



# City of Homer

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

Office of the City Clerk

491 East Pioneer Avenue  
Homer, Alaska 99603

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

(p) 907-235-3130

(f) 907-235-3143

## Memorandum Agenda Changes/Supplemental Packet

TO: MAYOR ZAK AND HOMER CITY COUNCIL  
FROM: MELISSA JACOBSEN, MMC, CITY CLERK  
DATE: OCTOBER 30, 2017  
SUBJECT: AGENDA CHANGES AND SUPPLEMENTAL PACKET

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### CONSENT AGENDA

**Memorandum 17-131** from City Clerk Re: Appointments corrected to include appointment of Shelly Erickson to the Cannabis Advisory Commission. Page 3

**Memorandum 17-138** from City Clerk Re: Liquor License Premise Change for the Homer Spit Oyster Bar.

Memorandum from Homer Police Department stating non objection. Page 7

**Resolution 17-089**, A Resolution of the Homer City Council Confirming the Assessment Roll, Establishing Dates for Payment of Assessments and Establishing Delinquency, Penalty, and Interest Provisions for the Kachemak Drive (Phase III) Water and Sewer Special Assessment Districts.

Corrected Final Assessment Roll Re: condominium assessment. Page 9

**Ordinance 17-41**, An Ordinance of the City Council of Homer, Alaska, Authorizing the City Manager to Purchase Kenai Peninsula Borough Parcel 18103418, 'Lot 42' from the Alaska Mental Health Trust Authority in the Amount of \$550,600, Acquire Quitclaim Deeds on Parcels on which both the City and the Trust Claim Ownership interests and Authorizing an Expenditure of \$250,600 from the Port and Harbor Enterprise Fund and a \$300,000 Loan from the General Fund for that Purpose.

Memorandum from Port and Harbor Advisory Commission as backup. Page 15

**ORDINANCES**

**Ordinance 17-42**, An Ordinance of the City Council of Homer, Alaska, Appropriating Funds for the Calendar Year 2018 for the General Fund, The Water Fund, the Sewer Fund, the Port/Harbor Fund, Capital Projects, and Internal Service Funds.

Budget amendments Re: Bridge Creek Watershed Protection – Erickson and SPARC Funding-  
Mayor Page 17

**COMMITTEE REPORTS**

Memorandum and Addendum from Employee Committee Re: Health Insurance Renewal and  
COLA Page 21

Memorandum from City Clerk Jacobsen Re: 2017 ADA Budget Page 23



# City of Homer

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## Office of the Mayor

491 East Pioneer Avenue  
Homer, Alaska 99603

[mayor@ci.homer.ak.us](mailto:mayor@ci.homer.ak.us)

(p) 907-235-3130

(f) 907-235-3143

## Memorandum 17-131

TO: HOMER CITY COUNCIL

FROM: BRYAN ZAK, MAYOR

DATE: OCTOBER 25, 2017

SUBJECT: APPOINTMENTS OF DONNA ADERHOLD AND SHELLY ERICKSON TO THE CANNABIS ADVISORY COMMISSION, CLARK FAIR TO THE LIBRARY ADVISORY BOARD, DEBORAH BROWN TO THE ECONOMIC DEVELOPMENT ADVISORY COMMISSION AND REAPPOINTMENT OF DEB LOWNEY TO THE PARKS, ART, RECREATION AND CULTURE ADVISORY COMMISSION

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Donna Aderhold and Shelly Erickson are appointed to the Cannabis Advisory Commission to fill the City Councilmember seats vacated by David Lewis and Catriona Reynolds. The appointments will expire with their term.

Clark Fair is appointed to the Library Advisory Board to fill the seat vacated by Susan Braund. His term will expire in 2019.

Deborah Brown is appointed to the Economic Development Advisory Commission to fill the seat vacated by Rachel Lord. Her term will expire in 2019.

Deb Lowney is re-appointed to the Parks, Art, Recreation and Culture Advisory Commission. Her term will expire in 2020.

### RECOMMENDATION:

Confirm the appointment of Donna Aderhold and Shelly Erickson to the Cannabis Advisory Commission, Clark Fair to the Library Advisory Board, Deborah Brown to the Economic Development Advisory Commission, and re-appointment of Deb Lowney to the Parks, Art, Recreation and Culture Advisory Commission.

Fiscal Note: N/A





CITY OF HOMER  
APPLICATION TO SERVE ON ADVISORY BODY  
COMMISSION, BOARD, COMMITTEE, TASK FORCE

CITY CLERK'S OFFICE  
CITY OF HOMER  
491 E. PIONEER AVE  
HOMER, AK 99603  
PH. 907-235-3130  
FAX 907-235-3143  
clerk@cityofhomer-ak.gov

The information below provides some basic background for the Mayor and Council  
This information is public and will be included in the Council Information packet

OCT 16 2017 AM 11:14 PK

Name: Shelly Erickson Date: 10/16/17

Physical Address: 4453 E Hill Rd

Mailing Address: Box 3695 Homer

Phone #: \_\_\_\_\_ Cell #: 399-4700 Work #: \_\_\_\_\_

Email Address: shellyhro31@gmail.com

The above information will be published in the City Directory and within the city web pages if you are appointed by the Mayor and your appointment is confirmed by the City Council

Please indicate the advisory body that you are interested in serving on by marking with an X.  
You may select more than one.

<input type="checkbox"/> ADVISORY PLANNING COMMISSION 1ST & 3RD WEDNESDAY OF THE MONTH AT 6:30 PM WORKSESSION PRIOR TO EACH MEETING AT 5:30 PM	<input type="checkbox"/> ECONOMIC DEVELOPMENT ADVISORY COMMISSION 2ND TUESDAY OF THE MONTH AT 6:00 PM
<input type="checkbox"/> PARKS ART RECREATION & CULTURE ADVISORY COMMISSION 3RD THURSDAY OF THE MONTH AT 5:30 PM	<input checked="" type="checkbox"/> CANNABIS ADVISORY COMMISSION 4TH THURSDAY OF THE MONTH AT 5:30 PM
<input type="checkbox"/> PORT & HARBOR ADVISORY COMMISSION 3RD WEDNESDAY OF THE MONTH OCT-APRIL AT 5:00 PM MAY - SEPT AT 6:00 PM	<input type="checkbox"/> LIBRARY ADVISORY BOARD 1ST TUESDAY OF THE MONTH AT 5:30 PM
<input type="checkbox"/> PUBLIC ARTS COMMITTEE 2ND THURSDAY OF THE MONTH AT 5:00 P.M. FEB, MAY, AUGUST & NOVEMBER WORKSESSIONS PRIOR AT 4:00 PM	<input type="checkbox"/> OTHER - PLEASE INDICATE _____
<input type="checkbox"/> CITY COUNCIL 2ND & 4TH MONDAY OF THE MONTH SPECIAL MEETINGS & WORKSESSIONS AT 4:00 PM COMMITTEE OF THE WHOLE AT 5:00 PM REGULAR MEETING AT 6:00 PM	

I have been a resident of the city for 1959 years. I have been a resident of the area for \_\_\_\_ years.

I am presently employed at Self employed

Please list any special training, education or background you may have which is related to your choice of advisory body.

planning Commission  
Economic Commission

Have you ever served on a similar advisory body? If so please list when, where and how long:

\_\_\_\_\_  
\_\_\_\_\_

Why are you interested in serving on the selected advisory body?

filling Council seats

Please list any current memberships or organizations you belong to related to your selection(s):

non users ☺

Please answer the following only if you are applying for the Advisory Planning Commission:  
Have you ever developed real property other than a personal residence, if so briefly explain:

\_\_\_\_\_  
\_\_\_\_\_

Please answer if your are applying for the Port & Harbor Advisory Commission:  
Do you use the Homer Port and/or Harbor on a regular basis?

Yes  No  What is your primary use? Commercial  Recreational

Please include any additional information that may assist the Mayor in his/her decision making:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

When you have completed the application please review and return to the City Clerk's Office. You may also email this to clerk@cityofhomer-ak.gov or fax to 907-235-3143. Thank you for applying!



## City of Homer

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

## Police Department

4060 Heath Street  
Homer, Alaska 99603

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

(p) 907-235-3150

(f) 907-235-3151 / 907-226-3009

## Memorandum

TO: Melissa Jacobsen, City Clerk

FROM: Lt. Will Hutt *WTHH*

DATE: 10-26-2017

SUBJECT: Liquor License Premise Change for the Homer Spit Oyster Bar

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We have been notified by the Alcohol Marijuana Control Office of a liquor license premise change in the City of Homer for the following.

Type: Restaurant Eating Place – Public Convenience  
Lic #: 5560  
DBA Name: Homer Spit Oyster Bar  
Service Location: 3851 Homer Spit Road, Homer AK  
Licensee: Suvi Bayly  
Mailing Address: PO Box 195, Girdwood, AK 99587

Homer Police Department has no objections to this liquor license renewal and revision of floor plan.





**FINAL ASSESSMENT ROLL**

PROJECT NAME: **Kachemak Drive Phase III Water and Sewer Special Assessment District**

DATE: **October 24, 2017**

TOTAL PROJECT WATER: **\$581,448.19**

Districts shall be assessed 75% property owner share of the project. The City has secured a State grant which will pay for 70% of the cost of water main extension along Kachemak Drive Phase III. Benefitted property owners will be required to pay that portion of the cost not covered by the grant through the formation of a Special Assessment District: **\$210,960.99**

TOTAL PROJECT SEWER: **\$460,271.98**

Districts shall be assessed 75% property owner share of the project. **\$362,464.20**  
 HOMER ACCELERATED WATER AND SEWER PROGRAM (HAWSP) SHARE: **\$97,807.78**

PROPERTY OWNER NAME & ADDRESS	LEGAL DESCRIPTION & PARCEL NUMBER	ASSESSED PROPERTY VALUE	ASSESSED ESTIMATED PROPERTY OWNER SHARE OF ASSESSMENT
1 HODNIK VICKY J P.O. BOX 1836 HOMER, AK 99603-1836	T 6S R 13W SEC 22 Seward Meridian HM PTN GOV LOT 2 LYING SOUTH OF KACHEMAK DR EXCLUDING KETA CLIFFS TOO & CARROLL SUBS & E 300 FT OF THE W 700 FT 17936005  Hodnik Subdivision (Creating Lots 1, 2, 3, & 4) <b>Final Plat Recording Pending</b> Lot 1 KBP ID# Pending	\$ 1,190,800  Assessed value pending	(Reso 16-077)  Water \$ 12,945.15 Sewer \$ 7,534.32
	Lot 2 KBP ID# Pending	Assessed value pending	Water \$ 12,945.15 Sewer \$ 7,534.32
	Lot 3 KBP ID# Pending	Assessed value pending	Water \$ 12,945.15 Sewer \$ 7,534.32
2 ADKISON VERNON P.O. BOX 3785 HOMER, AK 99603-3785	T 6S R 13W SEC 22 Seward Meridian HM 0830087 SCENIC BAY SUB LOT 3 17936019	\$ 462,400	Water \$ 12,945.15 Sewer \$ 7,534.32
3 ADVANTAIRA TRUST LLC P.O. BOX 800 HOMER, AK 99603-0800	T 6S R 13W SEC 23 Seward Meridian HM 0790139 CHECKMATE SHORES SUB LOT 3 17915057	\$ 346,700	Water \$ 12,945.15 Sewer \$ 7,534.32
4 BENSON, PAULINE E PO BOX 81 ANCHOR POINT, AK 99556-0081	T 6S R 13W SEC 23 Seward Meridian HM 0004224 R CRONIN SUB LOT 8B 17915072	\$ 163,200	Water \$ 12,945.15 Sewer \$ 7,534.32

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	PROPERTY OWNER NAME & ADDRESS	LEGAL DESCRIPTION & PARCEL NUMBER	ASSESSED PROPERTY VALUE	ASSESSED ESTIMATED PROPERTY OWNER SHARE OF ASSESSMENT
5	BOLLENBACH AMY P.O. BOX 3468 HOMER, AK 99603-3468	T 6S R 13W SEC 22 Seward Meridian HM 2011036 GOLDEN CROWNED SUB LOT 2 17936027	\$ 307,000	Water \$ 12,945.15 Sewer \$ 7,534.32
6	BOLLENBACH JAMIE ALAN ANDRE 155 NICKERSON ST # 2 SEATTLE, WA 98109-1621	T 6S R 13W SEC 22 Seward Meridian HM 2011036 GOLDEN CROWNED SUB LOT 1 17936026	\$ 157,000	Water \$ 12,945.15 Sewer \$ 7,534.32
7	CRONIN A R & FRANCES P P.O. BOX 236 HOMER, AK 99603-0236	T 6S R 13W SEC 23 Seward Meridian HM 0004224 R CRONIN SUB LOT 8A 17915071	\$ 255,100	Water \$ 12,945.15 Sewer \$ 7,534.32
8	GARVEY, JOSHUA & ELIZABETH 664 RANGEVIEW AVE HOMER, AK 99603	T 6S R 13W SEC 23 Seward Meridian HM 2009005 DE GARMO SUB NO 2 LOT 12-A-1 17915081	\$ 285,900	Water \$ 12,945.15 Sewer \$ 7,534.32
9	HILLSTRAND, NANCY P.O. BOX 7 HOMER, AK 99603-0007	T 6S R 13W SEC 23 Seward Meridian HM 0870056 RANKIN SUB LOT 2 17915068	\$ 203,800	Water \$ 12,945.15 Sewer \$ 7,534.32
10	HINES CONNIE E P.O. BOX 151 HOMER, AK 99603-0151	T 6S R 13W SEC 23 Seward Meridian HM 0970083 GREWINGK VIEW SUB LOT 12-B 17915074	\$ 395,500	Water \$ 12,945.15 Sewer \$ 7,534.32
11	FOLEY, JACK A JR 3251 MONTPELIER COURT ANCHORAGE, AK 99503-4635	T 6S R 13W SEC 22 Seward Meridian HM 2008015 KACHEMAK BAY CONDOMINIUMS UNIT 13A-1 17915047CO1	\$ 255,700	Water \$ 6,472.58 Sewer \$ 3,767.16

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IRELAND COLETTE P PO BOX 3464 HOMER, AK 99603-3464	T 6S R 13W SEC 22 Seward Meridian HM 2008015 KACHEMAK BAY CONDOMINIUMS UNIT 13A-2 17915047CO2	\$ 272,000	Water \$ 6,472.58 Sewer \$ 3,767.16
KACHEMAK MOOSE HABITAT INC 813 W NORTHERN LIGHTS BLVD. ANCHORAGE, AK 99503-2407	T 6S R 13W SEC 23 Seward Meridian HM THAT PORTION OF GOVT LOT 3 LYING NORTHWESTERLY OF KACHEMAK BAY DRIVE 17915002	\$ 38,400.00	Exempted by Council via Reso. 16-067
KACHEMAK MOOSE HABITAT INC 813 W NORTHERN LIGHTS BLVD. ANCHORAGE, AK 99503-2407	T 6S R 13W SEC 23 Seward Meridian HM 0790139 CHECKMATE SHORES SUB LOT 1 17915056	\$ 33,100.00	
KACHEMAK MOOSE HABITAT INC 813 W NORTHERN LIGHTS BLVD. ANCHORAGE, AK 99503-2407	T 6S R 13W SEC 23 Seward Meridian HM 0800076 MAILEA BAY SUB LOT 1 17915059	\$ 24,800.00	
KACHEMAK MOOSE HABITAT, INC. PO BOX 355 ANCHOR POINT AK 99556-0355	T 6S R 13W SEC 23 Seward Meridian HM 0800076 MAILEA BAY SUB LOT 4 17915060	\$ 21,800.00	Exempted by Council via Reso. 16-067
	T 6S R 13W SEC 22 Seward Meridian HM GOVT LOT 15 N OF KACHEMAK DR 17936014	\$ 54,500.00	

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KACHEMAK MOOSE HABITAT INC 813 W NORTHERN LIGHTS BLVD. ANCHORAGE, AK 99503-2407	T 6S R 13W SEC 23 Seward Meridian HM GOVT LOT 9 17915012	\$ 77,700	Exempted by Council via Reso. 17-045
KACHEMAK PROPERTIES LLC 266 E BAYVIEW AVE HOMER AK 99603-7115	T 6S R 13W SEC 22 Seward Meridian HM 0850130 LAMPERT LAKE SUB NO 2 LOT 2A 17936023	\$ 504,300	Water \$ 12,945.15 Sewer \$ 7,534.32
KAR-A-VAN TRANSFER INC PO BOX 4 SELDOVIA, AK 99663-0004	T 6S R 13W SEC 22 Seward Meridian HM 0850006 LAMPERT LAKE SUB LOT 1 17936016	\$ 152,700	Water \$ 12,945.15 Sewer \$ 7,534.32
LOFLIN MARVIN D REVOCABLE TRUST 3135 Kachemak Drive Homer, AK 99603	T 6S R 13W SEC 23 Seward Meridian HM 0790139 CHECKMATE SHORES SUB LOT 2 17915058	\$ 737,000	Water \$ 12,945.15 Sewer \$ 7,534.32
MCCARTHY COMMUNITY PROPERTY TRUST P.O. BOX 957 HOMER, AK 99603-0957	T 6S R 13W SEC 23 Seward Meridian HM 0004224 R CRONIN SUB LOT 8C 17915070	\$ 546,700	Water \$ 12,945.15 Sewer \$ 7,534.32
MOSS SHARON ANN DECLARATION OF TRUST MOSS RANDALL H DECLARATION OF TRUST 2960 C STREET, SUITE 200 ANCHORAGE, AK 99503-3970	T 6S R 13W SEC 23 Seward Meridian HM 0800076 MAILEA BAY SUB LOT 3 17915062	\$ 450,700	Water \$ 12,945.15 Sewer \$ 7,534.32

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18	NEHUS ROBERT D & BETHINE M 210 W BAYVIEW AVE HOMER, AK 99603	T 6S R 13W SEC 23 Seward Meridian HM 0800076 MAILEA BAY SUB LOT 2 17915061	\$ 169,300	Water \$ 12,945.15 Sewer \$ 7,534.32
19	NELSON EMIL V II & JESSIE L P.O. BOX 130 HOMER, AK 99603-0130	T 6S R 13W SEC 22 Seward Meridian HM GOVT LOT 12 17915011	\$ 162,300	Water \$ 12,945.15 Sewer \$ 7,534.32
20	MOUW JOHN & MARIKA JOINT REVOCABLE TRUST P.O. BOX 212 HOMER, AK 99603-0212	T 6S R 13W SEC 22 Seward Meridian HM THAT PORTION OF GOVT LOT 13 LYING NORTH OF KACHEMAK DRIVE 17915030	\$ 20,500	Water \$ 12,945.15 Sewer \$ 7,534.32
		T 6S R 13W SEC 22 Seward Meridian HM 0830087 SCENIC BAY SUB LOT 2 17936018	\$ 522,400	Water \$ 12,945.15 Sewer \$ 7,534.32
21	OLSON LORNA K DECLARATION OF TRUST OLSON CURTIS A DECLARATION OF TRUST PO BOX 1130 HOMER, AK 99603-1130	T 6S R 13W SEC 22 Seward Meridian HM 2016027 MIRIAMS ARES 2016 LOT 2A 17936028	\$ 501,800	Water \$ 12,945.15 Sewer \$ 7,534.32
22	SINGER SUZANNE R P.O. BOX 1862 HOMER, AK 99603-1862	T 6S R 13W SEC 22 Seward Meridian HM 0830087 SCENIC BAY SUB LOT 1 17936017	\$ 516,600	Water \$ 12,945.15 Sewer \$ 7,534.32

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23	VEERHUSEN DANIEL F & JANE F P.O. BOX 971 HOMER, AK 99603	T 6S R 13W SEC 22 Seward Meridian HM 0780108 MIRIAMS ARES SUB LOT 3 17936006	\$ 656,100	Water \$ 12,945.15 Sewer \$ 7,534.32
24	YOURKOWSKI MICHAEL 3059 KACHEMAK DRIVE HOMER, AK 99603	T 6S R 13W SEC 22 & 23 Seward Meridian HM 2009005 DE GARMO SUB NO 2 LOT 13-B-1 17915082	\$ 647,700	Water \$ 12,945.15 Sewer \$ 7,534.32
25	CITY OF HOMER 491 E PIONEER AVENUE HOMER, AK 99603	T 6S R 13W SEC 22 Seward Meridian HM 0830087 SCENIC BAY SUB LOT 4 17936020	\$ 53,400	Water \$ 12,945.15 Sewer \$ 7,534.32
26	BETTY GAMBONE P.O. BOX 2015 HOMER, ALASKA 99603	T 6S R 13W SEC 23 Seward Meridian HM THAT PORTION OF GOVT LOT 3 LYING SOUTHEAST ERLY OF KACHEMAK BAY DRIVE 17915003	\$ 5,100	Water \$ 12,945.15 Sewer \$ 7,534.32



# City of Homer

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

Office of the City Clerk

491 East Pioneer Avenue  
Homer, Alaska 99603

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

(p) 907-235-3130

(f) 907-235-3143

## MEMORANDUM

TO: CITY COUNCIL  
FROM: PORT AND HARBOR COMMISSION  
THROUGH: HAYLEY SMITH, DEPUTY CITY CLERK  
DATE: 10/30/17  
SUBJECT: PURCHASE OF LOT 42

---

The Port and Harbor Advisory Commission met on October 25<sup>th</sup> for their regular meeting and discussed the Purchase of Lot 42. The following is an excerpt from their minutes and their recommendation to City Council.

- B. *Purchase of Lot 42 on Homer Spit*
- I. *Memo from City Manager to Port and Harbor Commission Re: Purchase of Lot 42 on Homer Spit.*
  - II. *Draft Ordinance from City Manager Koester and Exhibit A map Overlay Sketch from TLO*

*Commissioner Stockburger asked Harbor Master Hawkins how the City got into this mess with the Mental Health Land Trust to begin with.*

*Harbor Master Hawkins replied with a brief history between the Mental Health Land Trust and the City of Homer on Lot 42. In 1964 there was a different plat in place that was obliterated due to the 1964 Earthquake. The City re-platted that section of the Spit and gave notice to the State that the previous plat was void. Two years later the Borough became the Platting authority and also recognized the City's re-plat of the Spit. Now, the Mental Health Land Trust is stating that some of the previous plat still applies and was never voided. The City was served with a trespass notice, and since then has been in discussion with the Mental Health Land Trust. There was a special meeting held between the City of Homer and the Mental Health Land Trust with attorneys present, and the outcome was the compromise brought forth now. The City of Homer is not admitting that the Mental Health Land Trust owns Lot 42, but has taken the attorney's fees and everything else at risk into consideration. Ultimately, the City feels that buying Lot 42 would be the wisest and cheapest option moving forward.*

*The Commission clarified the property line of Lot 42 and had a small discussion about Mental Health Land Trust relinquishing their rights to the other Lots, along with the City purchasing Lot 42 for \$550,600.*

*Harbor Master Hawkins stated he looked at the business opportunity like this; “if I were looking back on this deal 10 years from now, would I see it as a bad deal?” He believes this deal is one that will benefit the City and the Harbor for years to come, so he doesn’t think this is a “bad deal”.*

*Commissioner Zimmerman expressed that his only issue with this deal is that the City is taking the money out of the General Fund, which in return the Harbor has to pay back plus interest. The City should pay for Lot 42 and not make the Harbor pay back interest, because it’s in the best interest for the entire City, not just the Harbor.*

*Harbor Master Hawkins explained that this is the agreement that he and the City Manager has come up with, the other option would be for the Harbor to pay for the Lot out of their reserve fund, which they did not see feasible.*

*Commissioner Zimmerman feels that this issue is important and should be brought up in the future, but for now it may not be the right time to discuss the interest paid to the City.*

*STOCKBURGER/ZEISET - MOVED TO RECOMMEND AS WRITTEN*

*The Commission briefly discussed the businesses that are located on Lot 42 and the process for obtaining the leases after the purchase.*

*VOTE. NON OBJECTION. UNANIMOUS CONSENT.*

*Motion carried.*

**Recommendation:**

**Recommend Homer City Council approve the Purchase of Lot 42 from the Alaska Mental Health Trust Authority Land Office for \$550,600 with \$250,600 from the Port and Harbor Reserves for that purpose. Recommend Homer City Council Authorize a loan from the General Fund for the remaining \$300,000 over a 10 year period with a 3% interest rate.**







**City of Homer  
2015 Operating Budget**

**2018 Proposed Budget Amendment Form**

**Fund Name:** Health Insurance Fund/ General Fund

**Department Number:**

Account #	Account name	Page #	Increase	Decrease	Balance
600	Health Insurance Fund	198	\$12,039		\$0
100-350-58XX (new)	SPARC	73	\$20,000		\$20,000

**Further Explanation of Amendment:**

The FY2018 draft budget anticipated a 15% increase in health insurance. This was budgeted for through an allocation of \$1350 per employee per month (up from \$1250 in 2017) through the operating budget, employee contributions increasing by 15%, and a \$381,906 draw from the Health Insurance Fund. The actual negotiated increase came in at 8.2% more than FY2017. This means that for the 2018 budget there is no anticipated draw on the Health Insurance Fund but rather a deposit of \$32,039. This amendment proposes to increase General Fund expenditures by \$20,000, which would result in a \$12,039 deposit in the Health Insurance Fund.

**Rationale:**

The South Peninsula Athletic and Recreation Center (SPARC) was built last year through a grass roots, community wide effort. The community came together and donated funds, labor and materials. In the spirit of partnership and community, the City provided \$189,000 in capital funding and the Kenai Peninsula Borough provided the land. In the end, the community has a facility where all ages can come together, recreate, and be healthier. This amendment provides \$20,000 in operating funds to SPARC. It is the intent that funds for SPARC be included in the operating budget for 5 years to help the new organization get off the ground. A successful SPARC helps prepare the community for an alternate use of the HERC.

SPARC is an opportunity for the entire community to be proactive in creating healthy citizens and a way to reduce future health care costs for our citizens, city, and state.

Requested by:  
\_\_\_\_\_  
Mayor Zak

Prepared by:  
\_\_\_\_\_  
City Manager





# City of Homer

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

491 East Pioneer Avenue  
Homer, Alaska 99603

(p) 907-235-8121

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To: Mayor Zak and Homer City Council  
From: Employee Committee  
Date: October 25, 2017  
Subject: Health Insurance Renewal and COLA

The employee committee met on Tuesday the 24<sup>th</sup> to learn about the 2018 health care plan, renewal choices and the parity study. The committee teleconferenced with the City’s insurance consultant, Brandon Nyberg, and listened to his presentation involving the City health insurance renewal bids. Mr. Nyberg’s presentation included a cost benefit analysis of having two health insurance plans – specifically the costs associated with the more expensive Buy- Up Plan. The committee discussed these costs, and the overall benefit to the city employees as a whole.

After evaluation of the presentation and discussion within the committee, the committee recommends the following:

1. Prescription drug coverage: Premera Option 1. This features the lowest cost total annual premium to the City and also minimizes impacts to employees.
2. No change to vision, dental and accidental death and dismemberment policies.
3. Elimination of the Buy Up plan health insurance option.
4. 1% COLA.

As outlined in HR Director Browning’s October 24<sup>th</sup>, 2017 Salary and Benefits Survey memo, page three reveals that the City of Homer has achieved significantly lower employer costs for health insurance than other municipalities surveyed. The City has achieved significant health care savings by shifting from a self-insured plan to a fully insured plan through a private insurer.

The average cost of health plans among employers (employer share only) is:

Insurance Category	Survey Average Employer Share	City of Homer Employer Share
Employee Only	\$1,146	\$749
Employee + Spouse	\$1,946	\$1,546
Employee + Child(ren)	\$1,763	\$1,388
Family	\$2,589	\$2,191

Regarding the parity study, the employee committee appreciates the work and thoroughness of the report provided by HR. We’d like to bring your attention to the table on page 35, of Cost of Living (COLA) increases that have occurred within other municipalities. Most of the City of Homer’s wages are comparable. However, the City **does** need to consistently inflation proof the wage scale through COLA’s, and be vigilant about keeping wages within industry standards. The employee committee recommends small, regular COLA’s rather than sporadic larger COLAs. These larger COLA’s are challenging to budget for. This year, through negotiation of the health care renewal costs, and removing the Buy Up plan health insurance option, the City should realize significant cost savings over the current draft budget. On behalf of the employee committee, we respectfully request the Homer City Council consider approving a 1% cost of living increase. This COLA should be achievable within the City Manager’s budget as presented.



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10/27/2017

Employee Committee ADDENDUM for memo dated 10/25/2017

After the original memo was completed, HR and the Finance Department were able to provide budget numbers. It appears due to the negotiation of the health insurance renewal with Premera, elimination of the Buy Up plan, and changes to the prescription drug benefit, the health insurance package will be \$413,945 UNDER the City Manager's budget. A 1% COLA would cost roughly \$90,750. Again the employee committee respectfully requests the City Council approve a 1% COLA, which is well within the cost savings achieved within the health care plan budget.

### **Anticipated Cost Savings from City Manager's Budget**

\$2,110,217

\$1,696,272

**\$413,945**

Proposed managers budget for health Insurance

Health Insurance Premium Renewal

**Less proposed budget**

A 1% COLA would equate to roughly \$90,750.



# City of Homer

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## Memorandum

TO: MAYOR ZAK AND CITY COUNCIL

FROM: MELISSA JACOBSEN, MMC, CITY CLERK/ADA COORDINATOR

DATE: OCTOBER 27, 2017

SUBJECT: 2017 ADA BUDGET

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Council approved \$25,000 in the 2017 budget to be used for the city's self-evaluation and Transition Plan.

The ADA Compliance Committee recognized that amount wouldn't cover the cost of hiring someone to do the surveys and the transition plan, and also recognized the need for the city to be compliant with ADA requirements. To get this job done, the committee members made the commitment to find time and support to do some of the leg work themselves. I contacted Dan Gardner, Public Works Supervisor, who was willing to commit some time, as he recognized the significance of Public Works participation and familiarity with the ADA requirements. He brought in Mike Riley, head of building maintenance, who participated in several of the surveys.

Committee members and staff worked together for three days in April and four days in July for two to three hours each day and completed surveys at City Hall, the library, animal shelter, airport, and ten public restrooms. The remaining facilities to be surveyed include the HERC gym, Public Works, Fire Department, and four public restrooms. The goal is to complete them by the end of the year.

In August, David Barton from the Northwest ADA Center (NWADA) came to Homer and worked with Dan and me to answer questions that came up during the surveys. David surveyed the Harbor facility as it has nuances that go beyond the check list process available to us. Dan, David, and I went to Police Department, which went fairly quickly as the facility was built prior to the ADA and is essentially noncompliant. Community Jail Officer Ian Overson assisted us by completing the self-evaluation check list for the facility. The time with David Barton was well spent as he provided valuable insights by explaining the way a person with disabilities experiences the facilities, clarifying requirements, and offering suggestions on way to make areas compliant. When asked if there is any flexibility or "wobble room" when addressing the measurements in bathrooms, doorways and et cetera, David responded with the question, "Is there any flexibility when measuring moose antlers during hunting season? The answer is no." The Americans with Disabilities Act is a law and should be addressed as such.

The total cost for the visit was \$12,149.35 and as of the writing of this memo the report is still pending. The approximate cost of staff time to do the surveys to date is \$2600 and since the Committee members took time during their work day to participate, that cost is likely comparable.

The next step is to compile the survey information into a format that can be developed in to a Transition Plan that will address priorities, cost, and timelines for corrective actions. We will need to work with NWADA again in preparing and finalizing the Transition Plan so some funding in the 2018 budget will be needed.

Looking to the future, the City will need to survey other areas including the playgrounds, parks, sidewalks, trails, and city owned campgrounds and prepare a Transition Plan for those areas as well.