



City of Homer

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Office of the City Manager

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Memorandum

TO: Mayor Lord and Homer City Council
FROM: Melissa Jacobsen, City Manager
DATE: March 4, 2026
SUBJECT: City Manager's Report for March 9, 2026 Council Meeting

Heath Street Crosswalk

At the last meeting we heard from a citizen emphasizing the on-going desire for a crosswalk on Heath Street between the library and post office and asking why the City hasn't done anything yet. An area of concern is the grade of the road in that section has approximately a 9% grade and the maximum allowable grade for a crosswalk is 5%, according to the [US Access Board Public Right-of-Way Accessibility Guidelines](#). Public Works has an alternate location for a temporary crosswalk that would cross from the sidewalk closer to the police station and over to the back entrance of the library off Heath Street, where the grade is more in line with accessibility standards. In the picture below the red lines indicate the location and the red circles indicate location of signage. All that's needed now is warmer weather for laying the paint.



Homer Education and Recreation Campus (HERC) Cleanup Community Meeting

On 2/12/26 the City held a meeting about the HERC buildings at the college. A combination of Council, staff, Commissioners and interested public attended in person and via zoom; about 33 people in total. The meeting focused on the HERC buildings in Homer, discussing their current state and potential future options. Flannery Ballard from the State of Alaska DEC Brownfields Program presented information on brownfields and the options available for addressing hazardous materials in the HERC buildings. She explained that while the soil around the buildings was not contaminated, the buildings contain hazardous building materials like lead-based paint and asbestos, with PCBs present in some materials. The cost of removing the buildings could be as high as \$10 million due to the PCB disposal requirements. The city has already taken some interim measures to address lead paint in the buildings. The discussion explored options for pursuing funding through EPA grants and federal appropriations, as well as the possibility of partnering with the borough for remediation. The community expressed concerns about the buildings' condition and the need for forward momentum on addressing them.

HERC Closure March 2-29 for Gymnasium Floor Repairs

The HERC (Homer Education and Recreation Complex) will be temporarily closed March 9-29 due to the gymnasium floor repair, repainting and refinishing project. All City of Homer Community Recreation classes, drop in classes and reservations will be cancelled during this time. We look forward to re-opening hopefully by March 30 with an improved floor surface with newly painted court lines. A special thanks to the [Homer Pickleball Club](#) for their generous support in making this project happen.

Natural Gas Line Homer Extension Surcharge

In 2013 the City of Homer engaged in a city-wide special assessment district project to bring natural gas through Homer for city residents to have access to. \$12,700,000 was financed through the Kenai Peninsula Borough and was repaid by Homer residents through the special assessment district. There was approximately \$2.55 million in costs that were accrued by Enstar and the Homer Extension Surcharge of \$1 per McF on customer bills to recover those costs. The surcharge is applied to all gas sales and transportation service bills for gas delivered in the Homer Extension Surcharge area until the net total actual costs associated with the Anchor Point to Homer pipeline are recovered or until June 30, 2032, whichever is earlier. I chatted with former Mayor Castner who was part of the successful effort in 2019 to recalculate cost of the surcharge to ratepayers, he explained the surcharge is paid for proportionately by users. The KPB proportional amount is roughly 45% when considering the hospital, schools, and other facilities costs. City residents and Kachemak City residents who are connected pay a proportionate share through their monthly bills.

Comprehensive Plan Status Update

The 2045 Homer Comprehensive Plan is currently in the approval process with the Kenai Peninsula Borough (KPB). On February 17, 2026, the KPB Assembly introduced the Comprehensive Plan, scheduling it for a public hearing. On February 23, 2026, the KPB Planning Commission unanimously recommended adoption of the Comprehensive Plan to the KPB Assembly. The public hearing with the KPB Assembly is scheduled for March 17, 2026.

Homer Public Library 20th Anniversary Events

The Library Advisory Board has been working on a series of events that began in January and will run through September 19th, the 20th anniversary of the opening of the new Homer Public Library. Yes, it's already been 20 years! Throughout the year the Porcupine Theater will be showing movies based on books, including previously run *The Chronology of Water* and *Hamnet*, and upcoming showings of *Gone with the Wind*, *Sense and Sensibility*, *Murder on the Orient Express*, *Curious George*, *Matilda*, *The Lion, the Witch, and the*

Wardrobe, and To Kill a Mockingbird (did you know the library has a limited number of free movie passes available for library card holders?). The Board is also working on putting together a Library Trivia Night, a Round-Table and Public Input Session, Bookmobile Visits, July 4th Parade display, and other fun events leading up to the September 19th Anniversary Party.

City Manager Meetings and Events:

February 16-20 Juneau Meetings with Legislators

February 26th – Meeting with APRA Insurance Liaison

February 27th- Meeting with Jennifer Norton re: Pier One

March 5th- Kenai Peninsula Borough Municipal Managers Meeting

And, ongoing weekly meetings with Departments, Mayor and Councilmembers, and City Attorney

Attachments:

Homer Extension Surcharge Information Page from 2023 Adjustment to Rate Schedules Binder

AKDOT Sterling Highway MP 157-169 (Anchor Point to Baycrest Hill) Project Update



ENSTAR Natural Gas Company, LLC

§2403 Homer Extension Surcharge

[**Page from 2023 Rate Schedule Change Binder](#)

§2403a The Homer Extension Surcharge is a surcharge applied to all Gas Sales and Transportation Service bills for Gas delivered in the Homer Extension Surcharge Area until the Net Total Actual Costs associated with the Anchor Point to Homer pipeline (the “Homer Extension”) are recovered or until June 30, 2032, whichever is earlier.

§2403b The Net Total Actual Costs for the Homer Extension include total net construction costs of \$2,550,000, rate of return and income taxes and the amortization of Accrued Carrying Costs. The rate of return used will be the most recent cost of debt for the Company approved or accepted by the Commission. Accrued Carrying Costs (accrued rate of return and income taxes net of excess accumulated deferred income taxes related to the Homer Extension Surcharge) of \$757,177 as of December 31, 2018, will be amortized over 13 ½ years as part of Net Total Actual Costs.

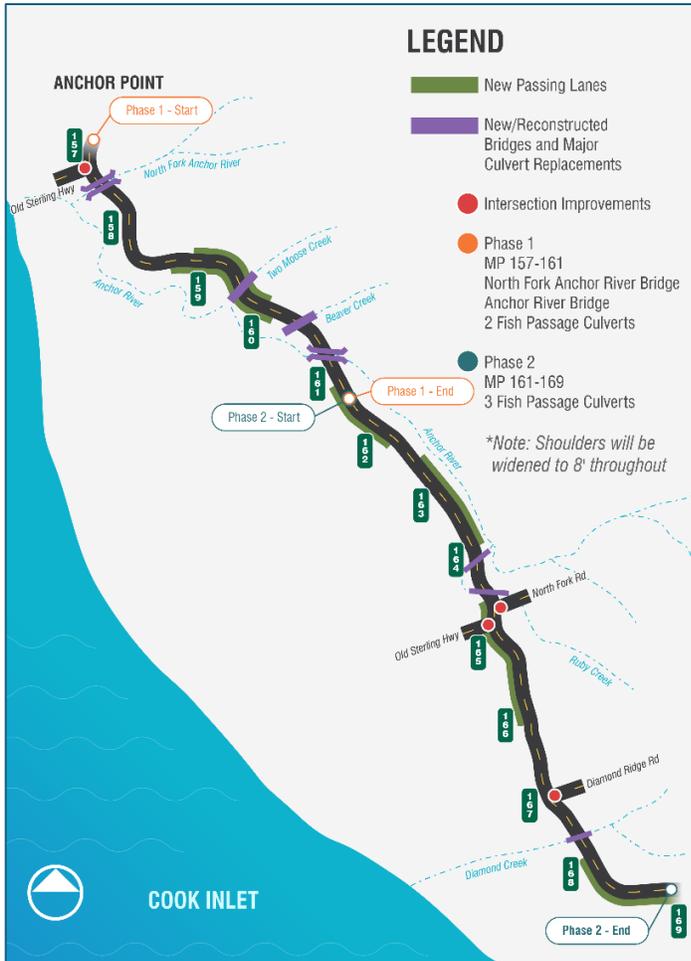
§2403c Homer Extension Surcharge \$1.00 per Mcf
(\$0.10 Per Ccf)

§2403d The Utility shall provide the parties from Docket U-19-014 and the Commission with a quarterly accounting of the collection of the Surcharge within 30 days after the end of each calendar quarter while the surcharge is in effect. It will file an annual accounting at the same time that it files its annual report to the Commission.

§2403e The Homer Extension Surcharge Area is that portion of the Company's certificated service area (Area 6) more fully delineated as:

- Township 4 South, Range 10 West, Sections: 30 and 31
 - Township 4 South, Range 11 West, Sections: 13 - 15, 20 - 28, and 33 - 36
 - Township 5 South, Range 11 West, Sections: 2 - 9 and 17 - 20
 - Township 5 South, Range 12 West, Sections: 7 - 35
 - Township 5 South, Range 13 West, Sections: 7 - 36
 - Township 5 South, Range 14 West, Sections: 13 - 36
 - Township 5 South, Range 15 West, Sections: Those portions of 3 and 4 South and West of the Anchor River, 5, 8, 9, those portions of 10, 11 and 12 South and West of the Anchor River, 13 - 16, 21-27, and 35 - 36
 - Township 6 South, Range 12 West, Sections: 4 - 7
 - Township 6 South, Range 13 West, Sections: 1 - 12, 14 - 23, 26 -29, and 34 - 36
 - Township 6 South, Range 14 West, Sections: 1 - 17, and 22 - 24
 - Township 6 South, Range 15 West, Sections: 1
 - Township 7 South, Range 13 West, Sections: 1 and 2
- (All the above with reference to the Seward Meridian)

Sterling Highway MP 157-169 (Anchor Point to Baycrest Hill) Project Update



Alaska DOT recently sent out an update on the Sterling Highway - Anchor Point to Baycrest Hill project.

Presently, they are completing utility relocation agreements. Construction of Phase 1, from Anchor Point to MP 161, just south of the Anchor River bridge, will begin in 2026 and continue through 2028. Phase 2, from MP 161 to Baycrest Hill is scheduled to begin in 2027.

The project includes new pavement and earthwork, replacing bridges and culverts, creating passing lanes, widening shoulders, realigning curves and improving intersections.

Residents can learn more and submit public comments throughout the project at the project website: <https://www.sterlinghwyp157-169.com/>



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Memorandum

TO: MAYOR LORD AND CITY COUNCIL
FROM: Andrea Browning
DATE: March 9, 2026
SUBJECT: March Employee Anniversaries

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

Matt Clarke	Port	25	Years
Elton Anderson	Port	20	Years
Angie Kalugin	Finance	11	Years
Elizabeth Fischer	Finance	9	Years
Kurt Read	Port	9	Years
Matt Smith	Library	8	Years
Mike Parish	Public Works	5	Years
Bill Jirsa	IT	3	Years
Brad Gullikson	Police	2	Years
Rafael de la Uz	Admin	1	Year