



# City of Homer

www.cityofhomer-ak.gov

Office of the City Manager

491 East Pioneer Avenue  
Homer, Alaska 99603

citymanager@cityofhomer-ak.gov

(p) 907-235-8121 x2222

(f) 907-235-3148

## Memorandum

TO: Mayor Castner and Homer City Council  
 FROM: Rob Dumouchel, City Manager  
 DATE: May 5, 2022  
 SUBJECT: City Manager's Report for May 9, 2022 Council Meeting

### Port Expansion – State Match is in Capital Budget

A draft of the State's capital budget released on April 27<sup>th</sup> included \$750,000 for a general investigation study of the large vessel port expansion project. These state funds, matched with the \$750,000 the City of Homer has already set aside for this project, make up the "local" match for a general investigation with the Army Corps of Engineers. From here, we have two major objectives: 1. Keep the state funding in the budget (nothing is final until the Governor signs the budget), 2. Convince the Army Corps of Engineers to authorize a new start general investigation. On a related note, the budget also fully funds the Municipal Harbor Grants program for the first time in many years.

### Green Stormwater Infrastructure Program Added to Governor's GO Bond Package

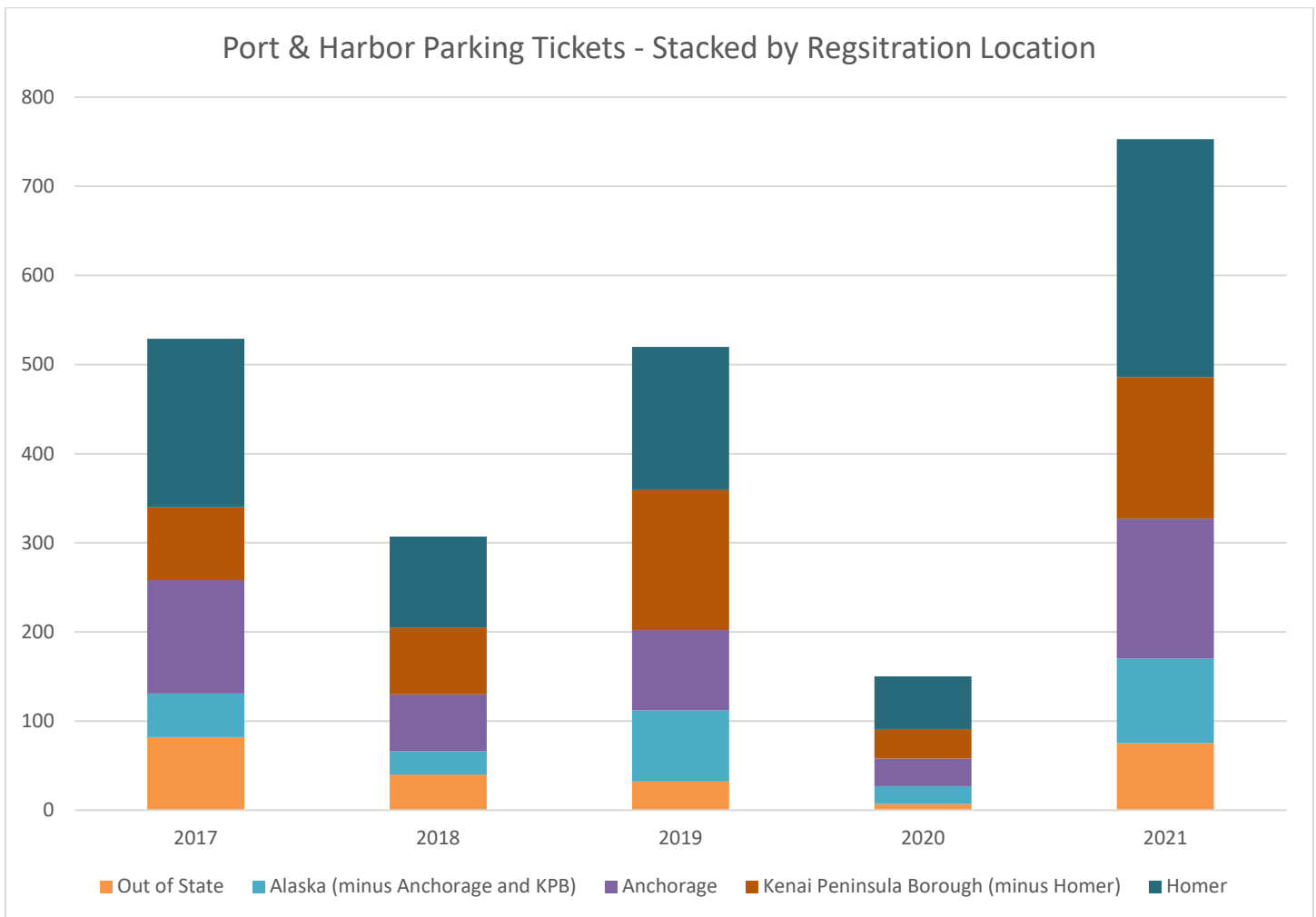
The political future of the Governor's GO Bond package remains uncertain, however, it continues to move through the processes it needs to complete if it is to have an opportunity to be seen on a future ballot. In the most recent draft, \$3,725,000 was included for the "Homer slope stability and erosion mitigation program" which is another way to refer to the green stormwater infrastructure program. Staff will continue to follow the GO Bond package and report back any notable changes.

### Spit Parking Follow Up

At the March 25<sup>th</sup> meeting, Council received a presentation from HDL regarding parking on the spit. The Port & Harbor Commission has provided commentary via a memo (attached, along with minutes). During the meeting I mentioned that I had done a rough analysis of where vehicles receiving tickets are registered with some help from Harbor and Finance staff. Below is an overview of the data I referenced.

Table 1: Harbor parking ticket data 2017-2021, shown by number of tickets by location and percentage of tickets given in that year

Vehicle Registration Location	2017		2018		2019		2020		2021	
Out of State	82	16%	40	13%	32	6%	7	5%	75	10%
Alaska (minus Anchorage and KPB)	49	9%	26	8%	80	15%	20	13%	95	13%
Anchorage	127	24%	64	21%	90	17%	31	21%	157	21%
Kenai Peninsula Borough (minus Homer)	82	16%	75	24%	157	30%	32	21%	159	21%
Homer	189	36%	102	33%	161	31%	60	40%	267	35%
<b>TOTAL</b>	<b>529</b>	<b>100%</b>	<b>307</b>	<b>100%</b>	<b>520</b>	<b>100%</b>	<b>150</b>	<b>100%</b>	<b>753</b>	<b>100%</b>



### Conditional Use Permit Reform

One of the biggest current planning tasks for the City is the review and processing of conditional use permits (CUPs). My perception has been that we likely perform more CUP reviews than are really necessary. To test that assumption, City Planner Rick Abboud compiled ten years of CUP data that we have been looking at for meaningful patterns. Some immediately noticeable patterns include: 96% of all CUPs that make it to the Planning Commission are approved (in large part because City staff works with potential CUP applicants to understand if their project is feasible, and if yes, how); 19% have no conditions set upon them beyond required codes; 49% are triggered by the development of more than one building (which is frequently paired with development over 8000 square feet); 49% include conditions related to lighting (which is equivalent to no condition as it's covered in HCC); and 31% include conditions related to screening a dumpster or other trash enclosure. My take away is that we should reevaluate the multiple building and site coverage triggers (assuming all else is principally permitted), consider some improved codes for things like lighting and dumpster screening, and work towards processing less CUPs. I'm looking for one or two Council sponsors who would like to be involved in this project. The project would fit inside the Council priority of modernizing the zoning code while also freeing up staff time in planning for bigger picture needs like the comprehensive plan fast forward.

### Tsunami Brochure

Included with this report is the final draft of the tsunami evacuation brochure prepared by the University of Alaska Fairbanks (UAF) Alaska Earthquake Center in coordination and consultation with the City. The

brochure graphically and clearly depicts evacuation zone boundaries which follow road and property line boundaries (where logical) near the modeled inundation zone. It also directs readers to local sources of information for preparedness and for directions during an event. We are very pleased to have this resource to help inform and educate both residents and the visiting public. The AK Earthquake Center will be providing us with printed brochures sometime this summer, which we plan to distribute to all City utility customers. We will also be developing a plan to make additional brochures available to businesses located in and near the inundation zone.



*Figure 1: City and Borough staff review maps with Dr. Sulemani from UAF's Alaska Earthquake Center*

### **Climate Risk Hazard Mapping Assessment**

Woodwell Climate Research Center (WCRC) completed Climate Risk Hazard Mapping Assessment for the City which is attached to this report. WCRC is an affiliate of ICLEI, the City's advisor and consultant for greenhouse gas emission tracking and community outreach. WCRC works closely with ICLEI to provide climate risk research customized to a local scale. This service was offered to Homer free of charge and took a year and a half to complete. Early consultation between Homer and Seldovia, local stakeholders, and WCRC focused the scope of risks to increases in temperature, precipitation and sea level. Expected risks are between years 2021 -2050. Baseline data range for these projections is between years 1971 – 2000.

#### **Key findings for Homer:**

- Temperature - Breaching of 1.5°C – 2°C of warming above current temperature expected to happen between years 2025-2030. An average of 18 days per year between years 2021-2050 expected to exceed maximum temperature between years 1971-2000.
- Drought – During projected time frame, Homer will experience extreme drought conditions around 20% of the time
- Wildfire – Wildfire danger days expected to increase by at least 5 days with peak of extreme fire weather shifting to August
- Precipitation – Inundation from a 1-in-100 year rain event will increase from present day to 2080. Most susceptible area to flooding are the banks of east Beluga Lake.

- Storm Surge – Risk of 1-in-100 year storm event limited almost entirely to the Spit. Largest inundation of 2 meters could occur halfway down the Spit. Inundation threat offset by ongoing process of isostatic rebound.

### **3<sup>rd</sup> Quarter Finance Report**

Attached to this report is the FY22 third quarter report and a memo from the Finance Director with an overview of the data. The next quarterly report should be published in August.

### **2022 Commercial Passenger Tax Grant**

Like last year, the City is expecting replacement funds for Commercial Passenger Vessel Tax (CPVT) through the State and the Kenai Peninsula Borough (KPB). The \$70,910 in total is coming from American Rescue Plan Act (ARPA) funds which means the funds have different rules than the typical CPVT disbursements we receive in regular years. Last year, these funds were used to support the City’s computer-aided dispatch project. This year, we are proposing the funds go to refurbishing Crane #7 at the Fish Dock. More information is available in an attached memo from Special Projects Coordinator Jenny Carroll.

### **Visit with Former Governor Bill Walker**

Governor Walker was in Homer campaigning for the upcoming election. His staff reached out to my office to arrange for a visit with me and some members of my leadership team. I was joined by Chief Kirko, Chief Robl, Jenny Carroll, and Jan Keiser for an hour long discussion about challenges and opportunities here in Homer. Meeting logistics were coordinated by Christine Draais.



*Figure 2: Former Governor Walker visiting with staff to discuss local government issues in Homer*

#### **Enclosures:**

1. May Employee Anniversaries
2. Memo and Minutes from Port and Harbor Commission regarding Spit Parking
3. Tsunami Brochure
4. Climate Risk Hazard Mapping Assessment
5. Quarterly Report for Finance
6. Memo re: 2022 Commercial Vessel Passenger Tax Grant



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## Memorandum

TO: MAYOR CASTNER AND CITY COUNCIL  
FROM: Andrea Browning  
DATE: May 9, 2022  
SUBJECT: May Employee Anniversaries

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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.

<b>Mark Whaley</b>	<b>Port</b>	<b>17</b>	<b>Years</b>
<b>Pike Ainsworth</b>	<b>Port</b>	<b>14</b>	<b>Years</b>
<b>Don Huffnagle</b>	<b>Port</b>	<b>14</b>	<b>Years</b>
<b>Mike Gilbert</b>	<b>Public Works</b>	<b>8</b>	<b>Years</b>
<b>Jackie McDonough</b>	<b>Library</b>	<b>8</b>	<b>Years</b>
<b>Sean McGroty</b>	<b>Port</b>	<b>6</b>	<b>Years</b>
<b>Ryan Johnson</b>	<b>Police</b>	<b>5</b>	<b>Years</b>
<b>Ralph Skorski</b>	<b>Public Works</b>	<b>2</b>	<b>Years</b>
<b>Christine Drais</b>	<b>Admin</b>	<b>1</b>	<b>Year</b>
<b>Taylor Crowder</b>	<b>Police</b>	<b>1</b>	<b>Year</b>
<b>Susan Jeffres</b>	<b>Library</b>	<b>1</b>	<b>Year</b>
<b>Sean Love</b>	<b>Public Works</b>	<b>1</b>	<b>Year</b>



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## Memorandum

TO: HOMER CITY COUNCIL

THRU: ROB DUMOUCHEL, CITY MANAGER  
BRYAN HAWKINS, PORT DIRECTOR

FROM: PORT AND HARBOR ADVISORY COMMISSION

DATE: APRIL 28, 2022

SUBJECT: IMPLEMENTATION OF SPIT PARKING PLAN RECOMMENDATIONS

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At the Port and Harbor Advisory Commission's March 23<sup>rd</sup> meeting, staff presented their identified Priority Areas #1-3 from HDL's Homer Spit Parking study. Brief summary of areas are laid out below.

The PHC made a motion to support Harbor staff's suggested parking implementation plan for spring 2022 and to recommend City Council authorize the implementation of said plan and its necessary funding from Port and Harbor reserves. The commission also moved to recommend City Council approve funding to implement a paid parking program in the gravel lot between Ramps 3 and 4 as outlined in HDL's parking study by July 1, 2022, with the intent to discuss in more detail the feasibility of that action motion at their April meeting.

Further discussion of the topic at the April 25<sup>th</sup> meeting made it clear that a July 1, 2022 date of implementation was unachievable due to the need to first develop an agreement with ADOT&PF that outlines agency responsibilities and revenue sharing (as listed below in the summary), the need to price the kiosks/delivery time, seasonal harbor staffing shortages (including in parking enforcement), etc. The desired intent of the motion to move forward with the plan to make the parking between Ramps 3 and 4 into paid parking as outlined in HDL's Parking Study remains in effect and is represented in the overall support of the parking plan and funding for such listed above.

Harbor Staff is moving forward with the following to accomplish Priority #1 of the spring Plan:

- Developing Lots 9 and 10 into parking areas now, which are currently being used for gear and deck shelter storage.
- Measured and delineated approximately 10,000 square feet of space along Outer Dock Road, adjacent to the Deep Water Dock cargo storage yard, which will provide an alternate site for commercial gear storage.
- Permanent signage and parking lot delineation is pending.
- Public awareness notices have been sent to affected customers with recent commercial gear storage agreements.
- The 10 acres of gravel parking lots along Homer Spit and Freight Dock Roads have also received attention with cleaning/clearing, grading of surfaces, filled the potholes, and provided improved direction for surface water run-off.

- The new ADA dedicated paved parking spaces were also painted and defined.

Staff and the PHC are requesting councilmember support and assistance with the sponsorship and development of a funding ordinance in the near future regarding the Priority #2 parking project on the spring 2022 list: creation of an additional parking area in the vacant space between the businesses located on Freight Dock Road and the Large Vessel Haul Out facility (shown below in the summary). As this space is currently only being occasionally used for equipment storage, construction can occur during the summer season. Staff recommends making this improvement as soon as possible.



**Priority Areas**

Lot 9 and Lot 10 Parking

Fish Dock Road

Homer Spit Road



New Parking Area

Bait Shop

Homer Spit Road

Freight Dock Road

1) Lots 9 & 10 (timeline=now) work has begun with shifting gear storage from Lots 9 and 10 to alternate locations, in preparation for the spring conversion of these lots to additional parking.

2) New Parking Area (timeline= spring planning, fall 2022 to 2023 implementation) Needs: Drawings/Plans, coordination with public works, materials, funding , build season consideration/ limited windows when ground is not frozen but also low tourists.

3) The areas of parking at seafarer’s and between ramps 4 and 5 (timeline= unknown, perhaps fall 2022 to 2024) These are shared lots with DOT right of way and coordination with DOT is needed to discuss any possible changes, fees, funding, and revenue allocation and spending between agencies before change can be implemented.

Needs: coordination with DOT and develop an agreement that outlines agency responsibilities and revenue sharing, pricing/sourcing pay kiosks and/or other planned changes, funding.



**Priority Areas**

Homer Spit Road

Long-Term Parking

*\*Will require coordination/discussion with DOT&PF*

**Recommendation**

Support the Port and Harbor Advisory Commission and Staff’s recommendations for implementing a Spring 2022 parking plan using the results from HDL’s parking study. Assist in the drafting and sponsorship of an ordinance amending the FY 2022 budget to include costs needed for Port and Public Works staff to create a task order for design and engineering of the new parking lot planned for the old dredged materials storage lot, and further, to put said project out for ITB for construction.

Attached: PHC Minute Excerpt from the March 23, 2022 Regular Meeting

- How it is a great funding opportunity that has not been offered by other grant programs.
- The grant application process itself and if they get the grant what that would mean for funding repairs.
- Importance of all the photos; when commissioners talk to public it's good to have visual references to show how bad the floats have gotten.
- The need to take care of our existing infrastructure, especially in the face of all this planning to build an expanded harbor.
- What the float replacement priorities are if they receive the funding and if it included other floats like the Fish Dock; there are no limitations to the funding source but the focus would be on the float and mooring systems since they're the most foundational of the harbor.
- How much funding the Enterprise has now and how other kinds of funds (i.e. federal, state, other grants) can be used for matching.

VOTE: YES: SIEKANIEC, MATTHEWS, ZEISET, SHAVELSON, PITZMAN, ULMER

Motion carried.

Chair Matthews commented on how this grant proposal will be before City Council at their March 29<sup>th</sup> regular meeting, and encouraged the commissioners to attend and voice their support. Commissioner Siekaniec inquired with Mr. Hawkins regarding his spending authority per the City's Procurement Policy.

- D. Parking – HDL Homer Spit Parking Final Technical Report
- i. September 2021 PHC Meeting Minutes Excerpt
  - ii. HDL Homer Spit Parking Final Technical Report

Chair Matthews introduced the item by reading the title. She recapped when the commission had last reviewed HDL Engineering's Spit Parking Study and what changes they made by comparing the new study and the older one from September 2021.

Port Director Hawkins explained how the study will be going before Council in April and this is the commission's opportunity to make additional comments or recommendations. He spoke to Port and Harbor staff's suggested parking implementations for spring 2022, outlined in his memo, that are based on the study results and what harbor staff has already implemented.

Discussion ensued on ways to go about implementing a parking plan, what commissioners would like to see happen, and the timeline they would like to see those changes take place on.

SHAVELSON/ZEISET MOVED TO SUPPORT PORT AND HARBOR STAFF'S SUGGESTED PARKING IMPLEMENTATION PLAN FOR SPRING 2022 AND RECOMMEND CITY COUNCIL AUTHORIZE THE IMPLEMENTATION OF SAID PLAN AND ITS NECESSARY FUNDING FROM PORT AND HARBOR RESERVES.

Commissioner Ulmer voiced concerns that merchants on the Spit need parking in front of their businesses. Commissioner Zeiset concurred and shared his experiences as a business owner.

There was discussion on the motion and if it meets staff's parking implementation plan. Mr. Hawkins shared his plan to work with other departments, such as Public Works, to pull financial resources together for the funding of the implementation plan. They would then go to City Council to acquire additional funds from the harbor reserves.



Commissioner Siekaniec wished to make a motion to implement a paid parking plan as identified in HDL's parking study; Deputy City Clerk Tussey noted there was a motion already on the floor and verified that he was not making an amendment. She reiterated harbor staff's request for support for the spring 2022 implementation plan and how the current motion accomplishes that.

Commissioner Pitzman opined how these three steps recommended by staff will create new parking in two different areas and somewhat alleviate the parking situation, and voiced his support.

VOTE: YES: MATTHEWS, SIEKANIEC, ULMER, SHAVELSON, ZEISET, SHAVELSON

Motion carried.

SIEKANIEC/ULMER MOVED TO RECOMMEND CITY COUNCIL APPROVE FUNDING TO IMPLEMENT A PAID PARKING PROGRAM IN THE GRAVEL LOT BETWEEN RAMPS 3 AND 4 AS OUTLINED IN HDL'S PARKING STUDY BY JULY 1, 2022.

Commissioner Pitzman voiced his support for the concept and his concerns. He believes the timeline is too quick and referenced a past comment made by Mr. Hawkins to plan it for 2023, but he understands where they are coming from and is in support of the concept.

Chair Matthews suggested that if this recommendation was to go forward and it became paid parking, that they have enough time to establish provisions for stall lessees such as an annual paid parking pass.

Discussion ensued on planning out parking provisions for various harbor user groups, how the plan could be implemented, and what would work and what isn't feasible by July 1<sup>st</sup>. Commissioners agreed to stay with the current recommendation and have the topic on the next meeting agenda to continue working out the details. There was further discussion on the historical aspect of paid parking implementation on the Spit and what past decisions have progressed us to this point, current rates and some of their suggested rates/changes to the parking kiosks, and the timeline that this study will be going before Council.

Commissioner Pitzman commented that they are putting this recommendation to Council because of the timing, and the commission will then flesh out the feasibility. His only concern is with the timing, not the motion itself, but he is fine with supporting it under the circumstances.

Commissioner Siekaniec clarified with Mr. Hawkins that if Council approves the appropriation but during detail planning the commission determines they don't need it, then they would need to explain to Council why.

VOTE: YES: ULMER, SHAVELSON, ZEISET, MATTHEWS, PITZMAN, SIEKANIEC

Motion carried.

### **INFORMATIONAL MATERIALS**

- A. Letter & Certificate of Recognition for Commissioner Erickson
- B. Port & Harbor Monthly Stats for February 2022
- C. Water/Sewer Bills Report
- D. Ice & Crane Report
- E. Dock Activity Report



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## Check Your Community Hazard

Knowing your risk before disaster hits could save your life. Explore the online tool at [tsunami.alaska.edu](https://tsunami.alaska.edu) to determine whether your house, workplace, or school is in the inundation/flood zone.

## Historical Tsunamis

The 1964 magnitude 9.2 earthquake changed Homer's landscape: the Homer Spit dropped almost 6 feet due to subsidence from the earthquake combined with ground compaction from shaking. Afterwards, buildings and structures on the spit flooded during high tides. The earthquake caused a combination of tsunamis generated by the earthquake itself and by local underwater landslides.

## Keeping Alaska Safe

Tsunami researchers use cutting-edge science to examine historical tsunamis and earthquakes, along with geologic records from prehistoric tsunamis, then generate possible worst-case scenarios. This information is visualized in maps showing potential flood zones to help communities create emergency plans.

## Learn More about Tsunami Hazards in Homer

Emergency and disaster preparedness  
City of Homer website  
[www.cityofhomer-ak.gov/emergency-information](http://www.cityofhomer-ak.gov/emergency-information)  
[beready@ci.homer.ak.us](mailto:beready@ci.homer.ak.us)



City of Homer incident updates  
[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

On Facebook  
[@cityofhomerak](https://www.facebook.com/cityofhomerak)  
[@homerakpolice](https://www.facebook.com/homerakpolice)

Full scientific community report and maps  
<https://dggs.alaska.gov/pubs/id/30095>

Maritime guidance report  
<http://hdl.handle.net/11122/10916>

Pedestrian travel times report  
<http://hdl.handle.net/11122/10027>



Explore the online tool  
[tsunami.alaska.edu](https://tsunami.alaska.edu)

## Learn More about Tsunami Safety in Alaska

Preparing for tsunamis  
Alaska Division of Homeland Security and Emergency Management  
[www.ready.alaska.gov/Mitigation/Tsunamis](http://www.ready.alaska.gov/Mitigation/Tsunamis)



Tsunami warning information  
National Tsunami Warning Center  
[www.tsunami.gov](http://www.tsunami.gov)

National Tsunami Hazard Mitigation Program  
[nws.weather.gov/nthmp/](http://nws.weather.gov/nthmp/)

To request brochures, contact 907-474-7320 or [uaf-aec@alaska.edu](mailto:uaf-aec@alaska.edu)

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Published in 2022

# Know Your Tsunami Hazard in Homer



[tsunami.alaska.edu](https://tsunami.alaska.edu)

## Big Waves in the Biggest State

In Alaska, tsunamis can strike within minutes of an earthquake. Tsunami awareness and safety are crucial to anyone who lives, works, or travels along Alaska's coast.

Earthquakes frequently rumble coastal Alaska. Just offshore, the Pacific Ocean plate scrapes under the continental plate of mainland Alaska, causing much of this activity. Many places along Alaska's rugged coast are poised for landslides above or below the ocean's surface. A major earthquake or landslide near the coast could generate a tsunami.

## High-risk Areas

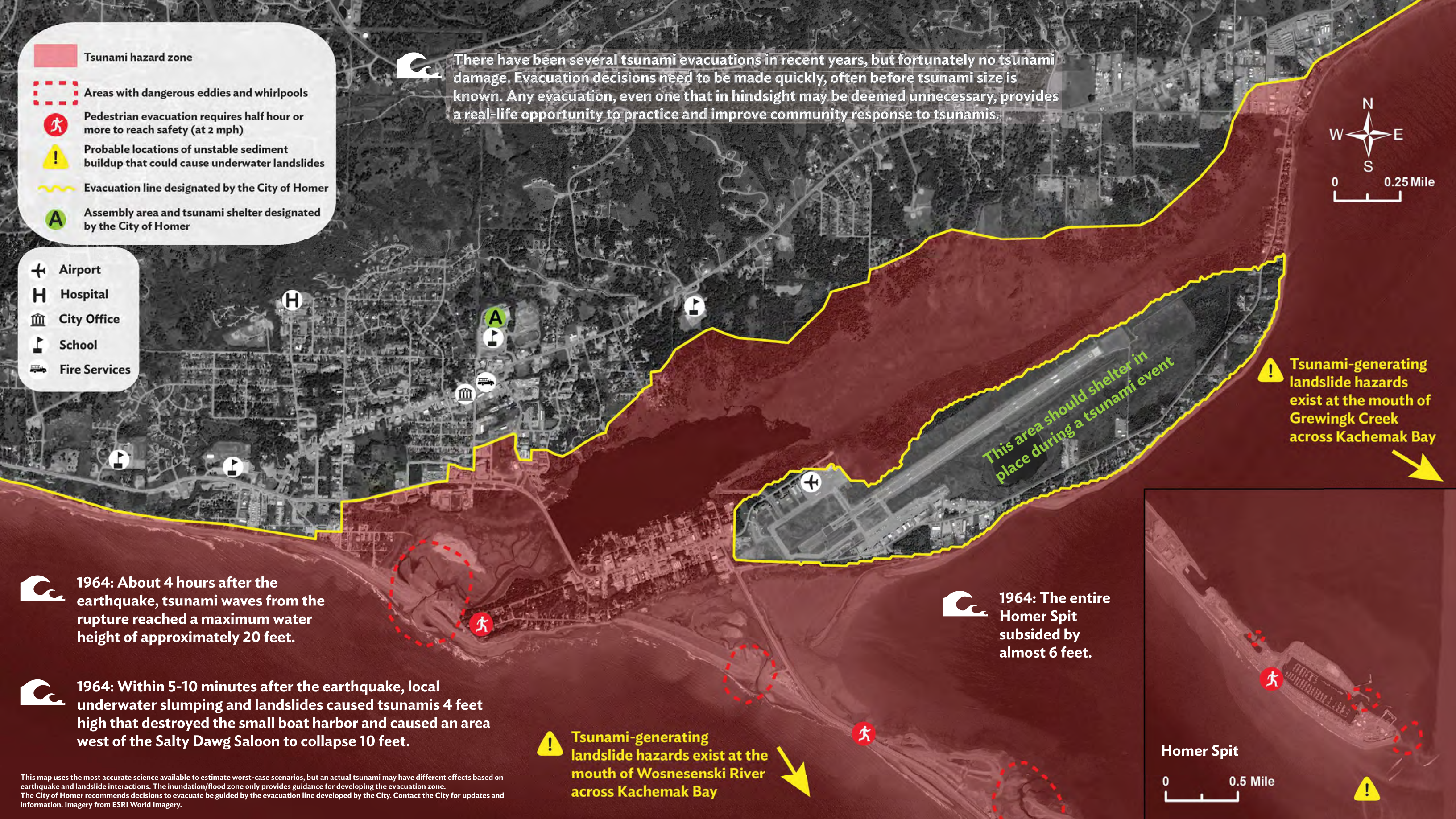
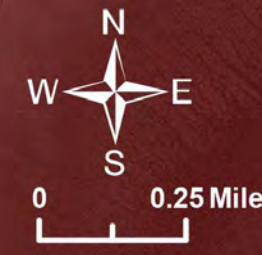
If the ground shakes for more than 20 seconds and it is difficult to stand, and/or the tsunami siren is heard, anyone within the tsunami hazard zone should move to higher ground or a tsunami shelter (see map).

Pay attention to unusual sounds and sights when on or near the ocean. Tsunami impacts are greatest near ocean beaches, low-lying coastal areas, and waterways such as harbors and estuaries. Always avoid these areas during tsunamis. A tsunami can be a series of waves that may last for hours, so wait for local authorities to announce when these areas are safe. In addition to wave action, tsunamis can stir up currents that threaten harbors, facilities, and boats.

- Tsunami hazard zone
- Areas with dangerous eddies and whirlpools
- Pedestrian evacuation requires half hour or more to reach safety (at 2 mph)
- Probable locations of unstable sediment buildup that could cause underwater landslides
- Evacuation line designated by the City of Homer
- Assembly area and tsunami shelter designated by the City of Homer

- Airport
- Hospital
- City Office
- School
- Fire Services

There have been several tsunami evacuations in recent years, but fortunately no tsunami damage. Evacuation decisions need to be made quickly, often before tsunami size is known. Any evacuation, even one that in hindsight may be deemed unnecessary, provides a real-life opportunity to practice and improve community response to tsunamis.



*This area should shelter in place during a tsunami event*

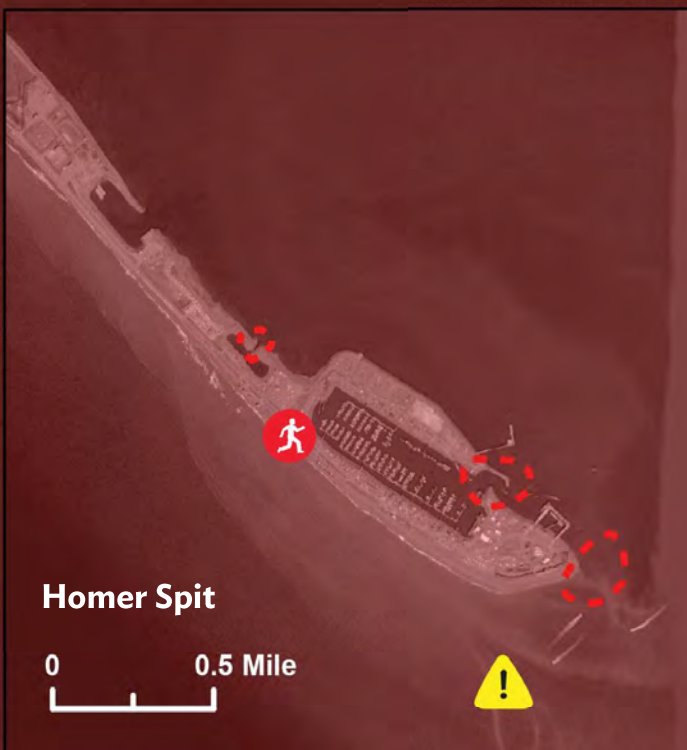
Tsunami-generating landslide hazards exist at the mouth of Grewingk Creek across Kachemak Bay

1964: About 4 hours after the earthquake, tsunami waves from the rupture reached a maximum water height of approximately 20 feet.

1964: Within 5-10 minutes after the earthquake, local underwater slumping and landslides caused tsunamis 4 feet high that destroyed the small boat harbor and caused an area west of the Salty Dawg Saloon to collapse 10 feet.

1964: The entire Homer Spit subsided by almost 6 feet.

Tsunami-generating landslide hazards exist at the mouth of Wosnesenski River across Kachemak Bay



This map uses the most accurate science available to estimate worst-case scenarios, but an actual tsunami may have different effects based on earthquake and landslide interactions. The inundation/flood zone only provides guidance for developing the evacuation zone. The City of Homer recommends decisions to evacuate be guided by the evacuation line developed by the City. Contact the City for updates and information. Imagery from ESRI World Imagery.

# Climate Risk Assessment:

Homer, AK and Seldovia, AK



## Introduction

The impacts of climate change on the frequency and severity of physical hazards will put many communities at risk. As the threat of climate change grows, so too does the need for accessible information, tools, and expertise to support climate-resilient decision-making for municipalities. In the newly released report *Recognizing Risk—Raising Climate Ambition*, Woodwell Climate Research Center ("Woodwell") highlights the need to localize and customize climate risk assessments. However, given that the private sector is meeting the majority of the need for climate data and analyses, communities without sufficient financial resources often do not have access to this information. To address this gap, Woodwell works with communities across the world, including Homer, AK and Seldovia, AK, to provide granular climate services, free of charge.



## Results Summary

### *Wildfire and Temperature*

The Arctic is experiencing the most dynamic increase in surface temperatures globally; Alaska, in particular, is warming 2+ times the rate of the contiguous United States. Rapid warming means that Alaska is already and will continue to experience the impacts of climate change, such as an increase in wildfire risk, more severe droughts, and heightened flooding. In this assessment we describe each climate hazard in turn, focusing on local effects.

The majority of wildland fires on the Kenai Peninsula are human-caused, with open-burning being most prevalent. Lightning-caused fires are infrequent on the southern

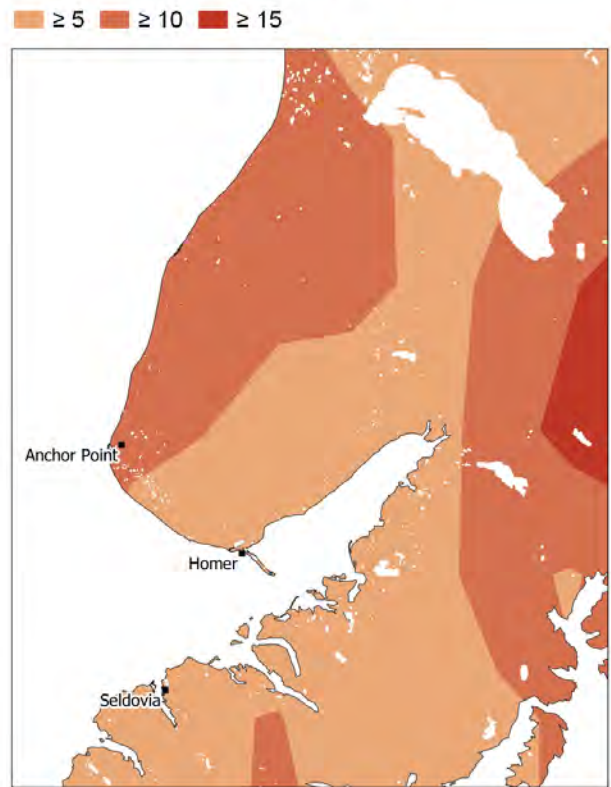
Kenai Peninsula, and while these fires have not been documented within the boundaries of Homer, they have occurred in the vicinity. There is an increasing risk of wildfire within Homer and other areas of the Kenai Peninsula due to spruce bark beetle infestation as dead trees become dry and flammable. Summer 2019 was an active fire year for Alaska with unprecedented record-high temperatures, long-term drought, and high winds. Around Homer the number of wildfire danger days will increase in the future as temperatures rise and drought worsens.

# Results

*Figure 1: Change in Wildfire Danger Days*

This map shows the average number of additional days per year in 2021-2050 with Fire Weather Index (FWI) above the historical (1971-2000) 95th percentile. These values (in days) are in addition to the annual average of 18.25 days (5% of the year) in 1971-2000 that exceeded the 95th percentile FWI. FWI is a daily, unitless measurement of wildfire danger, derived from temperature, relative humidity, wind speed, and precipitation. This metric was developed by the Canadian Forest Service and is used globally, including in the United States, to quantify fire risk.

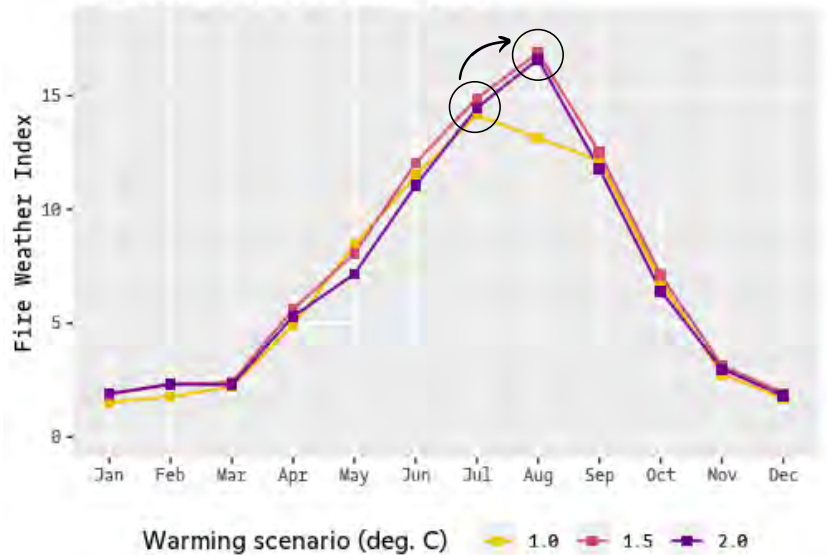
Change in Wildfire Danger Days



*Figure 2: Changes in Seasonal Pattern of Extreme Fire Weather Conditions*

Colored lines show how extreme fire weather conditions will change under different warming levels by month. Extreme fire weather is defined here as the 95th percentile of the distribution of the Fire Weather Index (FWI) for a given month for a given warming level. A 1°C warming level corresponds to current conditions. Breaching 1.5°C and 2°C of warming, under current climate policy, is expected to happen between 2025 and 2030 and around 2040, respectively. While changes in extreme fire weather will be modest across warming levels, the peak of extreme fire weather will shift from July to August with warming greater than 1.5°C.

Extreme Fire Weather  
95th percentile (1-in-20 year event)



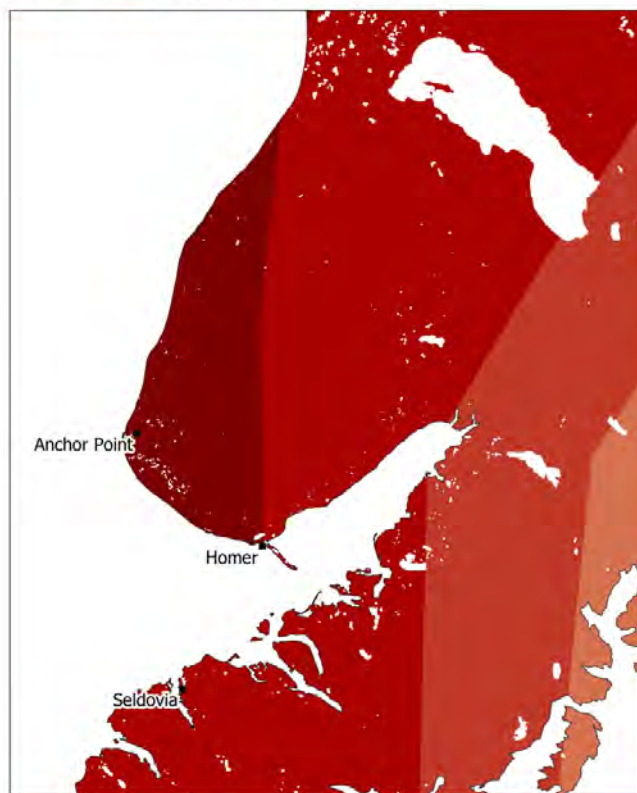
# Results

*Figure 3: Changes in Maximum Temperature*

Maps show maximum temperature in 1971-2000 (left) and average days per year in 2021-2050 expected to exceed 1971-2000 maximum temperature (right). While a record-high temperature of 81°F was measured at the Homer Airport in 1993, when temperature data are aggregated to grid cell scale (22km resolution), the maximum temperature for Homer (Seldovia) is around 78°F (77°F) for 1971-2000. This temperature is expected to be exceeded around 18 (25) days per year in 2021-2050 for Homer (Seldovia).

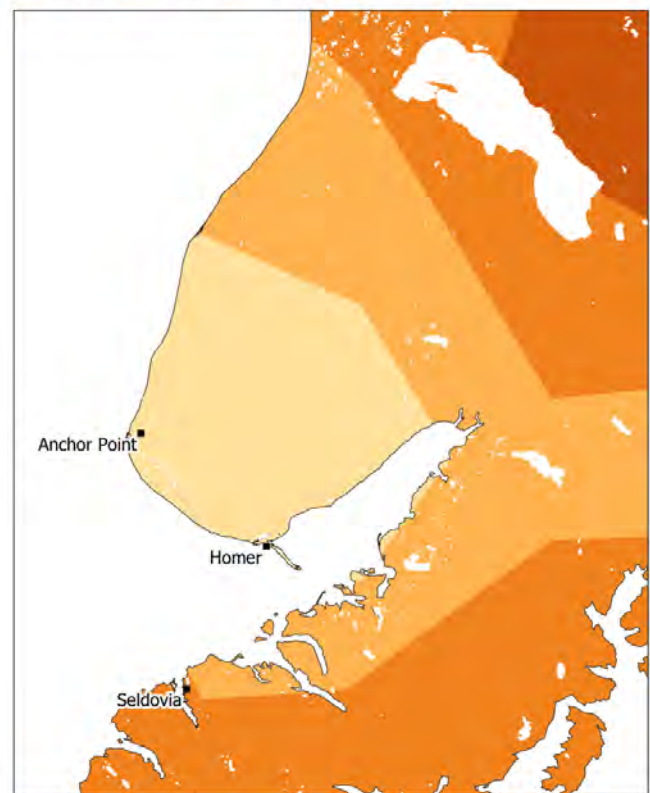
**Maximum Temperature, 1971-2000**

■  $\geq 72$  ■  $\geq 74$  ■  $\geq 76$  ■  $\geq 78$



**Average Days per Year in 2021-2050 Exceeding 1971-2000 Maximum Temperature**

■  $\geq 15$  ■  $\geq 20$  ■  $\geq 25$  ■  $\geq 30$



# Results

Figure 4: Change in Drought Stress

Maps show drought stress in 1971-2000 (left) and amount of time in 2021-2050 expected to have worse drought stress (right). Drought stress is based on the Palmer Drought Severity Index (PDSI), a metric used by the U.S. Drought Monitor. Lower PDSI values indicate less available water and therefore more extreme drought. Left panel shows the 1-in-20 year drought (5th percentile) for 1971-2000. Moderate, severe, and extreme droughts correspond to PDSI values equal to or less than -2, -3, and -4, respectively. Right panel shows that throughout 2021-2050, Homer (Seldovia) can expect to experience extreme (severe) drought conditions around 20% (30-40%) of the time. These conditions were present 5% of the time in 1971-2000, so these values represent increasing risk of severe and extreme drought in the near future. For example, at the top of Tutka Bay, 1971-2000's 1-in-20 year drought ( $\leq -3$  PDSI, severe drought) will occur every other year on average in 2021-2050 (50% of the time).

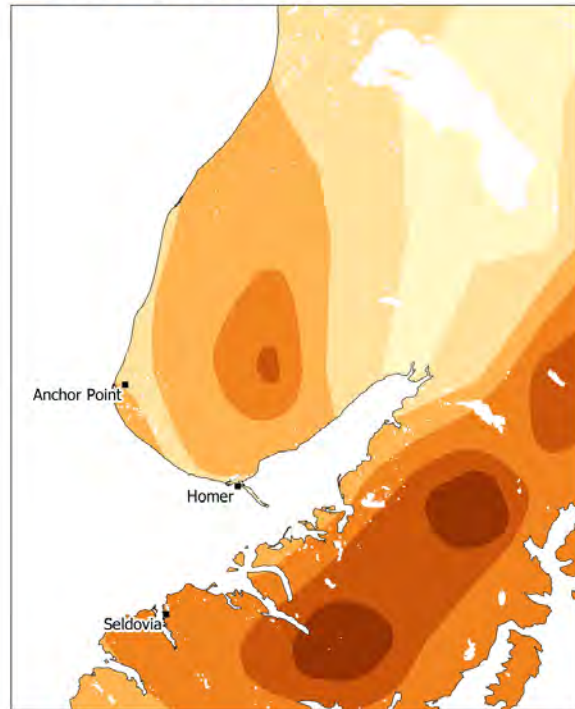
PDSI, 5th Percentile, 1971-2000

Extreme ( $\leq -4$ ) Severe ( $\leq -3$ ) Moderate ( $\leq -2$ )



Percent of Months in 2021-2050 with PDSI below 1971-2000 5th Percentile

$\geq 0\%$   $\geq 20\%$   $\geq 40\%$   
 $\geq 10\%$   $\geq 30\%$   $\geq 50\%$





# Results Summary

## Rainfall and Storm Surge

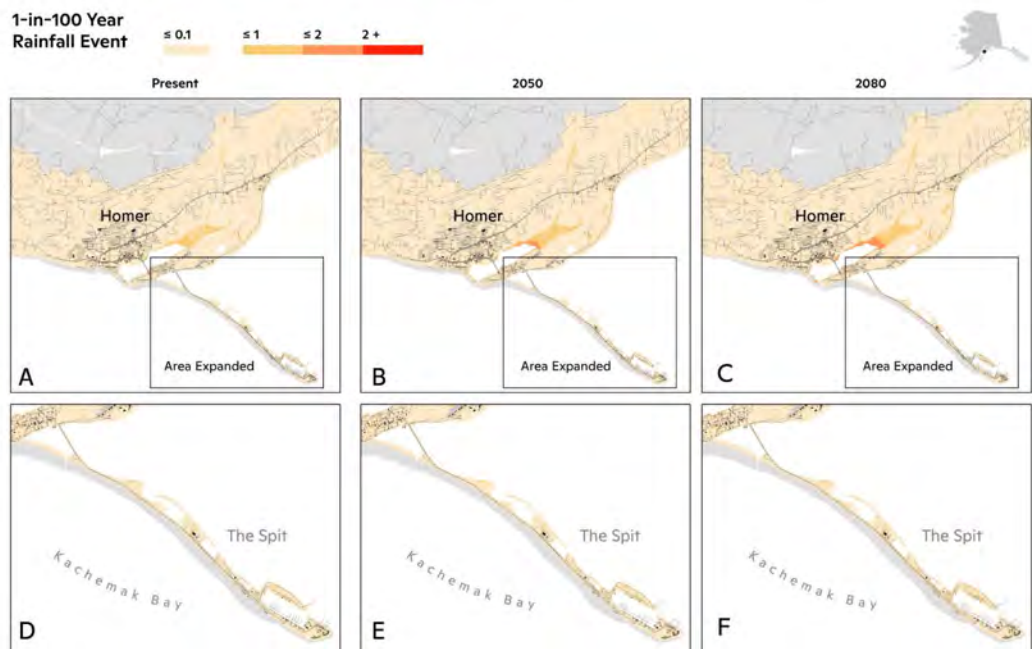
The amount of inundation from a 1-in-100 year rainfall event in Homer, AK will increase from present day to 2080, particularly east of Beluga Lake due to increased precipitation. Most flooding is limited to near the river banks and on the east side of the lake. The Spit only observes minimal flooding (less than 0.1 meters, equivalent to approximately 4 inches) in any of the time periods shown. The inundation risk from storm surge for a 1-in-100 year event in Homer, AK is almost entirely limited to the Spit. The amount of flooding from storm surge slightly decreases by 2050, due to isostatic rebound (the still ongoing rise of land after removal of ice sheets from the last glacial period), and then increases again by 2080. The largest inundation, which is over

2 meters (6.5ft+), is about halfway down the Spit.

The picture is similar for Seldovia, AK. The inundation from a 1-in-100 year rainfall event is largely limited to the wetlands along the Seldovia Slough and Lagoon. As the rainfall increases into the future, the inundation remains mostly limited to the wetland regions. The inundation from a 1-in-100 year storm surge event in present day and 2080 has the highest risk to the airport. Since most of the airport infrastructure is further inland, the runway would be at the greatest risk. Similarly to Homer, isostatic rebound will lead to slight decreases in inundation risk in 2050.

*Figure 5: Inundation Map for a 1-in-100 Year Rainfall Event for Present, 2050, and 2080 for Homer, AK*

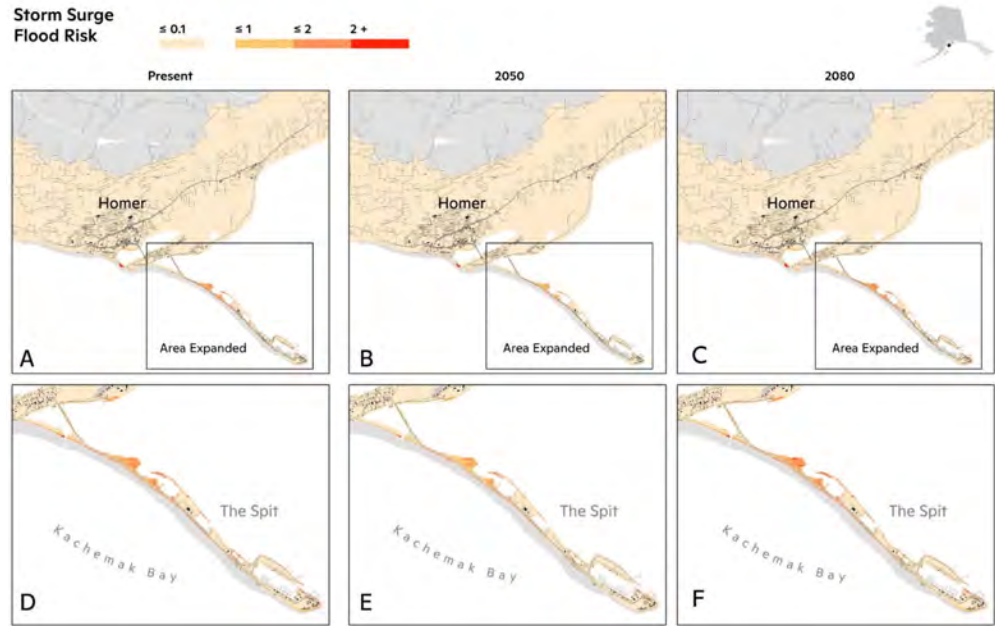
This figure shows the inundation depth in meters for a 1-in-100 year rainfall event for Homer, AK. The Spit has been expanded to show more detail in that area. These plots are for present day (A,D), 2050 (B,E), and 2080 (C,F). By 2080, the increased rainfall leads to greater inundation depths in a few areas, specifically east of Beluga lake.



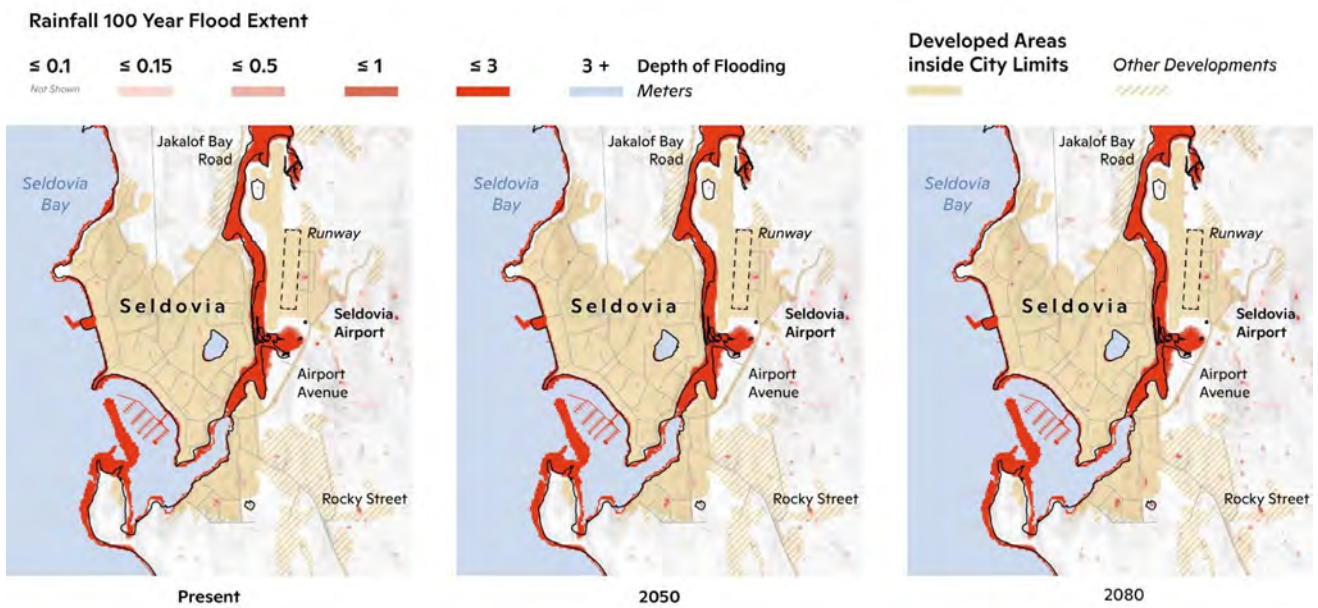
# Results

*Figure 6: Inundation Map for a 1-in-100 Year Storm Surge Event for Homer, AK*

This figure shows the inundation depth for a 1-in-100 year storm surge event for Homer, AK. The Spit has been expanded to show more detail in that area. These plots are for present day (A,D), 2050 (B,E), and 2080 (C,F). Storm surge flood depths drop slightly in 2050 due to isostatic rebound and then increase again by 2080.



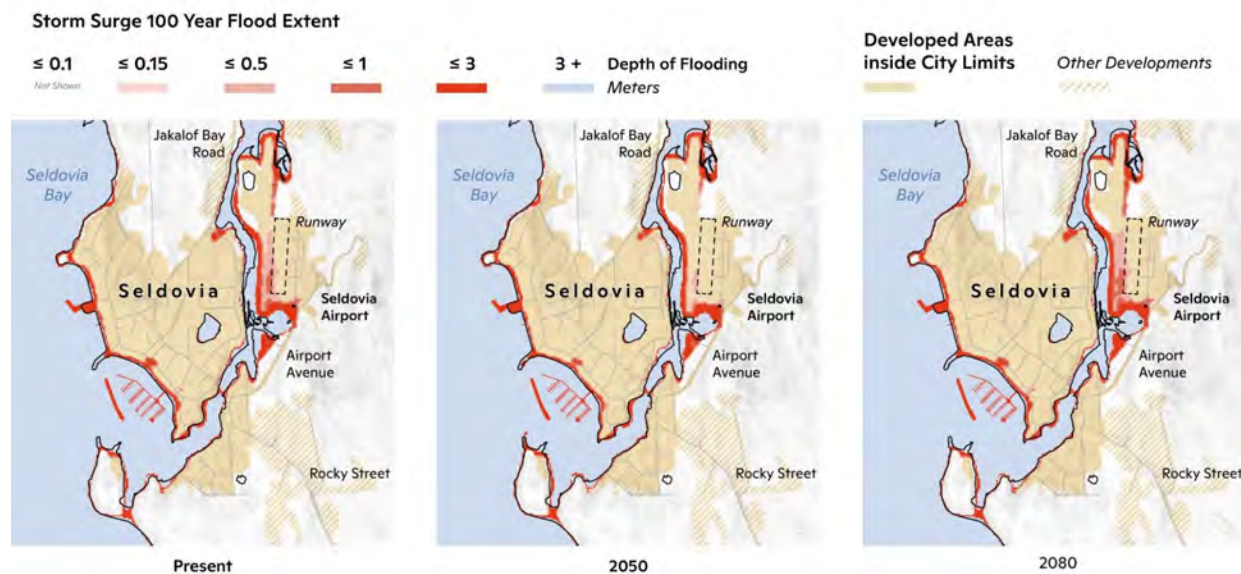
*Figure 7: Inundation Map for a 1-in-100 Year Rainfall Event for Present, 2050, and 2080 for Seldovia, AK*



This figure shows the flood depth of the 1-in-100 year rainfall event for Seldovia, AK. Flooding is largely limited to wetlands even as the rainfall amounts increase through 2050 and 2080.

# Results

Figure 8: Inundation Map for a 1-in-100 Year Storm Surge Event for Seldovia, AK



This figure shows the flood depth of the 1-in-100 year storm surge event for Seldovia, AK. The area with the greatest risk is the airport; however, the runway is the only infrastructure impacted given that the airport structures are located further inland. The storm surge heights decrease slightly from present day to 2050 due to isostatic rebound, but then increase slightly by 2080.

## About Woodwell Climate Research Center

Woodwell is a non-profit organization made up of researchers who work with a worldwide network of academic, private, non-profit, and government partners to understand and combat climate change. Our scientists helped to launch the United Nations Framework Convention on Climate Change in 1992, and in 2007, Woodwell scientists shared the Nobel Prize awarded to the Intergovernmental Panel on Climate Change. For over 35 years, Woodwell has combined hands-on experience and policy impact to identify and support societal-scale solutions that can be put into immediate action. This includes working with municipalities on the frontlines of the climate crisis. Woodwell was formerly named Woods Hole Research Center.

## Contact

For more information about this analysis, or Woodwell's other climate risk assessments, please contact us at [policy@woodwellclimate.org](mailto:policy@woodwellclimate.org).

To learn more about Woodwell, please visit our website: [woodwellclimate.org](http://woodwellclimate.org)



Quarterly General Fund  
Expenditure Report  
Thru Quarter Ended March 31, 2022

	Current Fiscal Analysis				Historical Fiscal Analysis			
	Amended FY22 Budget	Actual FY22 YTD	Budget Remaining	% Budget Remaining	Actual July 2018 - March 2019	Actual July 2019 - March 2020	Actual July 2020 - March 2021	Actual July 2021 - March 2022
<b>Revenues</b>								
Property Taxes	\$ 3,794,794	\$ 3,761,128	\$ 33,666	1%	\$ 3,469,959	\$ 3,585,310	\$ 3,696,075	\$ 3,761,128
Sales and Use Taxes	8,548,113	6,383,293	2,164,820	25%	5,106,741	5,636,488	4,860,162	6,383,293
Permits and Licenses	46,595	29,179	17,416	37%	32,353	26,609	33,764	29,179
Fines and Forfeitures	22,930	19,731	3,199	14%	12,660	22,833	8,295	19,731
Use of Money	146,718	(159,958)	306,676	209%	139,189	126,883	12,039	(159,958)
Intergovernmental	562,866	443,850	119,017	21%	543,344	435,697	434,850	443,850
Charges for Services	597,597	407,011	190,586	32%	330,727	560,823	322,382	407,011
Other Revenues	-	84,471	(84,471)	0%	20,310	43,135	102,864	84,471
Airport	198,729	157,291	41,438	21%	154,612	170,715	128,615	157,291
Operating Transfers	864,165	10,000	854,165	99%	2,026,004	2,058,582	308,847	10,000
<b>Total Revenues</b>	<b>\$ 14,782,507</b>	<b>\$ 11,135,996</b>	<b>\$ 3,646,511</b>	<b>25%</b>	<b>\$ 11,835,898</b>	<b>\$ 12,667,074</b>	<b>\$ 9,907,893</b>	<b>\$ 11,135,996</b>
<b>Expenditures &amp; Transfers</b>								
Administration	\$ 1,392,969	\$ 883,184	\$ 509,785	37%	\$ 808,068	\$ 783,924	\$ 804,243	\$ 883,184
Clerks	880,182	655,554	224,628	26%	539,829	569,595	635,124	655,554
Planning	416,528	280,146	136,383	33%	265,777	282,925	300,599	280,146
Library	952,536	592,229	360,307	38%	634,933	643,545	624,713	592,229
Finance	888,674	551,266	337,408	38%	483,218	526,198	554,256	551,266
Fire	1,481,683	720,810	760,873	51%	719,827	763,673	966,264	720,810
Police	3,837,209	2,711,324	1,125,885	29%	2,400,339	2,558,436	2,774,708	2,711,324
Public Works	3,272,912	1,911,311	1,361,601	42%	1,795,087	1,831,957	2,064,762	1,911,311
Airport	226,517	175,960	50,557	22%	159,960	161,159	164,075	175,960
City Hall, HERC	189,087	117,838	71,249	38%	123,262	98,101	130,162	117,838
Non-Departmental	94,000	119,000	(25,000)	-27%	69,000	-	94,000	119,000
Total Operating Expenditures	\$ 13,632,299	\$ 8,718,622	\$ 4,913,677	36%	\$ 7,999,300	\$ 8,219,514	\$ 9,112,905	\$ 8,718,622
Transfer to Other Funds								
Leave Cash Out	\$ 136,126	\$ 136,126	\$ -	0%	\$ 85,232	\$ 104,643	\$ 58,222	\$ 136,126
Other	983,164	113,823	-	0%	180,642	122,991	69,860	113,823
Total Transfer to Other Funds	\$ 1,119,290	\$ 249,949	\$ -	0%	\$ 265,874	\$ 227,635	\$ 128,082	\$ 249,949
Transfer to CARMA								
General Fund Fleet CARMA	\$ 20,918	\$ 20,918	\$ -	0%	\$ 231,222	\$ 196,500	\$ -	\$ 20,918
General Fund CARMA	-	-	-	0%	290,559	170,654	-	-
Seawall CARMA	10,000	10,000	-	0%	10,000	10,000	10,000	10,000
Total Transfer to CARMA Funds	\$ 30,918	\$ 30,918	\$ -	0%	\$ 531,781	\$ 377,154	\$ 10,000	\$ 30,918
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 14,782,507</b>	<b>\$ 8,999,490</b>	<b>\$ 4,913,677</b>	<b>33%</b>	<b>\$ 8,796,955</b>	<b>\$ 8,824,302</b>	<b>\$ 9,250,987</b>	<b>\$ 8,999,490</b>
<b>Net Revenues Over (Under) Expenditures</b>	<b>\$ 0</b>	<b>\$ 2,136,506</b>						

Quarterly Water and Sewer Fund  
Expenditure Report  
Thru Quarter Ended March 31, 2022

	Current Fiscal Analysis				Historical Fiscal Analysis			
	Amended	Actual		%	Actual	Actual	Actual	Actual
	FY22	FY22	Budget	Budget	July 2018 -	July 2019 -	July 2020 -	July 2021 -
	Budget	YTD	Remaining	Remaining	March 2019	March 2020	March 2021	March 2022
<b>Revenues</b>								
Water Fund	\$ 2,014,420	\$ 1,481,078	\$ 533,342	26%	\$ 1,633,199	\$ 1,779,438	\$ 1,596,216	\$ 1,481,078
Sewer Fund	1,762,264	1,340,158	422,106	24%	1,353,339	1,278,974	1,234,685	1,340,158
<b>Total Revenues</b>	<b>\$ 3,776,685</b>	<b>\$ 2,821,237</b>	<b>\$ 955,448</b>	<b>25%</b>	<b>\$ 2,986,538</b>	<b>\$ 3,058,412</b>	<b>\$ 2,830,902</b>	<b>\$ 2,821,237</b>
<b>Expenditures &amp; Transfers</b>								
<u>Water</u>								
Administration	\$ 202,025	\$ 168,388	\$ 33,637	17%	\$ 137,828	\$ 157,001	\$ 154,678	\$ 168,388
Treatment Plant	616,638	403,770	212,868	35%	394,367	402,869	462,535	403,770
System Testing	28,608	22,390	6,218	22%	36,490	18,517	20,451	22,390
Pump Stations	93,119	63,193	29,926	32%	82,570	62,785	82,338	63,193
Distribution System	348,073	223,648	124,424	36%	249,136	235,963	279,258	223,648
Reservoir	17,326	9,093	8,233	48%	28,121	20,173	9,895	9,093
Meters	181,863	74,405	107,458	59%	78,204	145,045	99,833	74,405
Hydrants	203,479	134,789	68,690	34%	135,121	154,283	149,796	134,789
<u>Sewer</u>								
Administration	\$ 191,623	\$ 142,250	\$ 49,373	26%	\$ 123,292	\$ 135,659	\$ 138,138	\$ 142,250
Plant Operations	701,815	459,260	242,554	35%	496,221	490,040	581,837	459,260
System Testing	15,160	6,001	9,159	60%	36,194	8,847	7,190	6,001
Lift Stations	210,079	134,771	75,308	36%	126,414	153,245	165,378	134,771
Collection System	326,795	178,595	148,200	45%	211,637	177,860	187,354	178,595
<b>Total Operating Expenditures</b>	<b>\$ 3,136,603</b>	<b>\$ 2,020,554</b>	<b>\$ 1,116,049</b>	<b>36%</b>	<b>\$ 2,135,595</b>	<b>\$ 2,162,287</b>	<b>\$ 2,338,681</b>	<b>\$ 2,020,554</b>
Transfer to Other Funds								
Leave Cash Out	\$ 72,026	\$ 72,026	\$ -	0%	\$ 14,859	\$ 20,810	\$ 16,117	\$ 72,026
GF Admin Fees	-	-	-	0%	517,046	524,290	303,634	-
Other	23,030	23,030	-	0%	59,969	36,475	23,492	23,030
<b>Total Transfer to Other Funds</b>	<b>\$ 95,056</b>	<b>\$ 95,056</b>	<b>\$ -</b>	<b>0%</b>	<b>\$ 591,874</b>	<b>\$ 581,575</b>	<b>\$ 343,242</b>	<b>\$ 95,056</b>
Transfers to CARMA								
Water	\$ 247,542	\$ -	\$ 247,542	100%	\$ 84,252	\$ 81,240	\$ -	\$ -
Sewer	297,484	-	297,484	100%	155,164	14,856	-	-
<b>Total Transfer to CARMA Funds</b>	<b>\$ 545,026</b>	<b>\$ -</b>	<b>\$ 545,026</b>	<b>100%</b>	<b>\$ 239,416</b>	<b>\$ 96,096</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 3,776,685</b>	<b>\$ 2,115,610</b>	<b>\$ 1,661,075</b>	<b>44%</b>	<b>\$ 2,966,885</b>	<b>\$ 2,839,958</b>	<b>\$ 2,681,923</b>	<b>\$ 2,115,610</b>
<b>Net Revenues Over(Under) Expenditures</b>	<b>\$ -</b>	<b>\$ 705,627</b>						

Quarterly Port and Harbor Fund  
Expenditure Report  
Thru Quarter Ended March 31, 2022

	Current Fiscal Analysis				Historical Fiscal Analysis			
	Amended FY22 Budget	Actual FY22 YTD	Budget Remaining	% Budget Remaining	Actual July 2018 - March 2019	Actual July 2019 - March 2020	Actual July 2020 - March 2021	Actual July 2021 - March 2022
<b>Revenues</b>								
Administration	\$ 596,909	\$ 426,849	\$ 170,060	28%	\$ 437,324	\$ 538,609	\$ 526,509	\$ 426,849
Harbor	3,312,100	2,959,453	352,647	11%	2,312,199	2,474,623	2,685,188	2,959,453
Pioneer Dock	330,646	246,319	84,327	26%	233,172	269,167	197,207	246,319
Fish Dock	565,242	453,480	111,762	20%	428,430	457,161	406,568	453,480
Deep Water Dock	161,889	125,253	36,636	23%	165,904	283,035	114,734	125,253
Outfall Line	4,800	4,800	-	0%	4,800	4,800	4,800	4,800
Fish Grinder	7,191	7,018	174	2%	6,978	6,990	6,068	7,018
Load and Launch Ramp	126,483	62,992	63,490	50%	62,613	59,735	61,677	62,992
<b>Total Revenues</b>	<b>\$ 5,105,259</b>	<b>\$ 4,286,163</b>	<b>\$ 819,096</b>	<b>16%</b>	<b>\$ 3,651,419</b>	<b>\$ 4,094,121</b>	<b>\$ 4,002,750</b>	<b>\$ 4,286,163</b>
<b>Expenditures &amp; Transfers</b>								
Administration	\$ 711,339	\$ 528,940	\$ 182,399	26%	\$ 419,031	\$ 466,785	\$ 618,777	\$ 528,940
Harbor	1,355,331	827,933	527,398	39%	858,855	802,042	896,438	827,933
Pioneer Dock	81,451	68,207	13,244	16%	44,651	60,395	62,626	68,207
Fish Dock	644,058	382,421	261,637	41%	403,067	382,927	393,278	382,421
Deep Water Dock	87,824	67,361	20,463	23%	65,720	60,168	56,720	67,361
Outfall Line	6,500	4,350	2,150	33%	2,781	2,475	4,044	4,350
Fish Grinder	30,333	12,761	17,572	58%	8,464	18,730	15,817	12,761
Harbor Maintenance	446,653	264,526	182,127	41%	269,238	283,807	255,165	264,526
Main Dock Maintenance	40,768	24,459	16,309	40%	22,410	23,649	18,316	24,459
Deep Water Dock Maintenance	51,268	28,328	22,941	45%	34,379	27,905	21,018	28,328
Load and Launch Ramp	92,282	52,915	39,367	43%	48,472	44,352	44,939	52,915
<b>Total Operating Expenditures</b>	<b>\$ 3,547,809</b>	<b>\$ 2,262,202</b>	<b>\$ 1,285,607</b>	<b>36%</b>	<b>\$ 2,177,067</b>	<b>\$ 2,173,235</b>	<b>\$ 2,387,138</b>	<b>\$ 2,262,202</b>
<b>Transfer to Other Funds</b>								
Leave Cash Out	\$ 66,243	\$ 66,243	\$ -	0%	\$ 29,241	\$ 31,457	\$ 20,620	\$ 66,243
GF Admin Fees	-	-	-	0%	591,076	579,038	-	-
Debt Service	69,285	69,285	-	0%	98,817	70,338	70,338	69,285
Other	301,517	301,517	-	0%	321,118	304,450	300,000	301,517
<b>Total Transfer to Other Funds</b>	<b>\$ 437,045</b>	<b>\$ 437,045</b>	<b>\$ -</b>	<b>0%</b>	<b>\$ 1,040,252</b>	<b>\$ 985,283</b>	<b>\$ 390,958</b>	<b>\$ 437,045</b>
<b>Transfers to Reserves</b>								
Harbor	\$ 1,086,204	\$ -	\$ 1,086,204	100%	\$ 271,984	\$ 286,611	\$ -	\$ -
Load and Launch Ramp	34,201	34,201	-	0%	38,301	46,717	26,354	34,201
<b>Total Transfer to Reserves</b>	<b>\$ 1,120,405</b>	<b>\$ 34,201</b>	<b>\$ 1,086,204</b>	<b>97%</b>	<b>\$ 310,285</b>	<b>\$ 333,328</b>	<b>\$ 26,354</b>	<b>\$ 34,201</b>
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 5,105,259</b>	<b>\$ 2,733,448</b>	<b>\$ 2,371,811</b>	<b>46%</b>	<b>\$ 3,527,603</b>	<b>\$ 3,491,846</b>	<b>\$ 2,804,450</b>	<b>\$ 2,733,448</b>
<b>Net Revenues Over(Under) Expenditures</b>	<b>\$ -</b>	<b>\$ 1,552,715</b>						

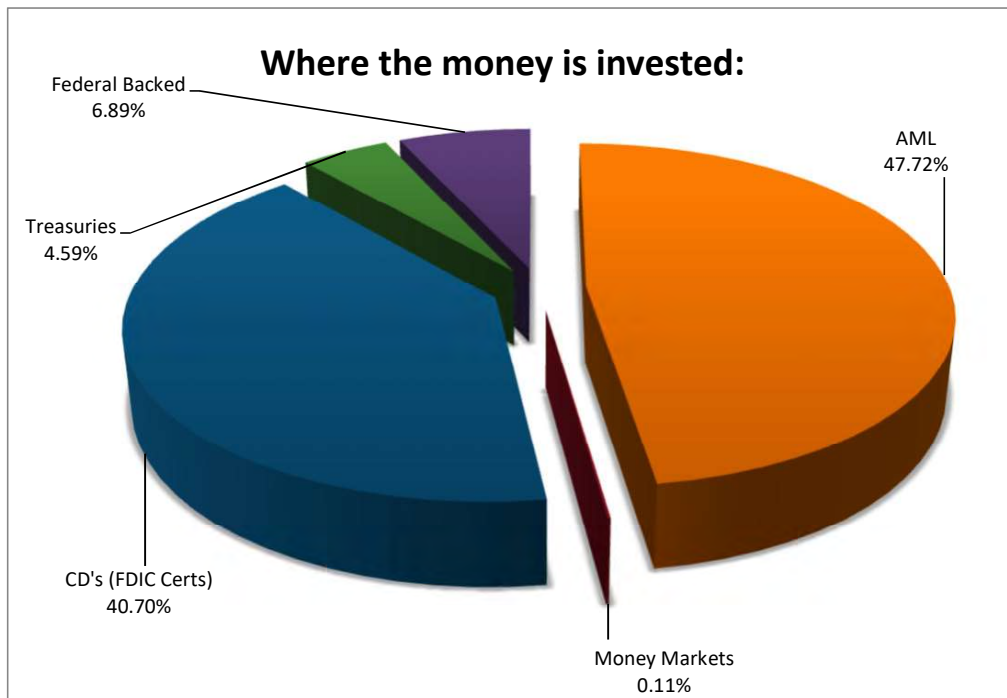
## CITY OF HOMER Treasurer's Report

As of:

**March 31, 2022**

INVESTMENT BY INSTITUTION:	\$ Invested	% Of \$ Invested
Alaska Municipal League	\$ 16,166,972	48%
Pro-Equities	\$ 17,714,052	52%
<b>Total Cash and Investments</b>	<b>\$ 33,881,024</b>	<b>100%</b>

MATURITY OF INVESTMENTS:	Maturity Date	AMOUNT	% Of Investment by Maturity Date
1 to 30 Days	4/30/2022	\$ 16,202,569	48%
30 to 120 Days	7/29/2022	\$ 962,588	3%
120 to 180 Days	9/27/2022	\$ 509,348	2%
180 to 365 Days	3/31/2023	\$ 1,535,057	5%
Over 1 Year		\$ 14,671,462	43%
<b>TOTAL</b>		<b>\$ 33,881,024</b>	<b>100%</b>



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



# City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

## Finance Department

491 East Pioneer Avenue  
Homer, Alaska 99603

[finance@cityofhomer-ak.gov](mailto:finance@cityofhomer-ak.gov)

(p) 907-235-8121

(f) 907-235-3140

## Memorandum

TO: Mayor Castner and Homer City Council  
THROUGH: Rob Dumouchel, City Manager  
FROM: Elizabeth Walton, Finance Director  
DATE: May 5, 2022  
SUBJECT: FY2022 3<sup>rd</sup> Quarter Financials

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This memo is broken into two sections. The first section provides some analysis of the third quarter data from the perspective of the Finance Department. The second section provides some background information that may be helpful in interpreting the associated spreadsheet.

### **General Fund:**

Preliminary estimates show the General Fund experiencing just over a \$2 million operating surplus after the first three quarters of FY22. This surplus does not account for the HART maintenance transfer approved in the FY22/23 operating budget as those will not be transferred until the end of the fiscal year after final costs have been determined.

### Financial Analysis:

- Sales tax revenue was originally budgeted at \$5.8 million, amended to \$8.3 million and actual revenue received fiscally to date is \$6.5 million. Remote sales tax revenue was budgeted at \$207,225 and actual revenue received fiscally to date is \$213,528. Remember, we still have to record revenue received during the first “half” of the upcoming summer season.
- The investment category shows revenue/losses for long-term investments. There are periods in which we experience losses, but in the end (maturity) the City will likely experience net gains on our investment decisions.
- Most General Fund expenditure categories are keeping pace with being three quarters of the way through the fiscal year. Looking at historical trends, the collective expenditure is in line with historical spending.
- One key area to highlight is the non-departmental category. The \$25,000 overage is attributed to the funding of a portion of the Homer Business Advisor of the Alaska Small Business Development Center (ORD 21-68).
- The large discrepancy in the budget versus actual for the Other Transfers is related to the budgeted transfer to General Fund Unassigned Fund Balance. This won't actually take place until the budgeted surplus is realized.



### **Water and Sewer Fund:**

Preliminary estimates show the Water and Sewer Fund experiencing roughly a \$705k operating surplus after the first three quarters of FY22. This surplus does not factor in the budgeted transfers to CARMA (\$545,026). This expense will be posted in the 4<sup>th</sup> quarter.

Financial Analysis:

- Utility total revenues are keeping pace with budget expectations and historical trends. Historically, water revenues are down slightly and sewer revenues are above trends. This can be attributed to changes in water and sewer rates over the years.
- Utility expenditures are also keeping pace with being three quarters of the way through the fiscal year. The collective expenditures are down from the same time interval in 2020, but some of this can be attributed to the difficulty in acquiring items. Overall, most categories are right at or under 75% spend.

### **Port and Harbor Fund:**

Preliminary estimates show the Port and Harbor Fund experiencing just over a \$1.5 million operating surplus after the first three quarters of FY22. Remember this surplus doesn't factor in the budgeted transfers to reserves (\$1,086,204). This expense will be posted in the 4<sup>th</sup> quarter.

Financial Analysis:

- Seasonality is a huge factor in the harbor operations and the timing of receiving its revenues. The largest single component of revenue for the harbor is stall revenues and it is collected in the first half of the fiscal year. The Harbor budgeted roughly \$1.54 million in reserved stall revenue and actual revenue received fiscally to date is \$1.55 million. There is a year-end accounting entry to adjust for period reporting, so this value is subject to change.
- Harbor revenues are exceeding historical trends and everything is on track towards meeting budget expectations.
- The majority of harbor expenditure categories are keeping pace with being three quarters of the way through the fiscal year. As with other City funds, the Harbor is also experiencing increased pricing and delayed delivery on items being purchased.

## **Background Information:**

The purpose of these reports is to provide a budget versus actual comparison for City Council and at the same time illustrating the operating revenues and expenditures each fund has experienced within a given time period.

Therefore, it is important to remember that these reports are not all inclusive and do not represent all financial activity of the City. The focus is to report on those revenues and expenditures that present themselves as operating and are included in our budget.

An update to this report this fiscal year is the inclusion of a historical fiscal analysis. The purpose of this section is to provide City Council and the public comparative data for the same date range. As time goes on, this data will allow for better trend analysis and benchmarking.

## **General Fund:**

Revenue Breakdown:

- Property tax is collected and administered by the Kenai Peninsula Borough and remitted to the City. The majority of these payments are remitted in September, October and November. Taxpayers can either split tax installments in two (first half due on September 15 and second half due on November 15) or can pay taxes in full on October 15.
- Sales tax is collected and administered by the Kenai Peninsula Borough (KPB) and then remitted to the City. KPB remits sales tax revenue to the City on a monthly basis, but there is a two month “lag” in the revenue received. This means that the revenue that is received by the City in one month is not a reflection on sales tax actually earned in that particular month.
- Use of money represents the interest income earned (lost) on investments held.
- Intergovernmental revenues include: Prisoner Care Contract with the State of Alaska for \$440,066; Pioneer Avenue Maintenance Contract with the State of Alaska for \$34,000; Police Special Services Contract with the State of Alaska for \$36,000; and the Borough 911 Contract with the Kenai Peninsula Borough for \$52,800.
- Charges for services include revenues received from the charges the City charges for some services it provides (i.e. application fees, ambulance fees, camping fees).
- Other revenues received for this time period is primarily from ACS for \$75,000 (reference ORD 21-42).
- Airport revenues represent those revenues collected through business at the Homer airport (leases, car rental, concessions, and parking fees).
- Operating transfers represent the admin fees charged to Water, Sewer and Port funds. The budget transfer from HART-Roads and HART-Trails to contribute to road and trail maintenance is also under this category. The \$10,000 transfer is representative of the amount the Utility Fund transfers to the General Fund to contribute to Public Works maintenance costs connected with Utility facilities and equipment.

## **Water and Sewer Fund:**

Revenue Breakdown:

- Revenues received into the water fund include: metered sales, connection fees, investment income, penalties, and hydrant transfer from the General Fund.
- Revenues received into the sewer fund include: metered sales, inspection fees and dump station fees.

#### Expenditure Highlights:

- General Fund Admin Fees were waived for the Utility Fund in FY22 and FY23, per the amended FY22/23 Operating Budget (ORD 22-20).
- Other transfers include: transfer to health insurance fund (balancing mechanism), transfers to revolving energy fund, hydrant transfer to the water fund and \$10,000 transfer to General Fund for Public Works maintenance.

#### **Port and Harbor Fund:**

##### Revenue Breakdown:

- Administration revenues include: rents and leases, storage fees, investment income and any surplus revenues.
- Harbor revenues primarily represent stall revenues, but it also includes income received from energy charges, parking revenue and commercial ramp wharfage.
- Pioneer dock revenues include: Coast Guard leases, fuel wharfage, water sales and docking fees.
- Fish dock revenues include: ice sales, cold storage, crane rental, seafood wharfage and fish tax.
- Deep water dock revenues primarily represent docking and water sales at the deep water dock.

##### Expenditure Highlights:

- General Fund Admin Fees were waived for the Port Fund in FY22 and FY23, per the amended FY22/23 Operating Budget (ORD 22-20).
- Debt Service transfer represents the Lot 42 loan with the General Fund. The Port has budgeted to pay this loan off by the end of FY23.
- Harbor transfers to reserves have not been posted for the Harbor, as we are waiting until the end of the fiscal year to align with new processes.
- Load and Launch Ramp transfers to reserves have been made, as these revenues are expected to exceed expenditures. These revenues in excess are accounted for separately from the larger harbor reserves.

#### **Treasurer's Report:**

The treasurer's report illustrates the investment positions of the City of Homer. It details the total amount held in our bank accounts and the timeline of maturity.



## City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

## Administration

491 East Pioneer Avenue  
Homer, Alaska 99603

(p) 907-235-8121 x2222

(f) 907-235-3148

## Memorandum

TO: Mayor Castner and City Council  
FROM: Jenny Carroll, Special Projects and Communications Coordinator  
THROUGH: Rob Dumouchel, City Manager  
DATE: May 3, 2022  
SUBJECT: 2022 Commercial Vessel Passenger Tax Grant

The City of Homer annually receives revenues commensurate with local cruise ship landings from the State of Alaska and the Kenai Peninsula Borough under the Commercial Passenger Vessel Tax Program. In the absence of cruise ship visits in 2021 due to COVID-19, the State of Alaska is again making CVPT Program Funds available to qualifying jurisdictions using American Rescue Plan Act (ARPA) funds. Use of these funds must adhere to ARPA guidance.

The 2022 CVPT amount available to the City of Homer is \$70,910, with half coming directly from the State of Alaska and half coming as a pass-through from the Kenai Peninsula Borough. The Borough will soon be sponsoring an Ordinance authorizing the pass-through grant to the City of Homer, but requires that we first request the grant funds and identify how we plan to use them.

Staff has reviewed eligible projects and will be proposing to the Borough to accept the CVPT ARPA pass through funds as revenue replacement and to utilize them in a pay-as-you-go project: refurbishing Crane #7 on the City owned and managed Fish Dock in the Port & Harbor.

The Fish Dock has seven fixed pedestal cranes for harbor patron use through a special use contract. The cranes are 35 years old. City staff maintain the cranes, which are inspected annually by OSHA certified inspectors. To keep them operational and employ improvements in technology and safety, rebuilding the cranes incrementally over time has been a priority for the Enterprise and the Port Commission.

Because of Crane 7's age and that it is one of two of our ten-ton cranes and has extensive wear, we estimate the cost of the rebuild between \$95,000 and \$100,000, which is substantially less than the cost of replacement. If awarded, the CPVT ARPA grant will cover most of the cost, with the balance provided by the Homer Port and Harbor reserves. The process to refurbish a crane takes approximately 6 weeks to complete. If approved, we'll plan for work to commence during the 2023 winter shutdown.

Once approved by the Kenai Peninsula Borough, staff will bring an Ordinance before City Council to accept and appropriate the grant funds for the project.