities want to collect sales tax on motor vehicles, boats and airplanes imported into the municipality?
- How will municipalities treat commissions that are retained by online sellers? Is the tax applied to the total price of the goods, or only on the net received by the seller after the commission is deducted?
- Are delivery charges taxable if they are listed separately from the purchase price?
- Are software downloads taxable, such as music and apps and streaming services?
- Are Amazon Prime membership dues taxable?
- Are online subscriptions taxable, such as news sites?

Administrative issues

- How will municipalities handle refunds of sales taxes paid in error by the seller or collected in error by an online seller? Who will issue the refund: The seller or the municipality?
- Will municipalities allow a discount or “commission” of tax collections, intended to partially compensate the merchant for its costs of bookkeeping as the municipality’s tax collector? Should this discount, or retention, be the same for online and local vendors? Many Alaska cities and boroughs allow their local merchants to hold back a small percentage as compensation for their work as a tax collector.
- Can the AML project accommodate seasonal adjustments to a municipality’s tax rates, or special “tax holidays” as municipalities sometimes offer for back-to-school shopping or other annual categories?
- Are intrastate online sales treated differently than interstate sales?
View the current transportation plan then share your ideas and comments about current public transportation gaps, successes and suggestions for growth.
Contact: Shari at 714-4521 for more information

Central Kenai Peninsula Public Transportation Task Force

Monday, May 20th
6pm-8pm
Transportation Task Force planning meeting
Location: KPB Assembly Chambers on Binkley Street • Soldotna

Public Comments Welcome at the Meeting

Public transportation provides personal mobility and freedom for people from every walk of life
May 21, 2019

State of Alaska Department of Transportation & Public Facilities
Division of Program Development, ATTN: STIP
PO BOX 112500
Juneau, AK 99811-2500

RE: STIP 2018-2021 Amendment 3

The City of Homer would like to comment on a project listed in the 2018-2021 Draft Amendment 3.

**Need ID 23197, Lake Street Rehabilitation**

Lake Street is an essential route through Homer that supports auto-oriented businesses while functioning as one of the few roads that connect the two main East-West transportation options in town. Lake Street has not undergone a major rehabilitation project since 1997. The pavement routinely experiences major failures. The thin asphalt overlays applied to sections of the street in 2011 and 2013 are not expected to offer any structural correction of the deficiencies that will inevitably lead to reoccurrence of the frequent failures. Several public meetings have been held and a design has been produced that has been found to have the support of the city and residents.

Since the project has been designed, Grubstake Avenue has been extended and improved. Grubstake extends to Lake Street and forms a four-way intersection. It is nearly in the middle of the Lake street project, which does not have any designated pedestrian crossings between the Sterling Highway and Pioneer Avenue. The City of Homer requests that a pedestrian crossing be incorporated at Grubstake Avenue and Lake Street. We feel that it will offer pedestrians a reasonable option for a safe route between current areas of interest, which will certainly see more activity as the community grows and infill develops. A current infill project underway is the construction of a new police station on Grubstake Avenue and Snow Bird Street.

We urge the state to keep the project moving forward and not introduce any other additional delays.

Sincerely,

Rick Abboud, AICP
Homer Alaska City Planner
HOMER FOUNDATION
Quarterly Report to Fund Holders
_Homer Foundation Fund Details - January through March 2019_

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**PORTFOLIO SHARE (Corpus)**

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**AMOUNT AVAILABLE TO SPEND (ATS)**

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Welcome to the web site for the Sterling Highway Milepost 45 to 60 Project. This project examines highway upgrade alternatives in the Cooper Landing and Russian River area of Southcentral Alaska.

2019 Field Survey

The Alaska Department of Transportation and Public Facilities (DOT&PF) is beginning the design of the selected alternative, the Juneau Creek Alternative. The project will be phased and constructed in pieces, with the initial design work directed at MP 45-47 and MP 56-58, as shown in the figure below. Surveyors from R&M Consultants will be working along the Sterling Highway from MP 45-60 in order to establish survey control. They are planning to be in the corridor from May to July 2019. They will also be flying a drone to capture aerial imagery of the corridor. A current, detailed survey will provide necessary data for the highway design team as they begin the design phase. Later this summer and fall, survey of the new highway portion (approx MP 46-56) will take place.

Record of Decision Published

The Federal Highway Administration (FHWA) signed a Record of Decision (ROD) on May 31, 2018. The ROD officially selects the Juneau Creek Alternative to design and construct. This completes the Environmental Impact Statement (EIS) review.

Juneau Creek Alternative is Selected

The Final EIS identifies the Juneau Creek Alternative as the preferred alternative. The Juneau Creek Alternative provides the best balance between meeting the project needs and minimizing impacts to the human and natural environment. From a traffic perspective, this alternative best satisfies the project purpose and need.
Based on public and agency comments on the Final EIS, two additional mitigation measures have been added by DOT&PF and FHWA:

- A fourth dedicated wildlife underpass at the Bean Creek Trail crossing of the Juneau Creek Alternative. Location and design will be refined during final design. This additional crossing brings the total to five major wildlife crossings (4 underpasses and one overcrossing – Alaska’s first bridge dedicated to wildlife use).
- A separated roadside pathway on the south side of the highway between Quartz Creek Road and the intersection of the “old” highway. The precise terminus at the western end and its connection to the existing “safety path” along the old highway will be determined during final design.

For more details, review the ROD.

**Public Comment Period Closed**

The public comment period on the NEPA process is closed. DOT&PF and FHWA received more than 100 comments on the Final EIS. The comments received and responses to those comments are appended to the ROD.

**Next Steps**

DOT&PF will now move forward with design and construction of the Juneau Creek Alternative. DOT&PF plans to phase the project, with construction occurring first on the east and west segments that overlap with the existing highway (approx. MP 45-47 and MP 56-58). DOT&PF plans to begin the final design in 2018. The project will take multiple years to design and construct. Construction could begin as early as 2020.
Mr. Rys Miranda  
Design and Construction Section Chief  
Alaska State Parks  
550 West 7th Street, Suite 1380  
Anchorage, AK 99501  
Rys.Miranda@alaska.gov  
Submitted electronically

May 28th, 2019

Mr. Miranda,

Homer’s local and surrounding trail systems are a key resource for getting Alaskans and visitors alike outdoors. We support Alaskan State Parks’ grant application to the Exxon Valdez Oil Spill Trustee Council for facility improvements at the Diamond Creek State Recreation Site. Alaska State Parks’ proposed work will help protect this critical habitat while also addressing human impact occurring at this very popular area.

Installing an orientation kiosk, interpretative panels, vaulted toilet, 25-vehicle trailhead and viewpoint, and a host cabin are all ways to increase responsible public involvement and enjoyment within the Kenai Peninsula’s natural environment. The facility improvements are a form of stewardship, ensuring this recreational area can accommodate multiple uses, activities, and foot traffic at a sustainable level.

Paired with Alaska State Parks’ hopeful acceptance of FEMA funds to improve Diamond Creek’s trail to the beach, the Diamond Creek State Recreation Site will become accessible to more users and continue to promote the importance of investing in community recreation opportunities.

Sincerely,

Katie Koester  
City Manager
May 3, 2019

Ms. Katie Koester  
City Manager  
City of Homer  
491 East Pioneer Avenue  
Homer, AK 99603  

Dear Ms. Koester:

I am pleased to inform you that the City of Homer has been awarded a $12,550 grant to purchase books, media, and cabinets for the Homer Public Library.

Please have one official from your organization acknowledge receipt of this award and its terms by signing and returning the attached agreement by May 31, 2019. By depositing the enclosed $12,550 check, you are agreeing to the terms and conditions of the grant. Reference grant number 13278 on correspondence regarding this award. A final report is due by May 31, 2020.

We are interested in keeping in touch with your organization. If you have a special event or a significant accomplishment, please let us know about it. We appreciate being included on your regular mailing list.

If you have any questions, contact Tanya Dumas by email at tdumas@rasmuson.org, or by phone at (907) 297-2700, or toll-free in Alaska (877) 366-2700.

Congratulations on your award.

Best regards,

Alexandra Kim McKay  
Vice President of Programs

Encl:  
Grant Agreement  
Check  
Final Report form

cc:  David Berry, Library Director  
RF grant number 13278  City of Homer
TO: MAYOR CASTNER AND CITY COUNCIL
FROM: Katie Koester
DATE: May 28, 2019
SUBJECT: May Employee Anniversaries

I would like to take the time to thank the following employees for the dedication, commitment and service they have provided the City and taxpayers of Homer over the years.

Mark Whaley, Port 14 Years
Pike Ainsworth, Port 11 Years
Don Huffnagle, Port 11 Years
Mike Gilbert, Public Works 5 Years
Jackie McDonough, Library 5 Years
Sean McGrorty, Port 3 Years
Ryan Johnson, Police 2 Years
Ralph Skorski, Public Works 1 Year