



City of Homer

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Office of the City Manager

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Memorandum

TO: Mayor Castner and Homer City Council
FROM: Rob Dumouchel, City Manager
DATE: September 7, 2022
SUBJECT: City Manager's Report for September 12, 2022 Council Meeting

Main Street Sidewalk Construction

The Main Street Sidewalk project continues to march up the hill. The section from Pioneer Ave to Fairview Ave is ready to be paved and we're waiting for the confluence of asphalt availability and rain-free weather to do this. The rain is a challenge because it washes away the prepared subgrade. The upper section, from Fairview to Dehel involves some serious storm drain work, so the contractor is doing that section last.



US Coast Guard Meet and Greet

Lieutenant Commander Winterberger, who recently took command of the Coast Guard Cutter Hickory, and her executive officer Lieutenant Davis joined Harbormaster Bryan Hawkins, Deputy Harbormaster Matt Clarke, Assistant to the City Manager Christine Drais, and I for an informal lunch at City Hall to talk about how we can best work together with Coast Guard members and families while they're in Homer. We talked about a wide range of things like housing, harbor expansions, recreation, volunteer opportunities, and the City

Council priority of becoming recognized under the Coast Guard City program. I'm excited to continue to strengthen our relationship with the Coast Guard and we all look forward to next year when the USCGC Aspen will arrive in Homer as a replacement to the Hickory.



Harbor Visit with Murkowski Staffer

Kevin Swanson, a Legislative Assistant to Senator Murkowski, visited Harbormaster Hawkins and I to discuss the large vessel expansion project. We were able to share a lot of information with Kevin and he explained a lot of the bureaucratic elements required to take a project from the receipt of federal funds to an actual construction project.

Murkowski Grant Symposium

At the time of this report's writing, I am in Anchorage to attend a grant symposium hosted by Senator Murkowski's office which is followed by two more days of programming sponsored in part by the Alaska Municipal League. One take away from the first day of the event is that Alaskan municipalities should not underestimate the complexity and the challenge of competing for federal funds. I believe that Homer has taken great efforts to set ourselves up for success by partnering with firms like HDR and R&M Engineering to prepare technical grant applications and conduct studies in preparation for upcoming grant cycles. I'm currently planning to attend further sessions on transportation and water/sewer funding after this report is submitted.

4th Quarter Sales Tax

Sales tax numbers are in from the Borough, and they are strong for the 4th quarter of FY22 (or second quarter of the 2022 calendar year). We had \$76M in taxable sales which generated \$3.7M in local sales taxes (does not include remote sales tax). This is an increase of 9% over 2021 and 32% over 2019. The total expected sales tax revenue for FY22, per Kenai Peninsula Borough and ARSSTC (Alaska Remote Sellers Sales Tax Commission) reporting, should be approximately \$12.3M.

Emergency Repair at Spencer Drive/Paradise Place

Within the last 2 weeks, the road crew, conducting routine maintenance, noticed a collapsed culvert on Paradise Place. We immediately searched for replacement materials, which was not easy because the existing culvert is larger than what we normally have in our inventory or what can be sourced locally. We were able to cobble together pipe from multiple sources, so that when the culvert was ultimately washed out with last week's rain deluge, we had replacement materials on hand. Public Works did not have sufficient staff capacity to do the job in-house. East Road Services was able to provide support by delaying some of their contracted KPB road grading work to help us dig out the failed culvert and put the road back into service.

Rotary Presentation

On September 1st, I visited Rotary to give a talk on the City Council's 2022 priorities as determined by our two-day visioning work session in March. We covered a lot of ground very quickly, and the audience had some very good questions at the end of my talk. This report is accompanied by a quarterly update memo regarding the progress made so far on Council priorities.

Lease Management

In April, staff began discussing lease management challenges and potential solutions. We have moved the bulk of the front-end lease administration to City Hall instead of the Port. The Clerk's Office and Economic Development will team up to help new applicants vet ideas for code compliance and navigate the City's lease process. Attached to this report is a memo from Deputy City Clerk Rachel Tussey to the Port & Harbor Commission explaining what's changing and what's staying the same.

AML Visit – We're Hosting the 2023 Summer Conference

Homer is slated to host the 2023 Alaska Municipal League summer conference. The City had bid on this a couple years before I arrived in Homer, but COVID delayed our turn to host by a few years. As part of the preparation for the conference, we hosted AML staffer Portland Highbaugh and helped her scout locations for the conference, receptions, etc. Assistant to the City Manager Christine Drais will be assisting Portland on the City-side of the conference. We look forward to hosting AML next year!

Fire Fleet Challenges

As we have discussed in the past, much of our fire fleet is quite old and beyond what would be the typical service life for these types of emergency vehicles. During the week of August 29th, we found ourselves in a fire fleet dilemma caused by the age and condition of these vehicles. Four out of five pumping apparatus were out of commission simultaneously. There was a period of time during which we had to notice our mutual aid partners that we would be unable to respond for requests involving pumps or water. We would still provide personnel in rescues or utility vehicles if needed. Public Works motor pool has been working with the Volunteer Fire Department to get our pumping apparatus back on the streets, but we will need to continue to work towards replacements for our fire fleet.

Short Term Rentals – Work Session in October

The special projects team is preparing to discuss short term rentals (STRs) with Council in October. We've completed some research related to the current context in Homer and various cases throughout the western United States. We are aiming to get in brief discussions with the Economic Development Commission and Chamber of Commerce before engaging the Council on the topic in a work session. We anticipate a follow up work session will be held to work on potential solutions.

Enclosures:

1. FY22 Q4 Report from Finance Director
2. 2022 Visioning Session Follow Up #2
3. Letter from the Department of the Navy Re: Alaska Navy Training Activities Final Supplemental EIS/OEIS Statement



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Memorandum

TO: Mayor Castner and Homer City Council
THROUGH: Rob Dumouchel, City Manager
FROM: Elizabeth Walton, Finance Director
DATE: September 7, 2022
SUBJECT: Calendar Year 2nd Quarter Sales Tax Analysis

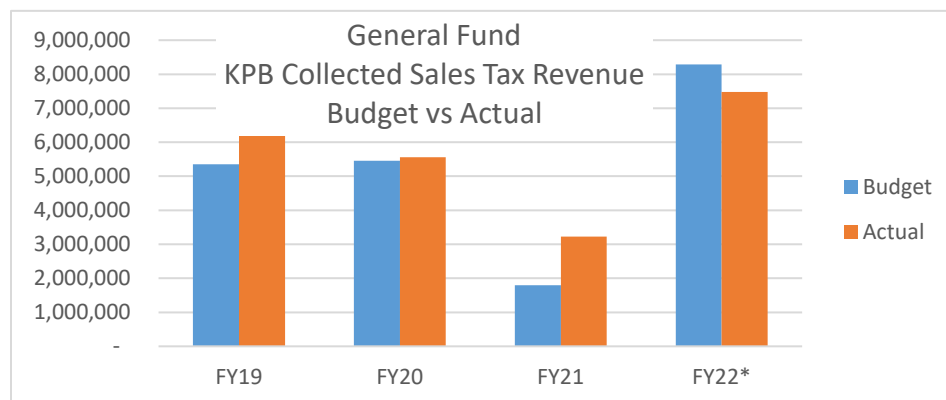
The purpose of this memo is to provide an analysis of sales tax revenue received to date for Fiscal Year 2022. Also provided in this memo is contextual information associated with taxable sales figures for the 2nd quarter of calendar year 2022 (now 4th quarter of fiscal year 2022 with the change in City fiscal year which went into effect on July 1, 2021).

Citywide Sales Tax Revenue Analysis:

The City of Homer had another stellar year in sales tax revenue. For the first time in history, the City was able to generate over \$12 million in revenue factoring in both sales tax collected by Kenai Peninsula Borough (KPB) and Alaska Remote Sellers Sales Tax Commission (ARSSTC).

General Fund Sales Tax Revenue Analysis:

City Council approved Ordinance 22-20 to provide for necessary mid-biennium budget amendments. The General Fund FY22 budgeted sales tax revenue was increased to \$8,285,547, with an additional \$207,225 budgeted for remote sales tax. Actual current sales tax revenue for FY22 (July 1, 2021 – June 30, 2022) for the City's General Fund is \$7,480,018 in KPB collected sales tax and \$358,088 in ARSSTC collected sales tax.



***FY22 data is reflective of sales tax revenue received July 2021 – June 2022.**

We took an aggressive amendment approach in sales tax and, unfortunately we didn't meet those marks. However, the General Fund is still estimated to end FY22 with an operating surplus of roughly \$595k.

Basic Sales Tax Information:

Sales tax is one of the primary drivers of revenue for the General Fund as it represents roughly 57% of total projected revenue for the FY22 amended budget. Consumers in Homer pay a sales tax rate of 7.85%. Of that, 3% goes to the Kenai Peninsula Borough while the other 4.85% is remitted to the City of Homer. The majority of City sales tax (3%) collected goes to the General Fund to cover the expenses associated with providing core services. Other dedicated purposes of the City of Homer share of sales tax are as follows: HART (0.75%), HAWSP (0.75%), Public Safety Operations and Infrastructure (0.35%).

Sales Tax Destination	Sales Tax Amount Charged to Consumers*
Kenai Peninsula Borough	3%
Homer General Fund	3%
Homer Accelerated Roads and Trails	.75%
Homer Accelerated Water and Sewer Program	.75%
Homer Police Station	.35%

*Sales tax is only charged on the first \$500 of a single purchase

An important reminder is that the City of Homer does not collect sales tax directly. The City elects for the Kenai Peninsula Borough to collect, administer and then remit sales tax revenue to us. 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. Finance makes an accounting entry at the end of the year to adjust for this delay. This is important to keep in mind when comparing sales tax revenue received vs. taxable sales.

Enclosures:

Accompanying this memo are three documents to help provide context to the historical trends associated with sales tax revenue.

Attachment A provides a data set of Line of Business (LOB) taxable sales for the calendar year 2nd quarter going back to 2019. The LOB categories are determined and reported by the Kenai Peninsula Borough. The biggest dollar share in taxable sales has historically come from the Retail Trade sector and this quarter is no different. This sector experienced a 10% increase in taxable sales value comparative to the 2st quarter in 2021 and a 33% increase over 2019. Overall, the City experienced a roughly 9% increase in taxable sales comparative to the 2nd quarter in 2021 and a 32% increase over 2019.

Attachment B provides a data set comparing the LOB taxable sales on a calendar year quarterly basis back to 2018.

Attachment C provides a comparison of ARSSTC sales tax revenue collected in FY22 versus the same time period for the previous year (July 1, 2020 – June 30, 2021).

Attachment A
 LOB Taxable Sales
 Calendar Year 2nd Quarter
 Presented September 7, 2022

	2019	2020	2021	2022	% Δ 2022 - 2021	% Δ 2022 - 2019
ADMINISTRATIVE, WASTE MAN	211,749	115,955	200,697	324,802	62%	53%
AGRICULTURE, FORESTRY, FI	160,020	111,415	163,842	176,334	8%	10%
ARTS AND ENTERTAINMENT	548,940	165,688	514,908	666,826	30%	21%
CONSTRUCTION CONTRACTING	373,100	392,005	416,849	567,424	36%	52%
EDUCATIONAL SERVICES	56,928	42,283	44,623	44,104	-1%	-23%
FINANCE AND INSURANCE	36,654	19,785	25,729	36,268	41%	-1%
GUIDING LAND	125,677	42,822	88,796	221,001	149%	76%
GUIDING WATER	2,985,820	1,359,274	4,896,767	5,320,656	9%	78%
HEALTH CARE AND SOCIAL AS	62,473	15,422	52,394	51,501	-2%	-18%
HOTEL/MOTEL/BED & BREAKFA	4,629,194	2,828,851	6,938,219	6,826,494	-2%	47%
INFORMATION	978,052	883,165	747,268	683,772	-8%	-30%
MANAGEMENT OF COMPANIES	126,214	10,508	-	-	0%	-100%
MANUFACTURING	756,819	505,214	713,612	745,971	5%	-1%
MINING/QUARRYING	1,150	14,961	28,586	39,106	37%	3301%
PROFESSIONAL, SCIENTIFIC	785,571	767,048	857,983	1,066,768	24%	36%
PUBLIC ADMINISTRATION	1,432,737	1,368,423	1,466,313	1,484,029	1%	4%
REMEDATION SERVICES	-	-	-	-	0%	0%
RENTAL COMMERCIAL PROPERT	99,765	80,696	72,545	99,435	37%	0%
RENTAL NON-RESIDENTAL PRO	184,240	90,896	155,709	175,069	12%	-5%
RENTAL PERSONAL PROPERTY	221,419	194,678	214,495	262,709	22%	19%
RENTAL RESIDENTAL PROPERT	1,632,238	1,402,570	1,703,802	1,656,775	-3%	2%
RENTAL OF SELF-STORAGE &	272,863	271,739	289,507	349,083	21%	28%
RESTAURANT/BAR	6,848,886	3,762,292	8,170,597	9,253,459	13%	35%
RETAIL TRADE	29,033,873	27,598,497	34,839,450	38,480,818	10%	33%
SERVICES	2,701,456	2,196,866	2,875,372	3,342,943	16%	24%
TELECOMMUNICATIONS-CABLE	6,282	516	1,389	3,110	124%	-50%
TELECOMMUNICATIONS	337,618	440,569	490,947	511,475	4%	51%
TIMBERING	-	-	-	-	0%	0%
TRANSPORTATION AND WAREHO	925,578	347,778	1,209,752	1,279,464	6%	38%
UTILITIES	2,114,934	2,197,539	2,348,284	2,244,714	-4%	6%
WHOLESALE TRADE	398,831	338,319	450,299	518,681	15%	30%
TOTAL	58,049,081	47,565,777	69,978,734	76,432,789	9%	32%

Applied Sales Tax 4.85%*

General Fund	1,770,497	1,450,756	2,134,351	2,331,200	196,849	560,703
HAWSP	435,368	356,743	524,841	573,246	48,405	137,878
HART-Roads	391,831	321,069	472,356	515,921	43,565	124,090
HART-Trails	43,537	35,674	52,484	57,325	4,841	13,788
Police Station - Debt Service	174,147	142,697	209,936	229,298	19,362	55,151
Total Applied Sales Tax	2,815,380	2,306,940	3,393,969	3,706,990	313,022	891,610

*Applied rate of 4.85% is used here for comparison purposes only. This value is derived by multiplying the total taxable sales by the sales tax rate.

This chart represents taxable sales that are collected by KPB and does not include taxable sales collected by ARSSTC.

Attachment B
 LOB Taxable Sales
 Calendar Year - Quarterly
 Presented September 7, 2022

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
ADMINISTRATIVE, WASTE MAN	136,996	211,749	202,322	166,876	126,571	115,955	162,542	152,225	158,366	200,697	317,064	229,764	295,790	324,802	-	-
AGRICULTURE, FORESTRY, FI	640,248	160,020	202,286	44,149	18,712	111,415	187,204	41,097	18,509	163,842	221,045	47,153	24,724	176,334	-	-
ARTS AND ENTERTAINMENT	253,475	548,940	731,228	303,677	216,312	165,688	477,017	145,134	147,074	514,908	879,483	259,658	240,471	666,826	-	-
CONSTRUCTION CONTRACTING	333,640	373,100	336,222	364,590	367,431	392,005	397,914	487,741	491,123	416,849	473,646	538,442	565,053	567,424	-	-
EDUCATIONAL SERVICES	58,316	56,928	75,184	90,528	72,931	42,283	44,879	58,566	53,019	44,623	52,725	52,301	55,009	44,104	-	-
FINANCE AND INSURANCE	28,275	36,654	29,481	26,563	26,553	19,785	40,410	25,265	24,390	25,729	22,441	20,505	26,599	36,268	-	-
GUIDING LAND	-	125,677	258,602	-	-	42,822	79,186	477	-	88,796	188,069	99	-	221,001	-	-
GUIDING WATER	187,753	2,985,820	5,988,975	120,809	110,697	1,359,274	4,822,074	193,829	274,578	4,896,767	9,582,806	368,104	318,865	5,320,656	-	-
HEALTH CARE AND SOCIAL AS	78,958	62,473	45,090	38,063	21,795	15,422	28,941	16,437	11,280	52,394	112,550	16,517	15,647	51,501	-	-
HOTEL/MOTEL/BED & BREAKFA	1,543,084	4,629,194	8,375,973	1,734,109	1,279,481	2,828,851	6,389,397	1,710,573	1,865,239	6,938,219	10,468,820	2,195,084	1,922,123	6,826,494	-	-
INFORMATION	984,852	978,052	1,037,924	992,162	983,669	883,165	935,171	710,741	669,902	747,268	716,705	696,968	632,312	683,772	-	-
MANAGEMENT OF COMPANIES	-	126,214	311,026	-	-	10,508	-	-	-	-	-	-	-	-	-	-
MANUFACTURING	281,903	756,819	715,234	406,462	344,961	505,214	687,424	428,970	417,190	713,612	850,127	381,130	361,202	745,971	-	-
MINING/QUARRYING	150	1,150	10,926	19,981	3,220	14,961	26,838	21,611	3,618	28,586	42,077	21,916	5,727	39,106	-	-
PROFESSIONAL, SCIENTIFIC	648,929	785,571	761,163	635,037	702,504	767,048	823,623	763,313	856,513	857,983	819,924	801,164	906,461	1,066,768	-	-
PUBLIC ADMINISTRATION	829,928	1,432,737	2,845,900	1,022,188	971,581	1,368,423	3,105,875	874,562	866,942	1,466,313	2,921,998	1,262,184	884,360	1,484,029	-	-
REMEDATION SERVICES	33,767	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RENTAL COMMERCIAL PROPERT	196,565	99,765	95,207	60,191	58,935	80,696	81,163	71,944	62,633	72,545	92,538	93,266	76,753	99,435	-	-
RENTAL NON-RESIDENTIAL PRO	138,064	184,240	234,955	126,417	92,816	90,896	129,139	96,490	89,296	155,709	201,955	132,963	103,531	175,069	-	-
RENTAL PERSONAL PROPERTY	141,046	221,419	229,691	174,262	165,835	194,678	216,695	192,495	172,735	214,495	287,696	190,524	282,384	262,709	-	-
RENTAL RESIDENTIAL PROPERT	1,077,295	1,632,238	1,834,018	1,116,156	1,101,887	1,402,570	1,708,348	1,140,114	1,085,363	1,703,802	2,044,382	1,174,940	161,082	1,656,775	-	-
RENTAL OF SELF-STORAGE &	217,415	272,863	537,757	294,635	231,287	271,739	570,643	322,683	230,502	289,507	683,119	337,600	1,232,743	349,083	-	-
RESTAURANT/BAR	3,179,549	6,848,886	9,553,633	3,501,273	2,514,895	3,762,292	6,529,920	2,851,904	2,841,878	8,170,597	11,337,427	3,827,710	3,349,204	9,253,459	-	-
RETAIL TRADE	14,151,272	29,033,873	34,490,183	18,463,774	15,612,943	27,598,497	34,754,701	20,013,292	17,584,839	34,839,450	41,805,658	21,707,718	17,438,724	38,480,818	-	-
SERVICES	1,749,725	2,701,456	2,586,137	2,001,089	1,608,833	2,196,866	2,465,235	2,059,134	1,742,283	2,875,372	2,980,616	2,246,554	2,144,883	3,342,943	-	-
TELECOMMUNICATIONS-CABLE	495	6,282	691	429	861	516	809	1,932	694	1,389	2,386	1,680	495,135	3,110	-	-
TELECOMMUNICATIONS	401,118	337,618	332,138	334,477	335,461	440,569	468,600	462,880	446,343	490,947	495,505	528,912	984	511,475	-	-
TIMBERING	505	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TRANSPORTATION AND WAREHO	196,800	925,578	1,410,586	165,792	195,409	347,778	1,072,654	252,295	201,873	1,209,752	1,918,578	190,942	237,814	1,279,464	-	-
UTILITIES	2,503,521	2,114,934	1,727,760	2,028,860	2,710,459	2,197,539	1,812,700	2,365,856	2,683,123	2,348,284	1,958,574	2,437,793	2,849,169	2,244,714	-	-
WHOLESALE TRADE	296,494	398,831	280,016	223,920	273,328	338,319	291,360	208,920	303,219	450,299	295,931	257,298	326,650	518,681	-	-
TOTAL	30,290,138	58,049,081	75,240,308	34,456,469	30,149,367	47,565,777	68,310,460	35,670,480	33,302,524	69,978,734	91,773,846	40,018,888	34,953,399	76,432,789	-	-

Applied Sales Tax 4.85%*

General Fund	923,849	1,770,497	2,294,829	1,050,922	919,556	1,450,756	2,083,469	1,087,950	1,015,727	2,134,351	2,799,102	1,220,576	1,066,079	2,331,200	-	-
HAWSP	227,176	435,368	564,302	258,424	226,120	356,743	512,328	267,529	249,769	524,841	688,304	300,142	262,150	573,246	-	-
HART-Roads	204,458	391,831	507,872	232,581	203,508	321,069	461,096	240,776	224,792	472,356	619,473	270,127	235,935	515,921	-	-
HART-Trails	22,718	43,537	56,430	25,842	22,612	35,674	51,233	26,753	24,977	52,484	68,830	30,014	26,215	57,325	-	-
Police Station - Debt Service	90,870	174,147	225,721	103,369	90,448	142,697	204,931	107,011	99,908	209,936	275,322	120,057	104,860	229,298	-	-
Total Applied Sales Tax	1,469,072	2,815,380	3,649,155	1,671,139	1,462,244	2,306,940	3,313,057	1,730,018	1,615,172	3,393,969	4,451,032	1,940,916	1,695,240	3,706,990	-	-

*The applied rate of 4.85% is used here for comparison purposes only. This value is derived by multiplying the total taxable sales by the sales tax rate.

This chart represents taxable sales that are collected by KP&B and does not include taxable sales collected by ARSSTC.

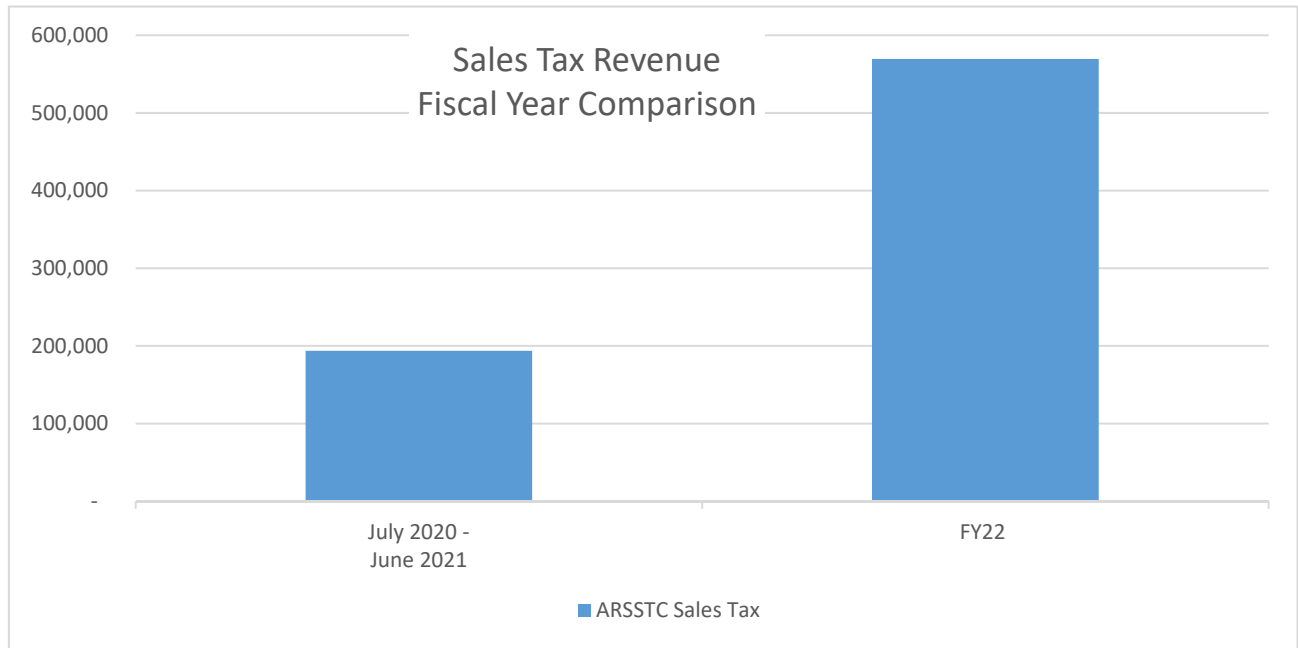
Attachment C

Sales Tax Revenue

Fiscal Year Comparison

Presented September 7, 2022

ARSSTC Sales Tax	July 2016 - June 2017	July 2017 - June 2018	July 2018 - June 2019	July 2019 - June 2020	July 2020 - June 2021	FY22
General Fund					130,154	358,088
HAWSP					26,480	88,055
HART-Roads					23,832	79,249
HART-Trails					2,648	8,805
Police Station					10,592	35,222
Total					193,707	569,419





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Memorandum

TO: Mayor Castner and Homer City Council
FROM: Rob Dumouchel, City Manager
DATE: September 7, 2022
SUBJECT: 2022 Council Visioning Follow Up #2

Staff continues to work diligently to achieve 2022 Council visioning priorities. This is the second installment of what are intended to be quarterly updates on project progress. As noted in my last update, most of the visioning work session concepts were heavily interdependent, and it's hard to work on one item without triggering an action within one or more of the other items. It has taken a while to get our capacity built up and to gain momentum, but we're seeing real movement. Expect to see more and more discussion and action items make their way to the Council table and the year goes on.

- **Fiscal Policy Improvements** – Our project related to debt service found that we're in a good place for the most part, no observed violations of loan contract terms, but some potential improvements were identified by our legal team. This resulted, in part, in the introduction of Ordinance 22-48 (scheduled for public hearing at the September 12th meeting) which codifies the HAWSP fund as a debt service fund that can also be used for water and sewer improvements (as allowed by the HAWSP manual). This ordinance was suggested and written by our attorneys at JDO. We will also be following up with ADEC about some contract clarifications related to our various water/sewer loans.

We continue to make progress on the procurement policy goal from 2020. The Finance Stakeholder Group has conducted research, including an internal survey, which has been forwarded to my office. Clerk/Deputy Administration Director Melissa Jacobsen is attending procurement training through the Government Finance Officers Association (GFOA) in September and will then be shepherding that project to a conclusion.

In late August, we released a financial services term contract RFP. If successful, Council may see legislation at the September 26th meeting accepting one or more firms to our approved list of financial service providers.

- **Comprehensive Plan Fast Forward** – After hiring Special Project Coordinator Ryan Foster, we worked on getting the RFP sketched out for a firm to help us complete this very large and complicated task. The draft is under review by staff right now, and Councilmembers Aderhold and Davis will be providing review/comments before we advance the project to the Council.
- **Zoning Code Modernization** – This item is split into two pieces, pre- and post-comprehensive plan. As a pre-comprehensive plan item, the West Hill rezone is complete (Ordinance 22-35). Additionally, the conditional use permit reform project is almost ready to move from the Planning Commission up

to the City Council for review. As for post-comprehensive plan zoning, we are including the zoning code in the comprehensive plan RFP for the most streamlined approach to getting this massive project completed.

- **Building Code Adoption and Implementation** – This project has been assigned to new Special Projects Coordinator Ryan Foster. We are starting with regulations related to earthwork and will move up to structures afterwards. We are currently evaluating the BRIC (Building Resilient Infrastructure and Communities) Grant Program through FEMA as a possible source of funding to get our building program off the ground. I was able to speak with staff related to the BRIC program at the Murkowski grant symposium and through that contact will be setting up a meeting soon to discuss our project further.
- **Housing Challenges** – The Special Projects Team, along with Economic Development Manager Julie Engebretsen are preparing to begin some targeted outreach on the topic of short term rentals (STR). David Parker has completed research regarding current housing and STR data. Ryan Foster has completed research regarding STR case studies from around the western U.S. Expect a Council work session in October that presents all of our background data and sets us on a course to create an STR program.
- **Water and Sewer Expansion** – Public Works has been putting significant effort into the general concept of expanding our utilities for the last two years. Expect more detailed updates in the future as we work to secure funding for significant expansion opportunities.
- **Expansion of Sidewalks and Trails** – This topic remains a very popular with Council. We have numerous projects underway, including the construction of a new Main Street sidewalk. Perhaps most importantly, Council approved funding for a master transportation plan which is already underway with Kinney Engineering. More details on the many transportation projects underway are available in memos attached to the July 27th City Manager’s report.
- **Emergency Preparedness and Training** – The All Hazards Plan has been completed and accepted by Council. Likewise, the tsunami brochure design project with UAF has been complete. We are awaiting printed copies. There remains much work to do related to the Emergency Operations Plan (EOP) and future training opportunity development. I have staff actively looking for funding opportunities related emergency preparedness. I was also able to speak with an Emergency Management Specialist from the Alaska Division of Homeland Security and Emergency Management who is in charge of supporting EOPs at the Murkowski grant symposium. He has offered to provide some materials to help us move the project forward.
- **Public Safety Conversations** – We are still look at fall or later to get this idea in motion. Both public safety departments lack the capacity right now to host such an event, but the chiefs and I are actively discussing how it could work later this year. We may see an open house at the Fire Hall as early as October.
- **Volunteer Action Plan** – Special Project Coordinator David Parker has been out front on this project collecting data, drafting reports, and building forms and databases for future volunteer programs. I am currently reviewing drafts and expect that we will be conducting some more stakeholder outreach before finalizing the report.
- **Coast Guard City Designation** – Recently, City staff met with the Commander and Executive Officer of the USCGC Hickory to discuss how we can better partner together. I expect that we’ll likely be

submitting an application to the Coast Guard at the end of the year. Assistant to the City Manager Christine Drais has been moving this project forward.

- **Harbor Float Replacements** – Council passed Ordinance 22-19(A) which made \$56,540 available from the Port Reserves Fund for grant and engineering assistance related to a harbor float replacement project. While prep work will happen in calendar year 2022, it is likely that any grant submissions will occur in calendar year 2023.
- **Recreation Priorities and Planning** – While this is a bigger conversation than the HERC/Pioneer Gateway Redevelopment Project, much of the general recreation conversation is occurring in parallel to those work sessions/discussions. We did host a presentation by Community Recreation Manager Mike Illg on August 22 that covered the City’s recreational relationship with the Kenai Peninsula Borough School District.
- **Cybersecurity Improvements** – A key part of improving City cybersecurity is having sufficient staff to manage our digital infrastructure. Ordinance 22-20 provided funding for a Network Administrator position. That position was filled internally and a new recruitment for an IT Support Specialist is underway.

2022 Council Priorities

Fiscal Policy Improvements					
Comprehensive Plan Fast Forward		Zoning Code Modernization		Building Code Adoption and Implementation	
Expansion of Sidewalks and Trails			Water and Sewer Expansion		
Housing Challenges			Emergency Preparedness and Training		
Public Safety Conversations	Volunteer Action Plan	Coast Guard City Designation	Harbor Float Replacements	Recreation Priorities and Planning	Cybersecurity Improvements

2020 Council Initiated Priorities

HERC Demolition/Community Recreation Center			Stormwater Management Plan and Implementation		
Climate Action Plan			Wayfinding/Streetscape		
Water and Sewer Policy	Reserve Funding (Water and Sewer)	Election Code	City Council Operating Manual	Procurement Policy	
Funding for Large Vessel Harbor Study					



DEPARTMENT OF THE NAVY

COMMANDER
UNITED STATES PACIFIC FLEET
250 MAKALAPA DRIVE
PEARL HARBOR HI 96860-3131

IN REPLY REFER TO:

5090

Ser N46/1080

August 26, 2022

Dear Sir or Madam:

SUBJECT: NOTICE OF AVAILABILITY OF THE GULF OF ALASKA NAVY TRAINING ACTIVITIES FINAL SUPPLEMENTAL ENVIRONMENTAL IMPACT STATEMENT/OVERSEAS ENVIRONMENTAL IMPACT STATEMENT

This letter is to inform you that the Department of the Navy (Navy) has completed a Final Supplemental Environmental Impact Statement/Overseas Environmental Impact Statement (EIS/OEIS) for Navy training activities in the Gulf of Alaska (GOA) to update previous environmental impact analyses with new information and analytical methods the Navy developed and has used since 2016. New information includes an updated acoustic effects model, updated marine mammal density data and sea turtle hearing criteria, and other emergent best available science.

The Navy prepared a Supplemental EIS/OEIS to renew required federal regulatory permits and authorizations under the Marine Mammal Protection Act and the Endangered Species Act. The Supplemental EIS/OEIS supports naval training requirements to achieve and maintain fleet readiness as required by Title 10 of the U.S. Code. The Final Supplemental EIS/OEIS includes the analysis of at-sea training activities projected to meet readiness requirements beyond 2022 and into the reasonably foreseeable future, and reflects the most up-to-date compilation of training activities deemed necessary to accomplish military readiness. These activities were previously analyzed in the March 2011 GOA Navy Training Activities Final EIS/OEIS and the July 2016 GOA Navy Training Activities Final Supplemental EIS/OEIS.

The Navy's Proposed Action is to continue periodic military training activities in the Gulf of Alaska Temporary Maritime Activities Area and Western Maneuver Area, collectively referred to as the GOA Study Area, enclosure (1). Proposed activities include the use of active sound navigation and ranging, known as sonar, in the Temporary Maritime Activities Area and weapon systems at sea that may use non-explosive or explosive munitions. The Navy would continue to implement mitigation measures to avoid or reduce potential impacts on marine species and the environment from training activities, including the implementation of a new mitigation area within the continental shelf and slope of the Temporary Maritime Activities Area.

The completion of the Final Supplemental EIS/OEIS follows years of research, analysis, stakeholder and tribal engagement, and public involvement. The Navy welcomed public involvement and input on the scope of the analysis during the 2020 scoping process. Additionally, the Navy held two virtual public meetings in early 2021, and requested public review and comments on the 2020 Draft Supplemental EIS/OEIS and the 2022 Supplement to the Draft Supplemental EIS/OEIS. Comments received from the public, government agencies and officials, and tribes during the Draft Supplemental EIS/OEIS and Supplement to the Draft

5090
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August 26, 2022

Supplemental EIS/OEIS public review and comment periods were considered, and the Navy's responses to those comments are included in the Final Supplemental EIS/OEIS. Changes made in the Final Supplemental EIS/OEIS reflect the Navy's consideration of all substantive comments received; information provided during ongoing regulatory consultation processes; and new, relevant information and updated scientific literature published since the release of the Draft Supplemental EIS/OEIS and Supplement to the Draft Supplemental EIS/OEIS.

The Navy invites you to view the Final Supplemental EIS/OEIS, which will be available to the public beginning September 2, 2022 on the project website at www.GOAEIS.com. Additionally, enclosure (2) lists public information repositories where printed copies of the document may be viewed. If you need assistance accessing the document, please contact Ms. Julianne Stanford, Navy Region Northwest Public Affairs Office, at julianne.e.stanford.civ@us.navy.mil or 360-867-8525. In accordance with National Environmental Policy Act regulations, the Navy will wait a minimum of 30 days after publication of the Final Supplemental EIS/OEIS before making a final decision on the action.

If you have questions or require additional information, please visit www.GOAEIS.com or contact:

Naval Facilities Engineering Systems Command Northwest
Attention: GOA Supplemental EIS/OEIS Project Manager
1101 Tautog Circle, Suite 203
Silverdale, WA 98315-1101

Please help the Navy inform the community about the availability of the Final Supplemental EIS/OEIS by sharing this information with your staff and interested individuals.

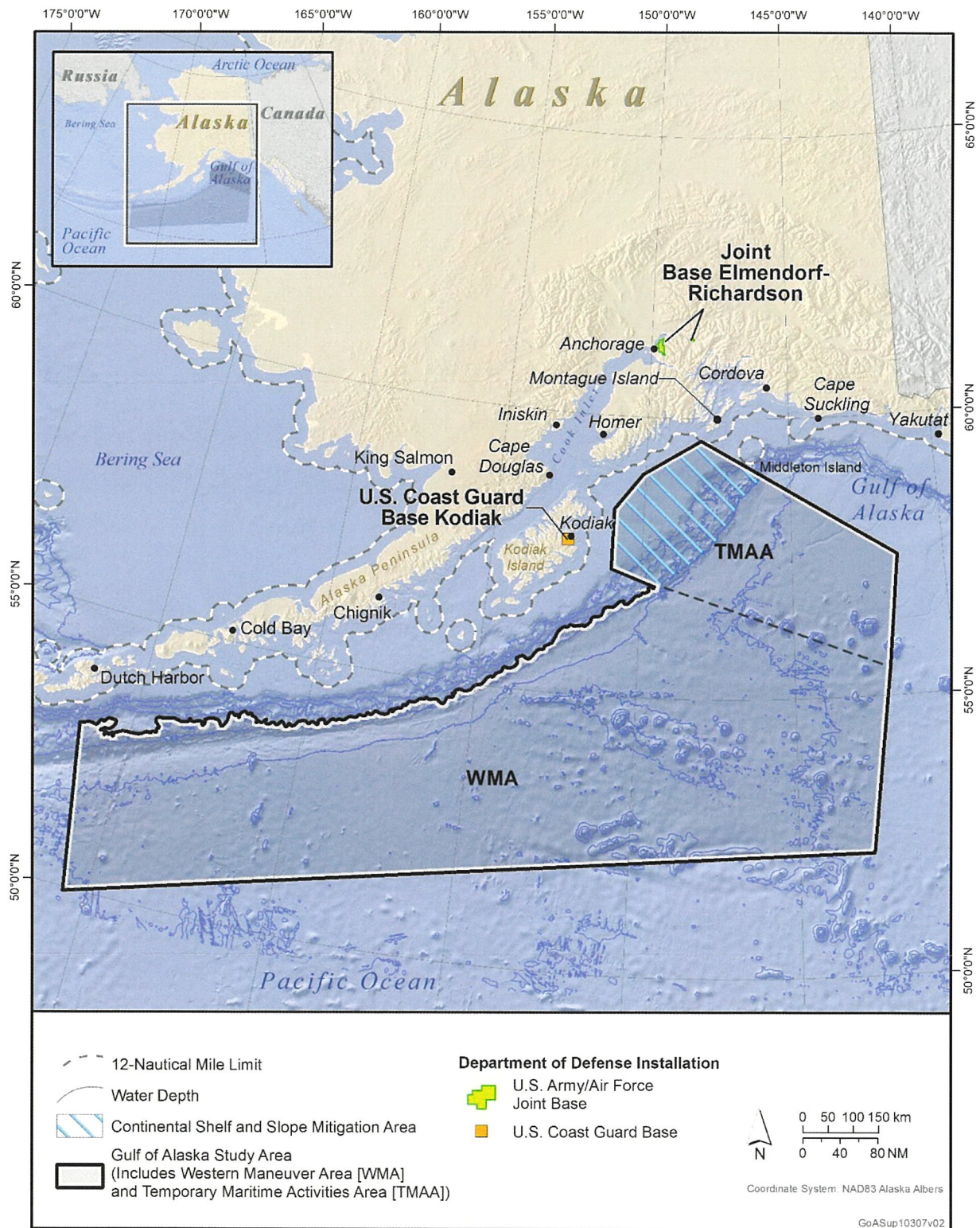
Sincerely,



A. K. HUTCHISON
Captain, U.S. Navy
By direction

- Enclosures: 1. Gulf of Alaska Navy Training Activities Supplemental Environmental Impact Statement/Overseas Environmental Impact Statement Study Area
2. Gulf of Alaska Navy Training Activities Final Supplemental Environmental Impact Statement/Overseas Environmental Impact Statement Information Repositories

Enclosure 1: Gulf of Alaska Navy Training Activities Supplemental Environmental Impact Statement/Overseas Environmental Impact Statement Study Area



Enclosure 2: Gulf of Alaska Navy Training Activities Final Supplemental Environmental Impact Statement/Overseas Environmental Impact Statement Information Repositories

Interested parties may view the Gulf of Alaska Navy Training Activities Final Supplemental Environmental Impact Statement/Overseas Environmental Impact Statement at the following locations:

Alaska State Library
395 Whittier St.
Juneau, AK 99801
907-465-2920

Copper Valley Community Library
Mile 186 Glenn Highway
Glennallen, AK 99588
907-822-5427

Cordova Public Library
601 First St.
Cordova, AK 99574
907-424-6667

Homer Public Library
500 Hazel Ave.
Homer, AK 99603
907-235-3180

Kodiak Public Library
612 Egan Way
Kodiak, AK 99615
907-486-8686

Seward Community Library
239 Sixth Ave.
Seward, AK 99664
907-224-4082

University of Alaska Fairbanks/Elmer E. Rasmuson Library
310 Tanana Loop
Fairbanks, AK 99775
907-474-7481

Z.J. Loussac Library
3600 Denali St.
Anchorage, AK 99503
907-343-2975