

# City Council

Monday, July 23, 2018

Special Meeting 4:00 p.m.  
Committee of the Whole 5:00 p.m.  
Regular Meeting 6:00 p.m.



City Hall Cowles Council Chambers  
491 E. Pioneer Avenue  
Homer, Alaska



# July – August 2018

- Monday 23<sup>rd</sup>:**            **CITY COUNCIL**  
Special Meeting 4:00 p.m., Committee of the Whole 5:00 p.m., and Regular Meeting 6:00 p.m.
- Tuesday 24<sup>th</sup>:**        **HERC TASK FORCE**  
Regular Meeting 3:00 p.m.
- Wednesday 25<sup>th</sup>:**    **PORT AND HARBOR ADVISORY COMMISSION**  
Regular Meeting 6:00 p.m.
- Wednesday 1<sup>st</sup>:**       **CITY OF HOMER CANDIDACY FILING OPENS FOR MAYOR AND TWO CITY COUNCIL MEMBERS THROUGH AUGUST 15<sup>TH</sup> AT 4:30 P.M.**
- PLANNING ADVISORY COMMISSION**  
Worksession 5:30 p.m. and Regular Meeting 6:30 p.m.
- Monday 6<sup>th</sup>:**            **ABSENTEE VOTING OPENS – State Primary**
- HERC BROWN BAG LUNCH**  
12:00 – 1:00 p.m. at the Homer Public Library
- Tuesday 7<sup>th</sup>:**         **LIBRARY ADVISORY BOARD**  
Regular Meeting 5:30 p.m.
- Monday 13<sup>th</sup>:**        **CITY COUNCIL**  
Committee of the Whole 5:00 p.m. and Regular Meeting 6:00 p.m.

## **Regular Meeting Schedule**

- City Council 2<sup>nd</sup> and 4<sup>th</sup> Mondays 6:00 p.m.  
Library Advisory Board 1<sup>st</sup> Tuesday 5:30 p.m. except January, April, August, November  
Economic Development Advisory Commission 2<sup>nd</sup> Tuesday 6:00 p.m.  
Parks Art Recreation and Culture Advisory Commission 3<sup>rd</sup> Thursday 5:30 p.m. except July, December, January  
Planning Commission 1<sup>st</sup> and 3<sup>rd</sup> Wednesday 6:30 p.m.  
Port and Harbor Advisory Commission 4<sup>th</sup> Wednesday 5:00 p.m. (May-August 6:00 p.m.)

## **MAYOR AND CITY COUNCILMEMBERS AND TERMS**

- BRYAN ZAK, MAYOR – 18  
DONNA ADERHOLD, COUNCILMEMBER – 18  
HEATH SMITH, COUNCILMEMBER – 18  
SHELLY ERICKSON, COUNCILMEMBER – 19  
TOM STROOZAS, COUNCILMEMBER – 19  
RACHEL LORD, COUNCILMEMBER – 20  
CAROLINE VENUTI, COUNCILMEMBER – 20

<http://cityofhomer-ak.gov/cityclerk> for home page access, Clerk's email address is: [clerk@ci.homer.ak.us](mailto:clerk@ci.homer.ak.us)  
Clerk's office phone number: direct line 235-3130



HOMER CITY COUNCIL  
491 E. PIONEER AVENUE  
HOMER, ALASKA  
[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)



**SPECIAL MEETING**  
**4:00 P.M. MONDAY**  
**JULY 23, 2018**  
**COWLES COUNCIL CHAMBERS**

MAYOR BRYAN ZAK  
COUNCIL MEMBER DONNA ADERHOLD  
COUNCIL MEMBER HEATH SMITH  
COUNCIL MEMBER TOM STROOZAS  
COUNCIL MEMBER SHELLY ERICKSON  
COUNCIL MEMBER CAROLINE VENUTI  
COUNCIL MEMBER RACHEL LORD  
CITY ATTORNEY HOLLY WELLS  
CITY MANAGER KATIE KOESTER  
CITY CLERK MELISSA JACOBSEN

### **SPECIAL MEETING AGENDA**

**1. CALL TO ORDER, 4:00 P.M.**

Councilmember Aderhold requests excusal.

**2. AGENDA APPROVAL** (Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual, pg. 6)

**3. PUBLIC COMMENT ON MATTERS ALREADY ON THE AGENDA**

**4. NEW BUSINESS**

- A. **Memorandum 18-079** from City Clerk, Request for Executive Session Pursuant to AS 44.42.310(A-C)(1), Matters, the Immediate Knowledge of Which Would Clearly have an Adverse Effect Upon the Finances of the Public Entity. (Lease Compliance 18103444 and 18103452)  
Page 7

**5. COMMENTS OF THE AUDIENCE**

**6. ADJOURNMENT NO LATER THAN 4:50 P.M.**

Next Regular Meeting is Monday, August 13, 2018 at 6:00 p.m., Committee of the Whole at 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.





# 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)

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(f) 907-235-3143

## Memorandum 18-079

TO: MAYOR ZAK AND HOMER CITY COUNCIL

FROM: MELISSA JACOBSEN, MMC, CITY CLERK

DATE: JULY 17, 2018

SUBJECT: REQUEST FOR EXECUTIVE SESSION PURSUANT TO AS 44.62.310(A-C)(1) MATTERS, THE IMMEDIATE KNOWLEDGE OF WHICH WOULD CLEARLY HAVE AN ADVERSE EFFECT UPON THE FINANCES OF THE PUBLIC ENTITY

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Pursuant to Council's Operating Manual – "Any Councilmember, the Mayor or City Manager may place consideration of an executive session on the agenda..."

City Manager Koester requested an Executive Session regarding "Lease Compliance 18103444 and 18103452" for the Special Meeting of July 23, 2018. This has been publicly and internally noticed since that time.

Attorney Wells will be present and City Manager Koester will participate

### RECOMMENDATION:

Approve the request for Executive Session and conduct immediately in the Conference Room.





HOMER CITY COUNCIL  
491 E. PIONEER AVENUE  
HOMER, ALASKA  
[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)



COMMITTEE OF THE WHOLE  
5:00 P.M. MONDAY  
JULY 23, 2018  
COWLES COUNCIL CHAMBERS

MAYOR BRYAN ZAK  
COUNCIL MEMBER DONNA ADERHOLD  
COUNCIL MEMBER HEATH SMITH  
COUNCIL MEMBER TOM STROOZAS  
COUNCIL MEMBER SHELLY ERICKSON  
COUNCIL MEMBER CAROLINE VENUTI  
COUNCIL MEMBER RACHEL LORD  
CITY ATTORNEY HOLLY WELLS  
CITY MANAGER KATIE KOESTER  
CITY CLERK MELISSA JACOBSEN

### COMMITTEE OF THE WHOLE AGENDA

**1. CALL TO ORDER, 5:00 P.M.**

Councilmember Aderhold requests excusal.

**2. AGENDA APPROVAL** (Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual, pg. 6)

**3. WATER/SEWER RATES**

- **Resolution 18-064**, A Resolution of the City Council of Homer, Alaska, Amending the City of Homer Water and Sewer Rates and Updating the Fee Schedule Accordingly. City Manager/Finance Director. Page 71

Memorandum 18-080 from Finance Director as backup Page 77

**4. CONSENT AGENDA**

**5. REGULAR MEETING AGENDA**

**6. COMMENTS OF THE AUDIENCE**

**7. ADJOURNMENT NO LATER THAN 5:50 P.M.**

Next Regular Meeting is Monday, August 13, 2018 at 6:00 p.m., Committee of the Whole at 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.



CALL TO ORDER  
PLEDGE OF ALLEGIANCE  
AGENDA APPROVAL



HOMER CITY COUNCIL  
491 E. PIONEER AVENUE  
HOMER, ALASKA  
[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)



**REGULAR MEETING**  
**6:00 P.M. MONDAY**  
**JULY 23, 2018**  
**COWLES COUNCIL CHAMBERS**

MAYOR BRYAN ZAK  
COUNCIL MEMBER DONNA ADERHOLD  
COUNCIL MEMBER HEATH SMITH  
COUNCIL MEMBER TOM STROOZAS  
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COUNCIL MEMBER RACHEL LORD  
CITY ATTORNEY HOLLY WELLS  
CITY MANAGER KATIE KOESTER  
CITY CLERK MELISSA JACOBSEN

## **REGULAR MEETING AGENDA**

**Committee of the Whole 5:00 p.m. in Homer City Hall Cowles Council Chambers.**

### **1. CALL TO ORDER, PLEDGE OF ALLEGIANCE**

Councilmember Aderhold requests excusal.

Department Heads may be called upon from time to time to participate via teleconference.

### **2. AGENDA APPROVAL**

(Addition of items to or removing items from the agenda will be by unanimous consent of the Council. HCC 2.08.040.)

### **3. MAYORAL PROCLAMATIONS AND RECOGNITIONS**

### **4. PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA**

### **5. RECONSIDERATION**

### **6. CONSENT AGENDA**

(Items listed below will be enacted by one motion. If separate discussion is desired on an item, that item may be removed from the Consent Agenda and placed on the Regular Meeting Agenda at the request of a Councilmember.)

- A. Homer City Council unapproved Regular Meeting Minutes of June 25, 2018 and Special Meetings of July 2, 2018. City Clerk. Recommend adoption. Page 27

- B. **Ordinance 18-36**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2018 Operating Budget to Provide for Needed Replacement of the Water Line on the Fish Dock by Appropriating Funds from the Port & Harbor Depreciation Reserves in the amount of \$62,290. City Manager/Port Director. Recommended Dates: Introduction July 23, 2018, Public Hearing and Second Reading August 13, 2018. Page 51
- C. **Resolution 18-060**, A Resolution of the City Council of Homer, Alaska Awarding the Contract for the Ramp Two Water Main Improvements to the Firm of Property Improvements of Homer, Alaska, in the amount of \$18,000 and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Public Works Director. Recommend Adoption. Page 53
- Memorandum 18-081 from Public Works Director as backup Page 55
- D. **Resolution 18-061**, A Resolution of the City Council of Homer, Alaska Awarding the Contract for the Demolition of the Harbor Ramp Two Restroom to the Firm of Property Improvements of Homer, Alaska, in the Amount of \$10,989, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Public Works Director. Recommend Adoption. Page 57
- Memorandum 18-082 from Public Works Director as backup Page 59
- E. **Resolution 18-062**, A Resolution of the City Council of Homer, Alaska, Awarding the Contract for the Harbor Ramp Two Restroom Project to the Firm of Beachy Construction of Homer, Alaska, in the Amount of \$426,200 and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk/Public Works Director. Recommend Adoption. Page 61
- Memorandum 18-083 from Public Works Director as backup Page 63
- F. **Resolution 18-063**, A Resolution of the City Council of Homer, Alaska Awarding the Art Work Contract for the Ramp Two Restroom Project to Melisse Reichman of Homer, Alaska, in the Amount of \$3,200 and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk. Recommend Adoption. Page 65
- Memorandum 18-084 from Deputy City Clerk as backup Page 67
- G. **Resolution 18-064**, A Resolution of the City Council of Homer, Alaska, Amending the City of Homer Water and Sewer Rates and Updating the Fee Schedule Accordingly. City Manager/Finance Director. Recommended Public Hearing Date August 13, 2018. Page 71
- Memorandum 18-080 from Finance Director as backup Page 77

- H. **Resolution 18-065**, A Resolution of the City Council of Homer, Alaska, Amending the Fee Schedule Under Planning and Zoning Fees; Zoning Permit Fees to add a \$100 Annual Zoning Permit Fee for Employee Occupied Recreational Vehicles in Marine Commercial and Marine Industrial Zoning Districts and Amending Administrative Fees Deleting Reference to Credit Card Acceptance and Minimums. City Clerk. Recommended Public Hearing Date August 13, 2018. Page 87

Memorandum 18-086 from City Manager as backup Page 91

- I. **Resolution 18-066**, A Resolution of the City Council of Homer, Alaska, Approving the Lease Template for the Ground Leases on the Homer Spit. City Manager. Recommend Adoption. Page 93

Memorandum 18-085 from City Manager as backup Page 95

## 7. VISITORS

- A. Employee Committee – Deputy Harbormaster Matt Clarke (5 minutes) Page 131

## 8. ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS (10 minute limit per report)

- A. Borough Report

- B. Commissions/Board Reports:

1. Library Advisory Board
2. Homer Advisory Planning Commission
3. Economic Development Advisory Commission
4. Parks Art Recreation and Culture Advisory Commission
  - A. Memorandum from Deputy City Planner Re: Karen Hornaday Park Road Alternatives Page 137
5. Port and Harbor Advisory Commission

## 9. PUBLIC HEARING(S)

- A. **Ordinance 18-30**, An Ordinance of the City Council of Homer, Alaska, Amending the 2018 Capital Budget by Appropriating \$35,911 from the Harbor Depreciation Reserve Fund for the Relocation of the Ramp 2 Harbor Backflow Prevention Facilities, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Public Works Director. Introduction June 25, 2018, Public Hearing and Second Reading, July 23, 2018.  
Page 153
- Memorandum 18-072 from Public Works Director as backup Page 155
- B. **Ordinance 18-31**, An Ordinance of the City Council of Homer, Alaska, Amending the FY2018 Capital Budget by Appropriating \$473,829 from the Police Station Reserve for the Purpose of Funding 100% Design for the New Police Station Contingent Upon the Passage of Ballot Proposition 1 at the June 26. 2018 Special Election. Smith. Introduction June 25, 2018, Public Hearing and Second Reading, July 23, 2018.  
Page 163
- C. **Ordinance 18-32**, An Ordinance of the City Council of Homer Alaska, Amending the 2018 Operating Budget to Appropriate \$34,488.80 from the Water/Sewer Inventory Account for the Purchase of Concrete Septic Tanks. City Manager/Public Works Director. Introduction June 25, 2018, Public Hearing and Second Reading, July 23, 2018.  
Page 167
- D. **Ordinance 18-33**, An Ordinance of the City Council of Homer, Alaska, Authorizing the Expenditure of Accumulated Commercial Passenger Vessel Funds and Funds from the Port and Harbor Fund to Complete the Ramp 2 Restroom Replacement Project. City Manager. Introduction June 25, 2018, Public Hearing and Second Reading, July 23, 2018.  
Page 171
- E. **Ordinance 18-34**, An Ordinance of the City Council of Homer, Alaska, Amending the 2018 Capital Budget by Appropriating \$3,500 from Police Reserves for the Purchase of a Traffic Speed Monitoring Device. Lord. Introduction June 25, 2018, Public Hearing and Second Reading, July 23, 2018.  
Page 175
- F. **Ordinance 18-35**, An Ordinance of the City Council of Homer, Alaska Amending Homer City Code 3.05.005, Budget Assumptions, by Adding a Requirement the City Manager Present the Council with Information on Inflationary Pressures on the City Budget. Lord. Introduction June 25, 2018, Public Hearing and Second Reading, July 23, 2018.  
Page 181
10. **ORDINANCE(S)**
11. **CITY MANAGER'S REPORT**



A. City Manager's Report

Page 209

**12. CITY ATTORNEY REPORT**

**13. COMMITTEE REPORT**

A. Americans with Disabilities Act Compliance Committee

B. HERC Task Force

**14. PENDING BUSINESS**

**15. NEW BUSINESS**

**16. RESOLUTIONS**

**17. COMMENTS OF THE AUDIENCE**

**18. COMMENTS OF THE CITY ATTORNEY**

**19. COMMENTS OF THE CITY CLERK**

**20. COMMENTS OF THE CITY MANAGER**

**21. COMMENTS OF THE MAYOR**

**22. COMMENTS OF THE CITY COUNCIL**

**23. ADJOURNMENT**

Next Regular Meeting is Monday, August 13, 2018 at 6:00 p.m., Committee of the Whole at 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.



MAYORAL PROCLAMATIONS  
AND RECOGNITIONS



PUBLIC COMMENTS  
UPON MATTERS  
ALREADY ON THE AGENDA



# RECONSIDERATION





# CONSENT AGENDA



Session 18-15 a Regular Meeting of the Homer City Council was called to order on June 25, 2018 at 6:00 p.m. by Mayor Bryan Zak at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska, and opened with the Pledge of Allegiance.

**PRESENT:** COUNCILMEMBERS: ADERHOLD, ERICKSON, LORD, SMITH, STROOZAS, VENUTI

**STAFF:** CITY MANAGER KOESTER  
CITY CLERK JACOBSEN  
PORT DIRECTOR HAWKINS  
CITY PLANNER ABBOUD  
CITY ATTORNEY WELLS

### **AGENDA APPROVAL**

(Addition of items to or removing items from the agenda will be by unanimous consent of the Council. HCC 2.08.040.)

The following changes were made: **MAYORAL PROCLAMATION** Chamber of Commerce July 4<sup>th</sup> Parade. **CONSENT AGENDA** Pull Resolution 18-056 A Resolution of the City Council of Homer, Alaska, Authorizing a Memorandum of Agreement Between the City and the Alaska Department of Fish and Game for Fishing Lagoon Handicap Ramp Improvements. The City has received notice from ADF&G there is not funding available this year for the project; and Pull Resolution 18-057 awarding the Contract for the Fish Dock Waterline and Heat Trace Replacement Project, an updated resolution will come back following an Ordinance authorizing additional funding. **PENDING BUSINESS** Pull Resolution 18-053 Approving and Accepting the Donation from the Kachemak Bay Family Planning Clinic/R.E.C Room of a Mural at Ben Walters Park, the applicant has requested the application be withdrawn.

VENUTI/ADERHOLD MOVED TO APPROVE THE AGENDA AS AMENDED

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

### **MAYORAL PROCLAMATIONS AND RECOGNITIONS**

A. Mayoral Recognition - Parks and Recreation Month, July 2018

Mayor Zak read and presented to Recreation Manager Mike Illg and Parks Maintenance Coordinator Matt Steffy. Mr. Illg thanked all the volunteers who make help make the recreation program work and commented regarding the upcoming Pickle Ball Tournament. Mr. Steffy thanked Mayor Zak and commented our parks provide good passive recreation that members of the community appreciate and benefit from benefiting mental health, along with opportunities for physical health.

B. Mayoral Recognition - July 4<sup>th</sup> Parade

Mayor Zak read and presented to Jan Knutson of the Chamber of Commerce. Mrs. Knutson commented this year's theme is "Celebrating Homer's Volunteers" and highlighted the parade sponsors.

**PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA**

Larry Slone, city resident, commented in support of Resolution 18-054.

Ron Keffer, city resident, commented in support of Resolution 18-054.

Robert Archibald, city resident, commented in support of Resolution 18-054.

Janie Leisk, city resident, commented in support of Resolution 18-054.

Holly Van Pelt, city resident, commented in support of Resolution 18-054.

Matt Steffy and Julie Engebretsen, city employees and Employee Committee Chair and Vice Chair, commented in support of Ordinance 18-35.

**RECONSIDERATION**

**CONSENT AGENDA**

(Items listed below will be enacted by one motion. If separate discussion is desired on an item, that item may be removed from the Consent Agenda and placed on the Regular Meeting Agenda at the request of a Councilmember.)

A. Homer City Council unapproved Special Meeting Minutes of May 29, 2018. City Clerk.

B. **Memorandum 18-069** from Mayor Zak Re: Appointment of Ethan Benedetti to the Library Advisory Board as Student Representative

- C. **Memorandum 18-070**, from Deputy City Clerk Re: Confirming Election Judges for June 26<sup>th</sup> Special Election
- D. **Memorandum 18-071**, from Finance Director Re: 2019 Budget Schedule
- E. **Ordinance 18-30**, An Ordinance of the City Council of Homer, Alaska, Amending the 2018 Capital Budget by Appropriating \$35,911 from the Harbor Depreciation Reserve Fund for the Relocation of the Ramp 2 Harbor Backflow Prevention Facilities, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Public Works Director. Recommended dates: Introduction June 25, 2018, Public Hearing and Second Reading, July 23, 2018.

Memorandum 18-072 from Public Works Director as backup

- F. **Ordinance 18-31**, An Ordinance of the City Council of Homer, Alaska, Amending the FY2018 Capital Budget by Appropriating \$473,829 from the Police Station Reserve for the Purpose of Funding 100% Design for the New Police Station Contingent Upon the Passage of Ballot Proposition 1 at the June 26. 2018 Special Election. Smith. Recommended dates: Introduction June 25, 2018, Public Hearing and Second Reading, July 23, 2018.
- G. **Ordinance 18-32**, An Ordinance of the City Council of Homer Alaska, Amending the 2018 Operating Budget to Appropriate \$34,488.80 from the Water/Sewer Inventory Account for the Purchase of Concrete Septic Tanks. City Manager/Public Works Director. Recommended dates: Introduction June 25, 2018, Public Hearing and Second Reading, July 23, 2018.
- H. **Ordinance 18-33**, , An Ordinance of the City Council of Homer, Alaska, Authorizing the Expenditure of Accumulated Commercial Passenger Vessel Funds and Funds from the Port and Harbor Fund to Complete the Ramp 2 Restroom Replacement Project. City Manager. Recommended dates: Introduction June 25, 2018, Public Hearing and Second Reading, July 23, 2018.
- I. **Ordinance 18-34**, An Ordinance of the City Council of Homer, Alaska, Amending the 2018 Capital Budget by Appropriating \$3,500 from Police Reserves for the Purchase of a Traffic Speed Monitoring Device. Lord. Recommended dates: Introduction June 25, 2018, Public Hearing and Second Reading, July 23, 2018.
- J. **Ordinance 18-35**, An Ordinance of the City Council of Homer, Alaska Amending Homer City Code 3.05.005, Budget Assumptions, by Adding a Requirement the City Manager Present the Council with Information on Inflationary Pressures on the City Budget. Lord.

Recommended dates: Introduction June 25, 2018, Public Hearing and Second Reading, July 23, 2018.

- K. **Resolution 18-056**, A Resolution of the City Council of Homer, Alaska, Authorizing the City Manager to Execute a Memorandum of Agreement Between the City of Homer and the Alaska Department of Fish and Game for the Nick Dudiak Fishing Lagoon Handicap Ramp Improvements. City Manager/Public Works Director.

Memorandum 18-073 from Public Works Director as backup.

Pulled under agenda approval.

- L. **Resolution 18-057**, A Resolution of the City Council of Homer, Alaska Awarding the Contract for the Fish Dock Waterline and Heat Trace Replacement Project to Peninsula Plumbing and Heating, Inc. of Soldotna, Alaska, in the amount of \$92,290, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Port Director.

Memorandum 18-077 from Port Director as backup

Item K. was pulled under agenda approval.

ADERHOLD/VENUTI MOVED TO ADOPT THE CONSENT AGENDA

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

## **VISITORS**

- A. Homer Steps Up Trophy Award to the City of Homer (5 minutes)

Derotha Ferraro, Director of Public Relations & Marketing for South Peninsula Hospital, commented 90,214,266 steps were taken throughout the month of May during the Homer Steps Up Challenge, just shy of the 100 million step goal. She listed all the participating teams, high step winners, and sponsors, and presented the trophy to the City of Homer team for the highest step average for the challenge.

- B. Opioid Task Force (10 Minutes)

Stephanie Stillwell commented that June is the 2 year anniversary of the Exchange Program, and July marks one year since the Opioid Task Force began. They have grown to over 100 people and continue to work with multiple agencies, participate in community events, and have had many successes over these last two years.

Kari Ann Baker shared regarding her family's loss of her younger brother to a heroin overdose in 2016. Her brother was an engaged student in school, played sports, had a strong family base, but came to Homer two years ago to fish and left addicted to heroin. She emphasized how anyone can become addicted to heroin, regardless of their lifestyle, and the importance of families reaching out when they're in crisis.

Brian Baker commented on July 4<sup>th</sup> at the Harbor Fest on the spit they are having a Sober Soda Station, offering alternatives to drinking alcohol. This is a way for them to bring awareness to their organization "The Bearded Sister" whose goals are to have all of their directors become behavioral health technicians to be able to provide immediate assistance to the community and be able to help intervene and help an addict get pointed in the right direction for help. They'd also like to raise money to provide scholarships to send people to get help and to participate in education programs, sports programs, and to help ensure sobriety is celebrated.

C. Legislative Update – Representative Seaton (10 minutes)

Representative Seaton reported the legislature passed a \$5.25 billion general fund budget, about \$1 billion less than 2015. All departments and agencies across the state have felt the effects of that. Revenue is \$2.3 billion. He highlighted information included in his [2018 End of Session Newsletter](#) relating to:

- Oil and Gas Tax Reform
- SB26 and the Permanent Fund
- Education Funding
- Alaska Marine Highway System
- Fast Track Supplemental Budget relating to Medicaid

D. PWSRCAC Update – Robert Archibald (10 minutes)

Robert Archibald explained Homer is involved with the Prince William Sound RCAC because there are tankers coming over here from Prince William Sound carrying North Slope crude oil. After Exxon Valdez there were two citizens advisory council's formed, Prince William Sound and Cook Inlet RCAC. He reported on traveling to Washington DC to advocate for rules regarding ballast water treatment, oil spill liability trust fund, and other bills that would benefit marine safety. The RCAC has been busy this year with the transition of Alyeska's marine service contract from Crowley Marine Services to Edison Chouest. The contract with Crowley ends June 30<sup>th</sup>, ADEC has accepted the Alyeska and Valdez Marine Terminal Contingency Plans and the transition plan for incorporation of all these new vessels. It includes 13 new vessels that includes 5 escort tugs, 4 general purpose tugs, and 4 open water oil spill response barges.

**ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS  
(10 minute limit per report)**

A. Borough Report

Assembly member Kelly Cooper reported at the last assembly meeting the transfer from the Land Trust for \$1.75 million was defeated a third time. The bed tax failed at the Assembly level and public comment addressed the complexity of reporting when doing vacation packages, impacts this year with no fish, and concerns that the percentage proposed keeps changing. The Hospital Service Area Boundary ordinance was replaced with a substitute that includes properties across the bay including areas outside Seldovia city limits, Nanwalek, Port Graham, and extended the north boundary to north of Ninilchik. There will be a meeting on July 11 for public to weigh in and it will go to the voters in the fall. The ordinance to change the exemption on sales tax on non-prepared food from 9 to 6 months failed. There will be a public hearing on a change to Borough Code to allow the Assembly to change the cap on sales tax rather than putting it to the voters. The Mayor vetoed reducing the flat funding for the Kenai Peninsula Tourism and Marketing Council and the additional \$650,000 the Assembly approved for the School District. A citizen's initiative was approved for putting a half cent sales tax increase before the voters, which would remove some of the dollars pulled from the general fund for education and eliminate the budget deficit the Borough is facing.

B. Commissions/Board Reports:

1. Library Advisory Board
2. Homer Advisory Planning Commission

Planning Commissioner Mandy Bernard reported on June 6<sup>th</sup> they reviewed and recommended approval on a proposed replat for parcels on the Homer Spit, and reviewed a replat of parcels on Stream Hill Park and allowed for more time for the applicants to gather information. They approved decision and findings for three separate conditional use permits for more than one principal structures at 152 Danview Avenue, 680 Sterling Highway, and 4201 Ronda Street. They continue to discuss the draft Comprehensive Plan update and anticipate having it ready for public hearing in August or September. They reviewed a conditional use permit for reduction of right of way setback at 3781 Heath Street and recommended for review at a later time so more information can be provided, also a conditional use permit for more than one permitted principal use on a lot at 1170 Lakeshore Drive, and the Commission recommended approval.

3. Economic Development Advisory Commission
4. Parks Art Recreation and Culture Advisory Commission



A. Memorandum from Parks Art Recreation and Culture Advisory Commission Re: City of Homer Safety Signage

Parks Art Recreation and Culture Advisory Commissioner Robert Archibald reported at their last meeting they discussed the Sister City art display and are working with the Pratt museum on the best way to curate the collection. They discussed improvements to Hornaday Park Road and the sidewalk maintenance and matrix, and will have recommendations to Council soon. He also noted the upcoming Pickle Ball Tournament and the Highland Games.

5. Port and Harbor Advisory Commission

**PUBLIC HEARING(S)**

- A. **Ordinance 18-12(A)**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 21.54.325, Standards for Recreational Vehicles in the Marine Commercial District and Marine Industrial District. Erickson. Introduction March 12, 2018, Refer to Advisory Planning Commission March 27, 2018, Public Hearing and Second Reading June 25, 2018.

Memorandum 18-074 from City Planner as backup

Mayor Zak opened the public hearing. There were no comments and the hearing was closed.

ADERHOLD/VENUTI MOVED TO ADOPT ORDINANCE 18-12(A) BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

ADERHOLD/LORD MOVED TO SUBSTITUTE ORDINANCE 18-12(A)(S) SPONSORED BY ERICKSON AND THE PLANNING COMMISSION FOR ORDINANCE 18-12(A).

There was no discussion on the motion to substitute.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

There was brief discussion confirming that if this ordinance is adopted, then a fee schedule amendment will come to the Council to establish the permit fee.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- B. **Ordinance 18-16**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code Chapter 18.08, Codifying Certain Lease Policy and Procedures; Expanding

Lease Review to include Recommendations by Appropriate City Commissions; Removing References to the Lease Committee; and Requiring Essential Lease Terms to be Approved by City Council. Erickson/Smith. Introduction March 27, 2018, Public Hearing and Referred to Port and Harbor Advisory Commission May 14, 2018, Public Hearing and Second Reading June 25, 2018.

**Ordinance 18-16(S)**, An Ordinance of the City Council of Homer, Alaska, Repealing Homer City Code Chapter 18.08 and the Homer Property Management Policies and Procedures Manual and Reenacting Chapter 18.08 Codifying Certain Policies From The Property Management Manual, Clarifying Homer's Land Allocation Process, Expanding Lease Review to Include Additional Recommendations By Appropriate Commissions, Removing The Lease Committee, Removing the Requirement that all Leases may be Increased to Reflect Inflation as Determined in the Consumer Price Index, And Expanding Council's Role by Requiring it's Approval Prior To Execution of a lease, Early Termination of a Lease or Termination of Lease Negotiations. Erickson/Smith. Page 157

Memorandum 18-076(A) from City Manager as backup  
Memorandum 18-035 from City Attorney as backup

Mayor Zak opened the public hearing. There were no comments and the hearing was closed.

ADERHOLD/LORD MOVED TO ADOPT ORDINANCE 18-16 BY READING OF TITLE ONLY.

VENUTI/ADERHOLD MOVED TO SUBSTITUTE ORDINANCE 18-16(S) FOR 18-16.

There was no discussion on the motion to substitute.

VOTE (substitution): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

LORD/ADERHOLD MOVED TO ADD A NEW SUBSECTION 18.08.075(F) LEASE AMOUNT TO BE ADJUSTED ANNUALLY BASED ON THE ANCHORAGE CONSUMER PRICE INDEX AND DELETE IN TITLE FOLLOWING 'COMMISSIONS,' ~~REMOVING THE REQUIREMENT THAT ALL LEASES MAY BE INCREASED TO REFLECT INFLATION AS DETERMINED IN THE CONSUMER PRICE INDEX~~

There was no discussion.

VOTE (amendment): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

LORD/ADERHOLD MOVED TO AMEND 18.08.160(E) AFTER THE WORD BUSINESS ADD **ANY SIGNIFICANT CHANGES IN THE TERMS (USE) OF THE EXISTING LEASE MUST BE REVIEWED BY THE PORT AND HARBOR COMMISSION AND APPROVED BY CITY COUNCIL BY RESOLUTION AS AN AMENDMENT TO THE LEASE.**

There was no discussion.

VOTE (amendment): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

ERICKSON/ADERHOLD MOVED TO AMEND 18.08.100(A-C) A. AN APPRAISAL OF THE FAIR MARKET RENT OF THE PROPERTY WILL BE REQUIRED BEFORE FINAL APPROVAL OF A **NEW LEASE OR THE TRANSFER OF A LEASE** AND WITHIN **TWO YEARS** ~~ONE YEAR~~ PRIOR TO **THE RENEWAL OF A LEASE** RENEWAL.; B. STAYS THE SAME; AND C. ALL LEASED PROPERTIES SHALL BE APPRAISED EVERY FIVE YEARS FROM THE EFFECTIVE DATE OF THE LEASE. **THE CITY MAY CHOOSE TO HAVE THE PROPERTY APPRAISED AT LESS THAN FIVE YEAR INTERVALS IN ORDER TO APPRAISE MULTIPLE PROPERTIES AT ONE TIME. AN INCREASE IN RENTAL RATES RESULTING FROM APPRAISALS OCCURRING IN LESS THAN FIVE YEARS FROM THE LAST APPRAISAL SHALL NOT BE APPLIED PRIOR TO DATE OF APPRAISAL PERMITTED UNDER 18.08.100 OR THE EFFECTIVE DATE OF THE TRANSFER OR RENEWAL OF A LEASE.**

There was no discussion.

VOTE (amendment): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

LORD/ADERHOLD MOVED TO AMEND 18-08-110(A) A. LEASES MAY CONTAIN NO MORE THAN TWO OPTIONS TO RENEW AND EACH OPTION MUST **NOT EXCEED** ~~BE FOR LESS THAN~~ 25% OF THE LENGTH OF THE INITIAL LEASE TERM.

There was no discussion.

VOTE (amendment): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

There were brief comments thanking the Port and Harbor Advisory Commission, Staff, Councilmembers, and legal counsel for their work on this ordinance.

VOTE (main motion as amended): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- C. **Ordinance 18-29**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2018 Capital Budget by Appropriating up to \$5,200 from the Homer Accelerated Roads and Trails (HART) Fund for the Professional Design of an ADA Accessible Trail on City of Homer property known as Lot 7-A Nils O Svedlund Subdivision, (KPB Parcel #17719234) and Kachemak Heritage Land Trust (KHLT) property known as Lot 16 A-1 Nils O Svedlund Subdivision (KPB Parcel #17719231). Mayor. Introduction May 29, 2018 Public Hearing and Second Reading June 25, 2018.

Joel Cooper, Kachemak Heratige Land Trust Stewardship Director, commented in support of Ordinance 18-29. He noted the letter provided in the packet that addresses project costs, continued fundraising efforts, and long-term maintenance responsibilities.

Deb Lowney, city resident, commented in support of Ordinance 18-29. Personally she would like to see the trail design come up through the center of the lot to address issues within the lot.

Mayor Zak asked for a motion for the adoption of Ordinance 18-29 by reading of title only for second and final reading.

ERICKSON/VENUTI SO MOVED

Councilmember Aderhold noted for the record that she is a KHLT Board Member. She explained in past discussions of Land Trust items related to the City it has been determined she does not have a conflict of interest, but is disclosing the information again to ensure Council still feels that way.

There was no discussion by Council related to Councilmember Aderhold's disclosure.

LORD/ADERHOLD MOVED TO AMEND LINE 36 WHEREAS, **SINCE** THE SOUTHERN PART OF THE PROPOSED TRAIL WILL BE ON KHLT PROPERTY IN DELINEATED WETLANDS, KHLT REQUESTS TRAIL USE OF CITY LAND TO BOTH MINIMIZE THE CROSSING OF DELINEATED WETLANDS AND TO PROVIDE POTENTIAL ADA CONNECTIVITY BETWEEN PIONEER AVENUE AND BISHOP'S BEACH; AND

There was no discussion.

VOTE (amendment): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

There was no further discussion on the main motion as amended.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

## **ORDINANCE(S)**

### **CITY MANAGER'S REPORT**

#### A. City Manager's Report

City Manager Koester encouraged businesses along Pioneer Avenue to contact Public Works at 235-3170 if they want to participate in the Peonies on Pioneer program. Peony growers have donated peonies to our Park Department to plant at city businesses on Pioneer.

Councilmembers thanked Special Projects and Communication Coordinator Carroll for her efforts on the annual report and materials for the special election.

#### B. Bid Report

### **CITY ATTORNEY REPORT**

City Attorney Wells commented on future reporting to Council in a way that will identify attorney fees and cost reporting methodology for Council to review.

### **COMMITTEE REPORT**

#### A. Americans with Disabilities Act Compliance Committee

Councilmember Aderhold reported the task force didn't meet in June but they did a presentation to the Port and Harbor Advisory Commission in May on a report from the Northwest ADA Center on the harbor facilities.

#### B. Homer Education & Recreation Complex Task Force

Homer Education & Recreation Complex Task Force Chair Larry Slone gave a brief report on the groups opening meeting and said they'll be meeting on the 26<sup>th</sup> at the HERC buildings for a walk-through.

### **PENDING BUSINESS**

- A. **Resolution 18-053**, A Resolution of the City Council of Homer, Alaska, Approving and Accepting the Donation from the Kachemak Bay Family Planning Clinic/R.E.C Room of a Mural by Dr. Michael Struam and Homer Lead on Youth Group to be Placed on the Exterior Wall of the Ben Walter's Park Restroom and Incorporating it into the City's Artwork Collection. City Clerk/PARCAC.

Memorandum 18-068 from Parks Art Recreation and Culture Advisory Commission as backup

Resolution 18-053 was pulled under agenda approval at the request of the applicant.

- B. **Resolution 18-054**, A Resolution of the City Council of Homer, Alaska, Amending Resolution 18-036(A) Establishing the Homer Education and Recreation Complex (HERC) Task Force to Include a Representative from the Parks Art Recreation and Culture Advisory Commission. Mayor.

**Resolution 18-054(S)**, A Resolution of the City Council of Homer, Alaska, Amending Resolution 18-036(A) Establishing the Homer Education and Recreation Complex (HERC) Task Force to **Expand Advisory Membership to** Include a Representative from the Parks Art Recreation and Culture Advisory Commission and **City Council to Serve as Non-Voting Members**. Erickson.

ADERHOLD/VENUTI MOVED TO ADOPT RESOLUTION 18-054 BY READING OF TITLE ONLY.

Mayor Zak asked for a motion for the substitution of 18-054(S) for 18-054.

No motion was made.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

## **NEW BUSINESS**

- A. **Memorandum 18-078** from City Clerk Re: Approval of a Natural Gas Assessment Deferral

Mayor Zak asked if the applicant was available to comment. The applicant was not in attendance.

ADERHOLD/VENUTI MOVED TO APPROVE THE DEFERRAL REQUEST FOR JONES.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

## **RESOLUTIONS**

### **COMMENTS OF THE AUDIENCE**

Hal Spence, city resident, commented in opposition of the action of the Councilmembers who did not attend the June 11<sup>th</sup> Council Meeting, and in support of the Pride proclamation.

Roxy Lawver, city resident, commented in support of the action of the Councilmembers who did not attend the June 11<sup>th</sup> Council Meeting and in opposition to the Pride proclamation.

Kris Holderied, city resident, commented in opposition of the action of the Councilmembers who did not attend the June 11<sup>th</sup> Council Meeting, and in support of the Pride proclamation.

Sara Jackinsky, non-resident, commented in opposition of the action of the Councilmembers who did not attend the June 11<sup>th</sup> Council Meeting and in support of the Pride proclamation.

Ron Keffer, city resident, commented in opposition of the action of the Councilmembers who did not attend the June 11<sup>th</sup> Council Meeting and in support of the Pride proclamation.

Deb Lowney, city resident, commented in opposition of the action of the Councilmembers who did not attend the June 11<sup>th</sup> Council Meeting and in support of the Pride proclamation.

Hal Smith, city resident, commented in opposition of the action of the Councilmembers who did not attend the June 11<sup>th</sup> Council Meeting and in support of the Pride proclamation.

Tom Zitzmann, city resident, commented in opposition of the action of the Councilmembers who did not attend the June 11<sup>th</sup> Council Meeting and in support of the Pride proclamation.

Larry Slone, city resident, shared his understanding of of the action of the Councilmembers who did not attend the June 11<sup>th</sup> Council Meeting and concerns about notification of the cancelation and due process.

Cassie Lawver, non-resident, commented in support of the action of the Councilmembers who did not attend the June 11<sup>th</sup> Council Meeting and in opposition to the Pride proclamation.

Dwayne Nustvold, city resident, commented in support of the action of the Councilmembers who did not attend the June 11<sup>th</sup> Council Meeting and in opposition to the Pride proclamation.

Marilyn Hueper, city resident, commented in opposition to proclamations being read at City meetings as the meetings are meant for business related to running and growing the City.

Josh Garvey, city resident, commented in support of the action of the Councilmembers who did not attend the June 11<sup>th</sup> Council Meeting and in opposition to the Pride proclamation.

#### **COMMENTS OF THE CITY ATTORNEY**

Attorney Wells had no comment.

#### **COMMENTS OF THE CITY CLERK**

City Clerk Jacobsen commented about the Special Election tomorrow and that the polls are open from 7:00 a.m. until 8:00 p.m.

#### **COMMENTS OF THE CITY MANAGER**

City Manager Koester had no comment.

#### **COMMENTS OF THE MAYOR**

Mayor Zak thanked everyone for coming out tonight and encourage everyone to participate in the Bearded Sister event at Homer Fest.

#### **COMMENTS OF THE CITY COUNCIL**

Councilmember Stroozas commented there are July 4<sup>th</sup> events going on all over town. He encouraged everyone to celebrate and don't forget to go to the parade.

Councilmember Venuti reminded everyone to vote at the special election, she looks forward to the results. She thanked everyone for the good meeting and the comments tonight.



Councilmember Erickson commented in support of the police station. She noted the video of the police department tour on the city's website and encourage voting yes. There is a lot going on for July 4<sup>th</sup>, be safe and enjoy all that's happening.

Councilmember Lord encouraged voting yes on Proposition 1. Council has worked together going through a lot of material and difficult decision making on this as well as other things. She thinks they do a good job and use their time effectively. She noted a Facebook post by Methodist Pastor Lisa Talbott, that anyone around you may be hanging on just by a thread. She encouraged everyone to be kind and be aware of the words we use, noting the opioid presentation and issues happening throughout the community. The community is busy and there are a lot of positive things going on.

Councilmember Smith congratulated City Clerk Jacobsen on 14 years with the City. He appreciates Kari Ann Baker sharing her story and it's important to hear those stories to be able to make movement in getting people involved. He encouraged people to get out and vote tomorrow, the Council has worked together to bring this to the voters, and he thinks it's in our best interest to proceed and vote yes on the proposition to get the police force the facility they deserve.

Councilmember Aderhold read a statement she prepared in light of events two weeks ago regarding the importance of government, people's rights, and the responsibility of elected officials to show up, listen, and deal with policy and issues at hand regardless of the controversy. Also to abide by their Oath of Office and operating manual including code of ethics, conduct of meetings, and meeting absences. She included that per the operating manual, proclamations and recognitions are the purview of the Mayor and no Council action is taken on them. Councilmembers decision not to attend on June 11 resulted in loss of a quorum for conducting business and resulted in at least four breaches of public trust including. She explained them as loss of public forum to speak to Council on extremely short notice, action taken by three councilmembers on a matter that was not theirs to take, three councilmembers decided on a Mayoral recognition outside the public forum, and matters important to the operation of the City of Homer were left hanging citing specific ordinances, resolutions, and memorandums. She continued in emphasizing the importance of their responsibility as elected officials to be present and participate to represent the citizen in the community.

**ADJOURN**

There being no further business to come before the Council, Mayor Zak adjourned the meeting at 9:00 p.m. The next Regular Meeting is Monday, July 23, 2018 at 6:00 p.m., Committee of the Whole at 5:00 p.m. and a Special Meeting July 2, 2019 at 4:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

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MELISSA JACOBSEN, MMC, CITY CLERK

Approved: \_\_\_\_\_



Session 18-16 a Special Meeting of the Homer City Council was called to order on July 2, 2018 at 4:00 p.m. by Mayor Bryan Zak at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska, and opened with the Pledge of Allegiance.

**PRESENT:** COUNCILMEMBERS: ADERHOLD, ERICKSON, LORD, SMITH, STROOZAS, VENUTI

**STAFF:** CITY MANAGER KOESTER  
CITY CLERK JACOBSEN

### **AGENDA APPROVAL**

(Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual, pg. 5)

VENUTI/ADERHOLD MOVED TO APPROVE THE AGENDA

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

### **PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA**

### **NEW BUSINESS**

- A. **Resolution 18-058**, A Resolution of the City Council of Homer, Alaska Confirming the Results of the City of Homer Special Election Held June 26, 2018 to Decide Proposition 1; Shall the City of Homer incur debt and issue general obligation bonds in an amount not to exceed Five Million Dollars (\$5,000,000) to finance the planning, design and construction of a police station and related capital improvements; and shall the rate of City sales tax be increased by thirty five hundredths percent (0.35%) for the purpose of funding public safety operations and infrastructure within the City, including without limitation construction of a police station, with 0.3% of the sales tax rate increase to pay debt service on the general obligation bonds with the 0.3% sales tax rate increase expiring on December 31 of the year when the City has received sufficient funds from that 0.3% sales tax rate increase to pay all of that debt service?; and Confirming the Certification Date of July 2, 2018. City Clerk/Canvass Board.

ADERHOLD/STROOZAS MOVED TO ADOPT RESOLUTION 18-058 BY READING OF TITLE ONLY.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

### **COMMENTS OF THE AUDIENCE**

Wayne Aderhold, city resident, commented regarding a letter to the editor regarding the idea of selling bonds locally and suggested it might be worth considering.

Jack Cushing, city resident, commented a lot of people voted for this because it will take the heat off selling the HERC building and want the HERC to remain as recreational.

### **ADJOURN**

There being no further business to come before the Council, Mayor Zak adjourned the meeting at 4:10 p.m. The next Regular Meeting is Monday, July 23, 2018 at 6:00 p.m., Committee of the Whole at 5:00 p.m. and a Special Meeting July 2, 2019 at 4:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

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MELISSA JACOBSEN, MMC, CITY CLERK

Approved: \_\_\_\_\_

Session 18-17 a Special Meeting of the Homer City Council was called to order on July 2, 2018 at 4:30 p.m. by Mayor Bryan Zak at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska, and opened with the Pledge of Allegiance.

**PRESENT:** COUNCILMEMBERS: ADERHOLD, ERICKSON, LORD, SMITH, STROOZAS, VENUTI

**STAFF:** CITY MANAGER KOESTER  
CITY CLERK JACOBSEN

The following change was made: **Resolution 18-059**, A Resolution of the City Council of Homer, Alaska Requesting the Alaska Board of Fish to Consider the Topic of Salmon Enhancement in Prince William Sound at the Regularly Scheduled Fall Meeting Instead of the July 17, 2018 Special Meeting. Erickson/Smith.

Written Public Comments.

ADERHOLD/LORD MOVED TO APPROVE THE AGENDA AS AMENDED

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

#### **PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA**

Ron Keffer, city resident, commented in opposition to Resolution 18-059 noting procedural and substantive issues with the resolution and the process in bringing it forward.

Jack Cushing, city resident, commented it's in the Councils purview to address regional issues but expressed his disagreement with scheduling a special meeting on short notice.

#### **NEW BUSINESS**

- A. **Resolution 18-059**, A Resolution of the City Council of Homer, Alaska Requesting the Alaska Board of Fish to Consider the Topic of Salmon Enhancement in Prince William Sound at the Regularly Scheduled Fall Meeting Instead of the July 17, 2018 Special Meeting. Erickson/Smith.

SMITH/ERICKSON MOVED TO ADOPT RESOLUTION 18-059 BY READING OF TITLE ONLY

Councilmember Aderhold raised the issue of potential conflict of interest for Councilmember Erickson or her direct family members if this resolution passes and if the Board of Fish listen to the resolution and not include it on their July emergency meeting agenda.

Councilmember Erickson deferred to City Manager Koester who explained Council has to decide on conflict of interest and that transparency is always paramount, and noted a conversation with the City Attorney on this topic that this resolution itself is not the decision making point on this issue.

Mayor Zak ruled that Councilmember Erickson does not have a conflict of interest.

Councilmember Aderhold requested Councilmember Erickson disclose the potential interest as that's the transparent method to take.

Councilmember Erickson explained her brother in law and his three sons are fishermen in Prince William Sound and she gets no financial gain from them. Her son is a wheel netter and is getting out the industry, so there would be no gain there either.

No further issues were raised and discussion ensued.

Councilmember Smith agreed the the timing isn't great but the comment period ends July 9<sup>th</sup> and to be responsive to constituents who brought this to him, it has to happen now and not later. There is no public comment at the Board of Fish meeting but they do receive written comment. He shared a brief history of the Solomon Gulch Hatchery permit amendment request and its challenges, and how at the 12<sup>th</sup> hour there are groups trying to circumvent a process that's already taken place.

Councilmember Lord agrees it's a process issue and is opposed to the resolution because the Board of Fisheries has a process by which they determine emergency petitions. It happens where they have emergency situations and petitions. The hatchery issue is huge, and the Board will take it up as part of their ongoing discussion at their scheduled meetings. She would likely oppose this regardless of the timing because it's the Board of Fisheries going through their process of determine whether or not they find the emergency consideration valid. She agrees it's reasonable and appropriate to weigh in all sorts of issues that affect our community, but she isn't willing to weigh in on the established process of another group working to managing our fisheries.

Councilmember Aderhold also opposes the resolution noting the the blanket statement commercial fishing is a vital part of the Homer economy, which she agrees with, but there are a lot of commercial fishermen who rely on wild fish fisheries and increasing hatchery fish has the potential to harm the wild stocks. She also agrees with Councilmember Lord's comments.

Councilmember Venuti comes from a fishing family and understands some of the changes that have happened in fisheries because of the data that's coming through. There are concerns out

there about the impacts of the pink salmon on the eggs of other fish. She supports wild salmon and trusts the biologists and their data, and that the Board will listen. She does not support the resolution.

Council continued discussion sharing concerns and reiterating similar points in support and in opposition to Resolution 18-059.

VOTE: YES: SMITH, STROOZAS, ERICKSON

NO: VENUTI, ADERHOLD, LORD

Mayor Zak voted no to break the tie.

Motion failed.

### **COMMENTS OF THE AUDIENCE**

Tom Zitzmann, city resident, noted the discussion regarding process and that it's ironic that Councilmembers can skip a meeting, appearing to thwart the ability of the public to address an LGBTQ issue, but when convenient be very interested in process. He encouraged honoring the process, and the commitment to the people.

Steve Gibson, city resident, has no vested interest in the fishery, but does have interest in this process. He note it wasn't great attention to process when three people abdicate coming to a meeting where LGBTQ were to be discussed, but then an emergency meeting is suddenly called to discuss this issue today. This encourages divisiveness.

Jack Cushing, city resident, noted when dip netting for reds across the bay when someone lands a pink you have to release them immediately. When they are netted the general thought is "I hope they don't take over the stream". It's a local fishery that stands to be impacted.

### **ADJOURN**

There being no further business to come before the Council, Mayor Zak adjourned the meeting at 5:04 p.m. The next Regular Meeting is Monday, July 23, 2018 at 6:00 p.m., Committee of the Whole at 5:00 p.m. and a Special Meeting July 2, 2019 at 4:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

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MELISSA JACOBSEN, MMC, CITY CLERK

Approved: \_\_\_\_\_





**ORDINANCE REFERENCE SHEET**  
**2018 ORDINANCE**  
**ORDINANCE 18-36**

An Ordinance of the City Council of Homer, Alaska, Amending the FY 2018 Operating Budget to Provide for Needed Replacement of the Water Line on the Fish Dock by Appropriating Funds from the Port & Harbor Depreciation Reserves in the amount of \$62,290.

Sponsor: City Manager/Port Director.

1. Council Regular Meeting July 23, 2018 Introduction



1 **CITY OF HOMER**  
2 **HOMER, ALASKA**

3 City Manager/Port Director

4 **ORDINANCE 18-36**

5  
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,  
7 AMENDING THE FY 2018 CAPITAL BUDGET TO PROVIDE FOR  
8 NEEDED REPLACEMENT OF THE WATER LINE ON THE FISH DOCK  
9 BY APPROPRIATING FUNDS FROM THE PORT AND HARBOR  
10 DEPRECIATION RESERVES IN THE AMOUNT OF \$62,290.

11  
12 WHEREAS, The waterline on the fish dock is a potable water source original to the  
13 structure and has been requiring increasing amounts of maintenance to keep the aging  
14 galvanized pipe and heat trace elements from failure; and

15  
16 WHEREAS, The City advertised an RFP for replacement of the waterline in November of  
17 2017, the scope of the project as well as state requirements for a Davis/Bacon wage scale  
18 effected estimated costs significantly, and none of the proposals were within the project  
19 budget approved by City Council of \$30,000 in Ordinance 17-34(A); and

20  
21 WHEREAS, The City, incorporating the information learned from the submitted  
22 proposals, revised the scope of work for the project and a new estimated budget was  
23 constructed using the acquired data; and

24  
25 WHEREAS, The City requests amendment to the FY 2018 capital budget to provide for  
26 needed replacement of the waterline on the fish dock by appropriating funds from the Port  
27 and Harbor Depreciation Reserves in the amount of \$62,290 for a total project cost of \$92,290.

28  
29 NOW, THEREFORE, The City of Homer Ordains:

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31 Section 1: The FY 2018 Capital Budget is hereby amended for the purpose of funding the  
32 replacement of the waterline on the Fish Dock, as follows:

33  
34 

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
456-0380	Port and Harbor Depreciation Reserve	\$62,290

35  
36  
37 Section 2. This is a budget amendment ordinance, is not permanent in nature, and shall  
38 not be codified.

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40 PASSED AND ADOPTED by the Homer City Council this 13<sup>th</sup> day of August 2018.

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CITY OF HOMER

\_\_\_\_\_  
BRYAN ZAK, MAYOR

ATTEST:

\_\_\_\_\_  
MELISSA JACOBSEN, MMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

Introduction:

Public Hearing:

Second Reading:

Effective Date:

Reviewed and approved as to form:

\_\_\_\_\_  
Katie Koester, City Manager

\_\_\_\_\_  
Holly Wells, Attorney

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**CITY OF HOMER  
HOMER, ALASKA**

City Manager/  
Public Works Director

**RESOLUTION 18-060**

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, AWARDING THE CONTRACT FOR THE HARBOR RAMP TWO RESTROOM WATER MAIN EXTENSION PROJECT TO THE FIRM OF PROPERTY IMPROVEMENTS OF HOMER, ALASKA IN THE AMOUNT OF \$18,000 AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE APPROPRIATE DOCUMENTS.

WHEREAS, The Homer City Council passed Ordinance 18-30 appropriated \$35,911 from the Harbor Depreciation Reserve Fund for the Relocation of the Ramp Two Harbor Backflow Prevention Facilities; and

WHEREAS, Competitive bids were solicited for the Harbor Ramp Two Restroom Water Main Extension project (to allow the backflow prevention devices to be relocated inside the restroom) in conformance with The City of Homer’s Procurement Policies; and

WHEREAS, One bid was received and opened on June 28, 2018 (see Memorandum 18-801 from Public Works). Property Improvements of Homer, Alaska was found to be the lowest responsive bidder. The low bid is within the project budget approved by the City Council; and

WHEREAS, This award is not final until written notification is received by the firm from the City of Homer.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, awards the contract for the Harbor Ramp Two Restroom Water Main Extension project to the firm of Property Improvements of Homer, Alaska, in the amount of \$18,000 and authorizes the City Manager to execute the appropriate documents necessary to complete this project.

PASSED AND ADOPTED by the Homer City Council this 23rd day of July, 2018.

CITY OF HOMER

\_\_\_\_\_  
BRYAN ZAK, MAYOR

ATTEST:

\_\_\_\_\_  
MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal Note: 456-0380





## **MEMORANDUM 18-081**

To: Katie Koester, City Manager

From: Carey Meyer, PW Director

Date: July 16, 2018

Subject: **Award of Construction Contract  
Ramp 2 Restroom Water Main Extension  
Harbor Backflow Prevention Facilities Relocation**

The Homer City Council passed Ordinance 18-30 appropriating \$35,911 from the Harbor Depreciation Reserve Fund for the Relocation of the Ramp 2 Harbor Backflow Prevention Facilities.

On June 28, 2018, quotes were received for the installation of a water main to the existing Ramp 2 restroom to allow the backflow prevention devices to be relocated inside the restroom. Quotes were solicited from a dozen local area contractors utilizing the Fax Back bidding procedure in conformance with the City’s Procurement Policy.

One responsive bid was received. The results are as follows.

<u>Responsive Bidder’s Names</u>	<u>Location</u>	<u>Amount</u>
<b>Property Improvements</b>	<b>Homer</b>	<b>\$ 18,000</b>
Engineer’s Estimate		\$ 19,500

The City’s 5% local bidder’s preference does apply to this award. The low bidder is local.

The low bid is within the project budget approved by the City Council. With Council approval, Public Works expects the work to commence August 27 and be completed by August 31 (after restroom demolition; before restroom replacement begins).

### **Recommendation:**

City Council pass a resolution awarding the water main extension contract for the Harbor Ramp 2 Restroom Backflow Prevention Relocation project in the amount of \$18,000 to Property Management, Homer, Alaska and authorizing the City Manager to execute all appropriate documents necessary to complete this project.

Fiscal Note: 456-0380





**CITY OF HOMER  
HOMER, ALASKA**

City Manager/  
Public Works Director

**RESOLUTION 18-061**

A RESOLUTION OF THE HOMER CITY COUNCIL AWARDING THE CONTRACT FOR THE HARBOR RAMP TWO RESTROOM DEMOLITION PROJECT TO THE FIRM OF PROPERTY IMPROVEMENTS OF HOMER, ALASKA IN THE AMOUNT OF \$10,989 AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE APPROPRIATE DOCUMENTS.

WHEREAS, Competitive bids were solicited for the Harbor Ramp Two Restroom Demolition project in conformance with The City of Homer's Procurement Policies; and

WHEREAS, Three bids were received and opened on June 28, 2018 (see Memorandum 18-082 from Public Works); and

WHEREAS, Property Improvements of Homer, Alaska was found to be the lowest responsive bidder; and

WHEREAS, The low bid is within the project budget approved by the City Council; and

WHEREAS, This award is not final until written notification is received by the firm from the City of Homer.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, awards the contract for the Harbor Ramp Two Restroom Demolition project to the firm of Property Improvements of Homer, Alaska, in the amount of \$10,898 and authorizes the City Manager to execute the appropriate documents necessary to complete this project.

PASSED AND ADOPTED by the Homer City Council this 23rd day of July, 2018.

CITY OF HOMER

\_\_\_\_\_  
BRYAN ZAK, MAYOR

ATTEST:

\_\_\_\_\_  
MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal Note: 415-0941-5261





## MEMORANDUM 18-082

To: Katie Koester, City Manager  
 From: Carey Meyer, PW Director  
 Date: July 16, 2018  
 Subject: **Award of Construction Contract  
 Ramp 2 Restroom Demolition**

The Homer City Council passed Ordinance 18-28 accepted and appropriated a 2017 Land and Water Conservation Fund (LWCF) 50/50 matching grant in the amount of \$263,340 to replace the Ramp 2 public restroom.

On June 28, 2018, quotes were received for the demolition of the existing restroom. Quotes were solicited from a dozen local area contractors utilizing the Fax Back bidding procedure in conformance with the City’s Procurement Policy.

Three responsive bids were received from qualified firms. The bid results were evaluated and the results are as follows.

Responsive Bidder’s Names	Location	Amount
Moore and Moore Services, Inc.	Homer	\$ 12,000
Paul’s Services	Anchor Point	\$ 23,742
<b>Property Improvements</b>	<b>Homer</b>	<b>\$ 10,989</b>
Engineer’s Estimate		\$ 18,000

The City’s 5% local bidder’s preference does not apply to this award (federal funding involved). Low bidder was local

The low bid is within the project budget approved by the City Council. With Council approval, Public Works expects the work to commence August 20 and be completed by August 25.

### **Recommendation:**

City Council pass a resolution awarding the demolition contract for the Harbor Ramp 2 Restroom Demolition project in the amount of \$10,989 to Property Management, Homer, Alaska and authorizing the City Manager to execute all appropriate documents necessary to complete this project.

Fiscal Note: 415-0941-5261



1 **CITY OF HOMER**  
2 **HOMER, ALASKA**

3 City Manager/  
4 Public Works Director

5 **RESOLUTION 18-062**

6  
7 A RESOLUTION OF THE HOMER CITY COUNCIL AWARDING THE  
8 CONTRACT FOR THE HARBOR RAMP TWO RESTROOM  
9 REPLACEMENT PROJECT TO THE FIRM OF BEACHY  
10 CONSTRUCTION, INC. OF HOMER, ALASKA IN THE  
11 AMOUNT OF \$426,200 AND AUTHORIZING THE CITY MANAGER  
12 TO EXECUTE THE APPROPRIATE DOCUMENTS.  
13

14 WHEREAS, Competitive bids were solicited for the Harbor Ramp Two Restroom  
15 Replacement Project in conformance with The City of Homer's procurement policies; and  
16

17 WHEREAS, The project was advertised in the Homer News on May 30 and June 7 and in  
18 the Peninsula Clarion on June 3, 2018; and  
19

20 WHEREAS, Four bids were received and opened on July 6, 2018 (see Memorandum 18-  
21 083 from Public Works); and  
22

23 WHEREAS, Beachy Construction, Inc. of Homer, Alaska was found to be the lowest  
24 responsive bidder; and  
25

26 WHEREAS, The low bid is within the project budget approved by the City Council; and  
27

28 WHEREAS, This award is not final until written notification is received by the firm from  
29 the City of Homer.  
30

31 NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, awards the  
32 contract for the Harbor Ramp Two Restroom Replacement Project to the firm of Beachy  
33 Construction, Inc. of Homer, Alaska, in the amount of \$426,200 and authorizes the City Manager  
34 to execute the appropriate documents necessary to complete this project.  
35

36 PASSED AND ADOPTED by the Homer City Council this 23rd day of July, 2018.  
37

38 CITY OF HOMER  
39

40  
41 \_\_\_\_\_  
42 BRYAN ZAK, MAYOR

43 ATTEST:

44

45

46 \_\_\_\_\_

47 MELISSA JACOBSEN, MMC, CITY CLERK

48

49 Fiscal Note: 415-0941



## **MEMORANDUM 18-083**

To: Katie Koester, City Manager  
From: Carey Meyer, PW Director  
Date: July 9, 2018  
Subject: **Award of Construction Contract  
Ramp 2 Restroom Replacement**

---

The Homer City Council passed Ordinance 18-28 accepted and appropriated a 2017 Land and Water Conservation Fund (LWCF) 50/50 matching grant in the amount of \$263,340 to replace the Ramp 2 public restroom.

On July 6, 2018, bids were received for the project. The project was advertised in the Homer News on May 31 and June 7 and in the Peninsula Clarion on June 3. Competitive bidding was completed in accordance with the City's procurement regulations.

Four responsive bids were received from qualified firms. The bid results were evaluated and the results are as follows.

Responsive Bidder's Names	Amount
Bore Tide Construction, LLC	\$ 575,610
Jay Brant General Contractors, LLC	\$ 530,467
Puffin Electric, Inc.	\$ 479,300
<b>Beachy Construction, Inc.</b>	<b>\$ 426,200</b>
Engineer's Estimate	\$ 448,092

The City's 5% local bidder's preference does not apply to this award (federal funding involved). Low bidder was local

The low bid is within the project budget approved by the City Council. With Council approval, Public Works expects the work to commence at the end of August and be completed by Novemeber.

### **Recommendation:**

City Council pass a resolution awarding the construction contract for the Harbor Ramp 2 Restroom Replacement project in the amount of \$426,200 to Clark Beachy Construction, Homer, Alaska and authorizing the City Manager to execute all appropriate documents necessary to complete this project.





**CITY OF HOMER  
HOMER, ALASKA**

City Clerk

**RESOLUTION 18-063**

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA  
AWARDING THE ART WORK CONTRACT FOR THE RAMP TWO  
RESTROOM PROJECT ON THE HOMER SPIT TO MELISSE  
REICHMAN OF HOMER, ALASKA, IN THE AMOUNT OF \$3,200.00  
AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE  
APPROPRIATE DOCUMENTS.

WHEREAS, The Request for Proposals was advertised in the Homer News on May 24 and  
31, 2018, the Anchorage Daily News on May 27, 2018; Two plans Rooms in the State and on the  
City’s website; and

WHEREAS, Proposals were due by 4:30 p.m. on Thursday, June 21, 2018 and two  
proposals were received by the City Clerk’s Office; and

WHEREAS, The 1% for Art Selection Committee reviewed the proposals and  
recommended awarding Melisse Reichman of Homer, Alaska the art contract for her sculpture  
entitled “Pocket Pebble” in the Amount of \$3,200.00; and

WHEREAS, This award is not final until notice is received by Melisse Reichman of Homer,  
Alaska from the City of Homer.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, hereby  
awards the art work contract for the New Ramp Two Restroom Project on the Homer Spit to  
Melisse Reichman of Homer, Alaska and authorizes the City Manager to execute the  
appropriate documents and proceed accordingly.

PASSED AND ADOPTED by the City Council of Homer, Alaska, this 23rd day of July, 2018.

CITY OF HOMER

\_\_\_\_\_  
BRYAN ZAK, MAYOR

ATTEST:

\_\_\_\_\_  
MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal Note: Acct. No. 151-0951 New Ramp Two Restroom Project on the Homer Spit





# City of Homer

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

Office of the City Clerk

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## Memorandum 18-084

TO: MAYOR ZAK AND HOMER CITY COUNCIL

FROM: 1% FOR ART SELECTION COMMITTEE – RAMP TWO RESTROOM AND FIRE HALL RENOVATION PROJECTS

THRU: RENEE KRAUSE, CMC, DEPUTY CITY CLERK

DATE: JULY 9, 2018

SUBJECT: RECOMMENDATION TO AWARD

---

The Art Selection Committee reviewed two proposals received at their June 28, 2018 meeting. A submission was received for the Fire Hall and one artist submitted several submissions for the Ramp Two Restroom project.

The proposals were submitted in response to an advertised Request for Proposals for artwork to fulfill the 1% for the Arts in accordance with Homer City Code, Chapter 18.07 Funds for Works of Art in Public Places.

The committee carefully reviewed the proposals using the guidelines established and have made the following recommendations:

The members of the Selection Committee having reviewed and discussed the one submission received for the 1% for Art for the Fire Hall Renovation project at their meeting on June 28, 2018 recommend revising the scope of work and reissuing the Request for Proposals with submissions due on Thursday September 6, 2018 at 4:30 p.m.

The members of the Selection Committee having reviewed and discussed the submissions for the Ramp Two Restroom Project recommend awarding Melisse Reichman of Homer, Alaska for her work, “Pocket Pebble” in the amount of \$3,200 and further recommend the Committee to work with the artist on installation and location within the project site as appropriate and identification as appropriate.

Excerpt of the June 28, 2018 minutes are included for reference.

### Recommendation

Approve recommendation to re-advertise the Request for Proposals on the Fire Hall and  
Approve recommendation to award a contract to the artist noted above and authorize the City Manager to execute the appropriate documents.

Art Selection Committee

Minutes June 28, 2018

**NEW BUSINESS**

A. Memorandum from Deputy City Clerk re: Request for Executive Session Pursuant to AS §44.62.310(C)(2 &3), Matters, Which By Law, Municipal Charter, or Ordinances are Required to be Confidential. (Review and Evaluation of Submitted Proposals)

Chair Steffy read the memorandum into the record and requested a motion to approve the request.

LOWNEY/SHARP MOVED TO APPROVE THE REQUEST TO ADJOURN TO EXECUTIVE SESSION.

There was no discussion.

VOTE. YES. SHARP, SCHMUTZLER, LOWNEY, HAWKINS, MEYER, STEFFY

Motion carried.

Chair Steffy requested a motion to adjourn to executive session.

LOWNEY/SCHMUTZLER MOVED TO ADJOURN TO EXECUTIVE SESSION.

There was no discussion.

VOTE. YES. MEYER, SHARP, HAWKINS, SCHMUTZLER, LOWNEY, STEFFY

Motion carried.

The Committee adjourned to executive session at 3:08 p.m. Chair Steffy called the meeting back to order at 3:58 p.m.

SCHMUTZLER/LOWNEY MOVED TO RECOMMEND THAT THE REQUEST FOR PROPOSAL FOR THE 1% FOR ART FOR THE FIRE HALL RENOVATION PROJECT SCOPE OF WORK BE AMENDED AND REISSUED AS DISCUSSED.

There was a brief discussion that the scope of work was to include the Homer Volunteer Fire Department Mission Statement and that it was a desire that submittals received reflected the mission and consideration for placement of artwork in the pocket park on the western corner of the property was favored by Fire Department personnel and volunteers. It was noted that the item will be advertised in local art related places around town.

VOTE. YES. MEYER, LOWNEY, STEFFY, SCHMUTZLER, SHARP, HAWKINS.

Motion carried.

SHARP/LOWNEY MOVED TO FORWARD THE SELECTION COMMITTEE'S 1% FOR ART RECOMMENDATION TO COUNCIL FOR THE RAMP TWO RESTROOM REPLACEMENT PROJECT

There was a brief discussion on the project and awarding process.

LOWNEY/MEYER MOVED THAT THE COMMITTEE WORK WITH THE ARTIST ON THE LOCATION AND DETAILS OF THE INSTALLATION OF THE ARTWORK.

*There was further discussion on identification or placard for the artwork.*

*VOTE. (Amendment) NON-OBJECTION. UNANIMOUS CONSENT.*

*Motion carried.*

*VOTE. (Main) YES. LOWNEY, STEFFY, SHARP, SCHMUTZLER, MEYER, HAWKINS*

*Motion carried.*



1 **CITY OF HOMER**  
2 **HOMER, ALASKA**

3 City Manager/Finance Director

4 **RESOLUTION 18-064**

5  
6 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,  
7 AMENDING THE CITY OF HOMER WATER AND SEWER RATES AND  
8 UPDATING THE HOMER FEE SCHEDULE ACCORDINGLY.  
9

10 WHEREAS, Water and sewer utility services shall be reviewed annually shall take effect  
11 as of January 1, 2019; and  
12

13 WHEREAS, Based on a the water sewer rate model prepared by the Water Sewer Rate  
14 Task Force and adopted by the Homer City Council in Resolution 13-048(S-2)(A-3) adjustments  
15 to the rates are recommended and warranted to reflect the true cost of water and sewer  
16 services; and  
17

18 WHEREAS, The cost to the average residential user of water and sewer will range from  
19 a 2% decrease to a less than 1% increase based on 2018 usage.  
20

21 NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, that the  
22 water and sewer fees be maintained at the 2017 rate and the Homer Fee Schedule be updated  
23 as follows:  
24

25 **WATER AND SEWER FEES:**

26 Public Works - 235-3170

27 City Hall - 235-8121

28 Billing - 235-8121 x2240  
29

30 (The following fees have been set by the following legislative enactment HCC Title 14, new fees set forth  
31 in Resolution 16-063(S-2), Resolution 14-060, Ordinance 13-30(A), Resolution 15-074A-2), 13-048 (S-2)(A-  
32 3), Ordinance 11-43, Resolution 11-094(S), Resolution 11-062(A), Resolution 09-47(S)(A), Resolution 09-  
33 48(S)(A), Resolution 07-119 (A), Resolution 07-120(A), Ordinance 06-62(A), Resolution 06-04, Resolution  
34 05-125, Resolution 05-122, Resolution 05-121(A), Resolution 05-09, Resolution 04-95, Resolution 04-  
35 94(S)(A), Resolution 03-159, Resolution 02-80, Resolution 01-80(A), Resolution 00-123, Resolution 00-  
36 34, Ordinance 00-02, Ordinance 97-17(A), amending the rates set forth in Ordinance 97-5(S)(A), with  
37 amendments by Ordinance 97-7, Ordinance 97-13 and Ordinance 97-14).  
38

39 A 15% admin. fee for replacement parts for water/sewer services, functions, pressure reducing valves,  
40 sewer saddles, any Public Works Department stock item for resale to public.  
41

42 Establishing service includes a one-time disconnect - \$75

43 Service calls, inspections, repairs not to exceed one hour - \$25 per employee plus equipment and  
44 materials.

45  
 46 Service calls, inspections and repairs during normal operating hours in excess of one hour labor: actual  
 47 labor costs by City plus equipment and materials.

48  
 49 Service calls, inspections and repairs after normal operating hours or on weekends/holidays: \$50  
 50 minimum plus equipment and materials or actual cost incurred by City, whichever is greater.

51  
 52 SEWER FEES:

53 Sewer Connection and Extension Permit Fee

54  
 55 Single Family \$255  
 56 Multi-Family/Commercial \$330

57  
 58 Customer classification definitions for determining sewer connection and extension permit fees:

59  
 60 Single Family Residential – A unit providing housing for one household; with less than 25% of the  
 61 building area used for business or commercial purposes.

62  
 63 Multi-Family Residential- A building or lot occupied by more than one household: contained within one  
 64 building or several building within one complex. Examples of multi-family units includes duplexes,  
 65 four-plexes and up, apartments, condominiums, co-housing projects, and multiple structures on one  
 66 lot (where units are normally rented or occupied for longer than one month at a time). Examples of  
 67 units not considered as multi-family include hotels, motels, B&B’s seasonal rooms/cabins (where units  
 68 are routinely rented or occupied for less than one month at a time.)

69  
 70 Commercial - Any user not defined as Residential.

71  
 72 Sewer Rate Schedule.

73  
 74 All sewer utility services shall be billed according to the following schedule (Table I, II). This schedule  
 75 is for monthly sewer services and is in addition to any charges for connecting or disconnecting the  
 76 service, installation of the service or any assessment of the improvements.

**Rates** **Table I**

Customer Classification	Sewer	
	Monthly Service	Usage Charge/Gallon
Lift-Station Customer		<del>\$0.0232</del> <b>\$0.0224</b>
Non-Lift-Station Customer		<del>\$0.0157</del> <b>\$0.0145</b>
Multi-units (additional per unit)	\$5.00	N/A



77

**Rates**

**Table II**

Sewer ONLY Customers	Sewer	
	Fees/Rate/Usage	Per Customer Per Month
Lift-Station Customer	\$0.0224/Gal	<del>\$69.60</del> <b><u>\$67.20</u></b>
Non-Lift-Station Customer	\$0.0145/Gal	<del>\$47.10</del> <b><u>\$43.50</u></b>
Monthly Service	\$5.00/customer/mo.	\$5.00 (Kachemak City customers will be exempt from \$5 monthly service fee. Kachemak City will be billed a \$5 monthly service fee to cover all Kachemak City sewer customers.)
Pumping Fee ( <i>If Applicable</i> )	<del>\$7.75</del> <b><u>\$6.75</u></b> /customer/mo.	<del>\$7.75</del> <b><u>\$6.75</u></b>
Assumption: Avg. Sewer Usage	3000 Gal/Mo.	

78 Customer classification definitions for determining sewer rates:

79

80 Lift Station Zone Customer: There are eleven sewage lift/pump stations that are used for pumping  
 81 wastewater or sewage from areas with lower elevation than the treatment plant. Customers who are  
 82 located in these areas shall be charged additional fees for the cost added to the services (see Table I &  
 83 II).

84

85 Non-Lift Station Zone Customer: Customers who are located in the zone that do not need lift/pump  
 86 station services.

87

88 Sewer System Dischargers (Sewer ONLY customers): Customers who use sewer service only shall be  
 89 charged a monthly fee of \$5 plus sewer usage fee based on assessed volume of 3,000 gallons per month  
 90 multiplied by the applicable sewage rate (see Table II). Kachemak City Local Improvement District (LID)  
 91 members have contributed to the initial cost of the sewer treatment plant and the collection system.  
 92 For Kachemak City LID dischargers connected within the LID, the City of Homer shall bill Kachemak City  
 93 in one single bill at the Lift-Station Zone Rate of \$73.95 (\$67.20 +\$6.75) per month per customer.

94 Kachemak City shall be billed a \$5 monthly service charge to cover all Kachemak City sewer customers  
95 and shall be responsible for payment to the City of Homer.

96  
97 Domestic sewer service customers who use large quantities of City water in addition to their domestic  
98 use shall be allowed, with the Public Works Director's approval, to install an additional water meter on  
99 the domestic water use line for the purpose of metering and charging for domestic sewer system use.  
100 Sewer system use will be billed monthly.

101  
102 The City will allow, upon approval by Public Works and a permit from the Public Works Department, a  
103 second water usage meter – called a seasonal sewer meter – for each customer that desires to measure  
104 the flow of City water that is not discharged to the sewer system during the summer growing season,  
105 June 15 through September 15. Rates noted above do not apply.

106  
107 Seasonal Sewer Meter Fee is \$251.75.

108  
109 WATER FEES:

110 Water Connection Fee

111  
112 Single Family \$300

113 Multi-Family/Commercial \$375

114  
115 Customer classification definitions for determining water connection and extension permit fees:

116  
117 Single Family Residential – A unit providing housing for one household; with less than 25% of the  
118 building area used for business or commercial purposes.

119  
120 Multi-Family Residential- A building or lot occupied by more than one household: contained within one  
121 building or several building within one complex. Examples of multi-family units includes duplexes,  
122 four-plexes and up, apartments, condominiums, co-housing projects, and multiple structures on one  
123 lot (where units are normally rented or occupied for longer than one month at a time). Examples of  
124 units not considered as multi-family include hotels, motels, B&B's seasonal rooms/cabins (where units  
125 are routinely rented or occupied for less than one month at a time.)

126  
127 Commercial - Any user not defined as Residential.

128  
129 Water Rate Schedule.

130  
131 All water utility services shall be billed according to the following schedule. This schedule is for monthly  
132 water service and is in addition to any charges for connecting or disconnecting the service, installation  
133 of the service or any assessment of the improvements.

134  
135  
136  
137  
138

139

Rates	Water	
	Table III	
Customer Classification	Monthly Service	Usage Charge/Gallon
Lift-Station Customer	\$ <del>19.00</del> <b>13.00</b>	<del>\$0.0109</del> <b>\$0.0132</b>
Non-Lift-Station Customer	\$ <del>19.00</del> <b>13.00</b>	<del>\$0.0109</del> <b>\$0.0132</b>
Multi-units (additional per unit)	\$ 5.00	
Bulk Water	\$ <del>19.00</del> <b>13.00</b>	<del>\$0.0149</del> <b>\$0.0172</b>

140

141 Customer classification definitions for determining water rates:

142

143 Bulk Water Customers: The bulk water customers are the resellers of water or water users who purchase  
 144 water from the water plant directly and are not in the metered water distribution system.

145

146 Non-Bulk Customers: All customers who receive water from the metered water distribution system.

147

148 Multi-Units: An additional \$5 monthly charge shall apply to each of the units of a building or lot  
 149 occupied by more than one household or commercial entity contained within one building or several  
 150 buildings within one complex. Examples of multi-family units include duplexes, four-plexes and up,  
 151 apartments, condominiums, co-housing projects, and multiple structures on one lot (where units are  
 152 normally rented or occupied for longer than one month at a time). Examples of units not considered as  
 153 multi-family include hotels, motels, and B&B's seasonal rooms/cabins (where units are routinely rented  
 154 or occupied for less than one month at a time.)

155

156 This fee applies to all multi-unit structures defined in the sewer section of this for apartments, rental  
 157 units or multi-unit buildings where each unit would have one or more restrooms and are intended to  
 158 be rented on a monthly basis where there is only one meter installed, excluding a rental building  
 159 restroom used for shared or public use.

160

161 Meter Size Deposits.

162

<u>Size (inches)</u>	<u>Residential Users</u>	<u>Nonresidential Users</u>
5/8	\$75.00	\$220.00
3/4	\$80.00	\$230.00

1	\$90.00	\$250.00
1-1/2	\$115.00	\$310.00
2	\$150.00	\$370.00
3	\$220.00	\$525.00
4	\$310.00	\$730.00
6	\$520.00	\$1,225.00

163

164 \$750 meter deposit shall apply to metered fire hydrant connections. The deposit will be returned when  
165 the meter is returned undamaged. This deposit may be waived upon the recommendation of the Public  
166 Works Superintendent.

167

168 If a bulk water customer purchases a meter from the City for measuring the quantity of water  
169 purchased, it shall be exempt from the monthly meter service charge. It is the responsibility of the bulk  
170 water customer to maintain that meter so the City can accurately determine the amount of water being  
171 purchased. In the event the meter fails, it is the bulk water customer's responsibility, at its expense, to  
172 repair it or purchase a replacement meter from the City. The City may at any time test the meter for  
173 accuracy.

174

175 PASSED AND ADOPTED by the Homer City Council on this \_\_\_\_ day of \_\_\_\_\_, 2018.

176

CITY OF HOMER

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179

180

\_\_\_\_\_  
BRYAN ZAK, MAYOR

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182

183 ATTEST:

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186

\_\_\_\_\_  
MELISSA JACOBSEN, MMC, CITY CLERK

187

188

189 Fiscal Note: Revenue amounts defined in CY2019 budget.



# City of Homer

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

Finance Department

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## Memorandum 18-080

TO: Mayor Zak and Homer City Council  
THROUGH: Katie Koester, City Manager  
FROM: Elizabeth Walton, Finance Director  
DATE: July 18, 2018  
SUBJECT: Water and Sewer Rate Model

---

The purpose of this memo is to provide an overview of the model used to generate the water and sewer rates.

### **Introduction:**

The basic principles and assumptions of this model were developed by the most recent Water and Sewer Task Force. The purpose of this model is to generate a utility rate that is a product of budget assumptions and the backing out of fixed fee components. The intent was to provide the City with a mechanism that connected the water and sewer rates to the actual costs to maintain the infrastructure.

The format of the rate model has changed from the one the Water and Sewer Task Force generated, but the basic principles and assumptions remain the same. These changes were made to more accurately reflect the City's budget structure.

### **Water Rate Model:**

This model generates a rate based on water revenues and consumption.

### **Revenues**

The total revenue required is pulled directly out of the current year's budget (as we set the rates for Water and Sewer prior to the finalization of the next year's budget). To be more transparent with the budgeting of the transfer to reserves, the transfer has been backed out of the revenue amount and is now listed in its own line on this model.

The reserve requirement is currently set at 15% of the total revenue required. This percentage was derived by conversations with the Water and Sewer Superintendent, our three year average transfer and by industry standard research. The City has to work diligently towards maintaining the extensive water and sewer infrastructure. The infrastructure is aging and the City needs to be prepared for upcoming maintenance expenses.

The model backs out three fixed fee components. The first fixed fee is related to the overhead costs assigned to the fund. These costs cover a portion of the administrative costs associated with the processing of utility payments. This fee is backed out because the Monthly Fee amount is used to cover such expenses. The second fee is Hydrant Rents and it is related to the costs associated with maintaining the water hydrants. This cost is budgeted at 10% of total water revenue required and the costs are shared 50/50 between the General Fund and the Water/Sewer Fund. The final fixed fee references Bulk Water Sales. This amount is determined by applying the bulk surcharge (0.004/gallon) to the prior year total gallons consumed by bulk users. This is backed out because these expenses are captured by the separate rate for bulk users.

### **Consumption**

The water consumption line is determined by prior years gross meters water sales (in gallons). The water usage at the Sewer Treatment Plant has been backed out of this figure, as it has been determined to be an operational cost. The model rounds up to the nearest million for ease of reporting.

### **Rates**

The water rates are broken into three categories. The commodity rate (per gallon) is generated by dividing the total revenue required by the estimated water sales. This ensures that the whole population of water users are contributing to an equal share of costs. The bulk rate (per gallon) is applying a surcharge of 0.004 per gallon to the set commodity rate. The monthly fees is determined by dividing the budgeted administrative costs by the current number of water meters. As of the May 2018 billing, there were a total of 1,742 meters.

### **Sewer Rate Model:**

This model generates a rate based on sewer revenues and usage.

### **Revenues**

The total revenue required is pulled directly out of the current year's budget (as we set the rates for Water and Sewer prior to the finalization of the next year's budget). To be more transparent with the budgeting of the transfer to reserves, the transfer has been backed out of the revenue amount and is now listed in its own line on this model.

The reserve requirement is currently set at 15% of the total revenue required. This percentage was derived by conversations with the Water and Sewer Superintendent, our three year average transfer and by industry standard research. The City has to work diligently towards maintaining the extensive water and sewer infrastructure. The infrastructure is aging and the City needs to be prepared for upcoming maintenance expenses.

The model backs out four fixed fee components. The first fixed fee is related to costs associated with the lift station. These costs are pulled straight from the current budget and have a built in inflation cost of 2%. These costs are backed out because the users on the lift station bear the complete costs associated with maintaining this infrastructure. The second fixed fee is the pumping fee for Kachemak City users. The City RFP's the pumping contract every five years and the costs of the contract is divided up amongst the number of users in

this LID. As of May 2018 billing, there are currently 135 users. The contract was awarded this year and the monthly rate was reduced from \$7.75/month to \$6.75/month. The third fixed fee is the dumping station fee and that comes directly from the previous year's budget. This fee has been determined to be an operational cost and, as such the fee is not forwarded along to customers. The final fixed cost is a set rate assigned to only multi-units and Kachemak City meters. This is an additional fee charged to help offset added costs associated with maintaining such infrastructure.

### **Usage**

The sewer usage is determined by the by the number of gallons actually billed for in the prior fiscal year. The model rounds up to the nearest million for ease of reporting.

### **Rates**

The sewer rate is broken into two categories (non-lift and lift station). The non-lift rate is generated by dividing the total revenue required by the projected billable volume for non-lift. The lift station rate is generated by dividing the total revenue required by the projected billable volume for only the lift zone.

### **Recommendation:**

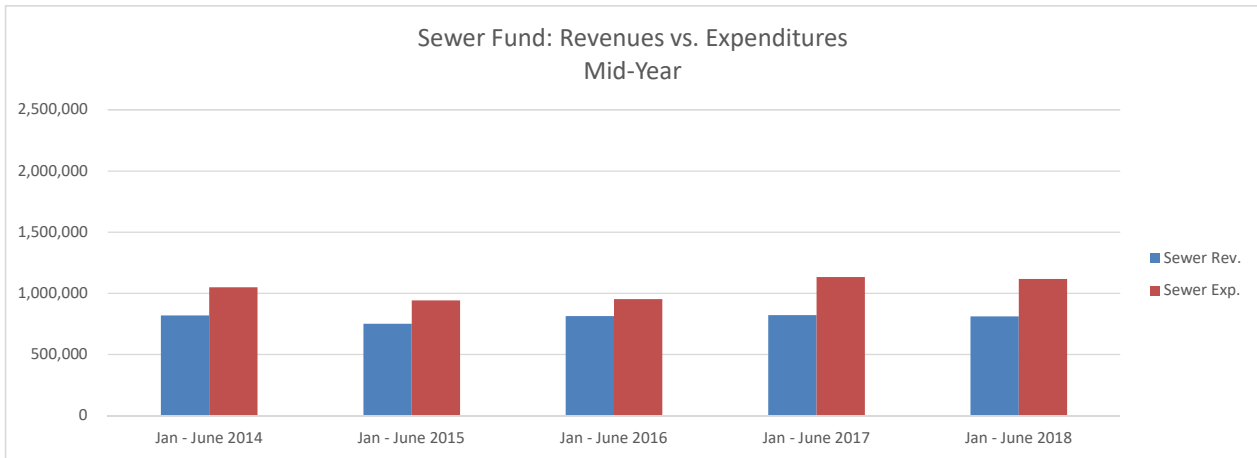
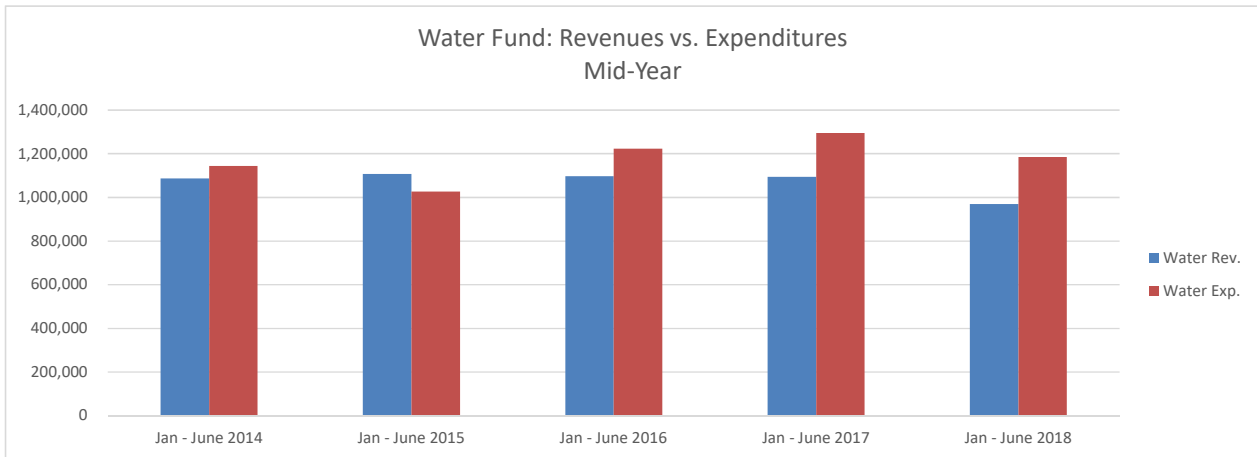
Review the model and approve the rates set forth in Resolution 18-064.





### Mid-Year Comparison: Revenues vs. Expenditures

	<u>Jan - June 2014</u>	<u>Jan - June 2015</u>	<u>Jan - June 2016</u>	<u>Jan - June 2017</u>	<u>Jan - June 2018</u>
Water Fund Revenues	1,087,583	1,107,955	1,097,060	1,095,389	969,696
Water Fund Expenditures	1,144,546	1,027,274	1,223,914	1,295,458	1,185,894
<b>Water: Revenues over (Under) Expenditures</b>	<b>(56,962)</b>	<b>80,681</b>	<b>(126,855)</b>	<b>(200,069)</b>	<b>(216,199)</b>
Sewer Fund Revenues	819,109	749,761	812,800	821,410	812,188
Sewer Fund Expenditures	1,048,810	942,344	953,657	1,133,533	1,116,142
<b>Sewer: Revenues over (Under) Expenditures</b>	<b>(229,701)</b>	<b>(192,583)</b>	<b>(140,857)</b>	<b>(312,124)</b>	<b>(303,954)</b>
<b>Water &amp; Sewer: Total Revenues Over (Under) Expenditures</b>	<b>(286,664)</b>	<b>(111,902)</b>	<b>(267,712)</b>	<b>(512,193)</b>	<b>(520,152)</b>



# Rate Calculations

<b>WATER Rate Model</b>	
<b>Revenues</b>	
2018 Total Revenue Required - Water	\$ 1,782,023
15% Reserve Requirement	267,303
Deduct Portion Collected through Service Fee	(267,460)
Hydrant Rents (10% of Total)	(89,101)
Surplus Water Sales (Bulk) surcharge only	(65,701)
Revenue Required for Commodity Rate Calculation	\$ 1,627,065
<b>Water Consumption (Gallons)</b>	
Total Estimated Water Sales	123,000,000
<b>Water Rates:</b>	
Commodity Rate (per gal)	\$ 0.0132
Bulk Rate (per gal)	\$ 0.0172
Monthly Fees	\$ 13
<b><u>Consumption Additional Information:</u></b>	
FY17 Gross Meters Water Sales (Gallons)	122,992,100
<b>SEWER Rate Model</b>	
<b>Revenues</b>	
2018 Total Operating Revenue Required - Sewer	\$ 1,471,014
15% Reserve Requirement	220,652
Lift Stations Costs	(189,741)
Pumping Fee	(10,935)
Dumping Station Fees	(8,321)
Multi-Units and K-city (\$5/unit/mo.)	(59,940)
Revenue Required for Commodity Rate Calculation	\$ 1,422,729
<b>Sewer Usage (Gallons)</b>	
Projected Billable Volume	74,000,000
Projected Billable Volume - Lift Zone Only	24,000,000
Total Projected Billable Volume	98,000,000
<b>Sewer Rate</b>	
Non-Lift Station Rate	\$ 0.0145
Lift Station Rate	\$ 0.0224
<b><u>Lift Station Additional Information:</u></b>	
FY 17 Actually Billed Gallons (Lift-Station Zone Only)	23,856,300

**City of Homer**  
**Water and Sewer Rate Study**

<b>WATER</b>			
<b>Descriptions</b>	<b>Units</b>	<b>Rate</b>	<b>Projected Revenue - for FY 2018</b>
Total Metered Water Sales	<b>123,000,000</b>		
Bulk Water Sales	16,000,000	\$ 0.0172	\$ 275,664
Metered Water Sales (excluding Bulk)	107,000,000	\$ 0.0132	\$ 1,415,505
Service Charges	1,742	\$ 13.00	\$ 271,752
Hydrant Rents			\$ 89,101
Total Projected Revenue			<b>\$ 2,052,022</b>
FY 2018 Projected Water Budget			<b>\$ 2,049,326</b>
			<b>\$ 2,696</b>

<b>SEWER</b>			
<b>Descriptions</b>	<b>Units</b>	<b>Rate</b>	<b>Projected Revenue - for FY 2018</b>
Projected Total <b>Billable</b> Sewage Discharge (Gal.)	<b>98,000,000</b>		
Billable Volume from Lift-Station Zone (Gal.)	24,000,000	\$ 0.0224	\$ 538,165
Billable Volume from Non-Lift-Station Zone (Gal.)	74,000,000	\$ 0.0145	\$ 1,074,305
Multi-Units (Including K-city)	999	\$ 5.00	\$ 59,940
Kachemak City pumping charges	135	\$ 6.75	\$ 10,935
Dumping Station Fees			\$ 10,500
Total Projected Sewer Revenue			<b>\$ 1,693,845</b>
FY 2018 Projected Sewer Budget			<b>\$ 1,691,666</b>
			<b>2,179</b>

**City of Homer**  
**Water and Sewer Rates Comparison**  
**Presented July 23, 2018**

<b>Water Rates</b>	<b>Current</b>	<b>Proposed</b>	<b>Variance</b>
Monthly Service Fee (all users)	\$ 19.00	\$ 13.00	\$ (6.00)
Additional Monthly Fee per Unit for Multi-Units	\$ 5.00	\$ 5.00	\$ -
Per Gallon Rate (Residential & Commercial)	\$ 0.0109	\$ 0.0132	\$ 0.0023
<b>Rate per 100 Gallons</b>	<b>\$ 1.09</b>	<b>\$ 1.32</b>	<b>\$ 0.23</b>
<b>Sewer Rates for Water Customers</b>			
	<b>Current</b>	<b>Proposed</b>	<b>Variance</b>
Monthly Service Fee (all users)	\$ -	\$ -	\$ -
Additional Monthly Fee per Unit for Multi-Units	\$ 5.00	\$ 5.00	\$ -
Per Gallon Rate Regular (Residential & Commercial)	\$ 0.0157	\$ 0.0145	\$ (0.0012)
<b>Rate per 100 Gallons - Non Lift</b>	<b>\$ 1.57</b>	<b>\$ 1.45</b>	<b>\$ (0.12)</b>
Per Gallon Rate Lift Station (Residential & Commercial)	\$ 0.0232	\$ 0.0224	\$ (0.0008)
<b>Rate per 100 Gallons - Lift Station</b>	<b>\$ 2.32</b>	<b>\$ 2.24</b>	<b>\$ (0.08)</b>
<b>Water and Sewer Rates Combined</b>			
	<b>Current</b>	<b>Proposed</b>	<b>Variance</b>
Combined Costs Water/Sewer Regular	\$ 0.0266	\$ 0.0277	\$ 0.0011
<b>Rate per 100 Gallons - Non Lift</b>	<b>\$ 2.66</b>	<b>\$ 2.77</b>	<b>\$ 0.1100</b>
Combined Costs Water/Sewer Lift Station	\$ 0.0341	\$ 0.0356	\$ 0.0015
<b>Rate per 100 Gallons - Lift Station</b>	<b>\$ 3.41</b>	<b>\$ 3.56</b>	<b>\$ 0.1500</b>
<b>Sewer Rates for Sewer ONLY Customers (3,000 Gallons/Month of Sewage Applied)</b>			
	<b>Current</b>	<b>Proposed</b>	<b>Variance</b>
Monthly Service Fee (all users)	\$ 5.00	\$ 5.00	\$ -
Additional Monthly Fee per Unit for Multi-Units	\$ 5.00	\$ 5.00	\$ -
Monthly Fee for Septic Pumping Services	\$ 7.75	\$ 6.75	\$ (1.00)
Per Gallon Rate Regular (Residential & Commercial)	\$ 0.0157	\$ 0.0145	\$ (0.00)
<b>Rate per 3,000 Gallons - Non Lift</b>	<b>\$ 47.10</b>	<b>\$ 43.50</b>	<b>\$ (3.60)</b>
Per Gallon Rate Lift Station (Residential & Commercial)	\$ 0.0232	\$ 0.0224	\$ (0.00)
<b>Rate per 3,000 Gallons - Lift Station</b>	<b>\$ 69.60</b>	<b>\$ 67.20</b>	<b>\$ (2.40)</b>

<b>Low Volume Residential</b>		
City Hall		
	Existing	New Rate
Consumption	3300	3300
Water Rate	0.0109	0.0132
Sewer Rate	0.0157	0.0145
<b>Charges:</b>		
Water	35.97	43.56
Sewer	51.81	47.85
Service	19	13
<b>Total Bill</b>	<b>\$ 106.78</b>	<b>\$ 104.41</b>

**Impact**                      **\$            (2.37)**

<b>High Volume Residential</b>		
Library		
	Existing	New Rate
Consumption	6400	6400
Water Rate	0.0109	0.0132
Sewer Rate	0.0157	0.0145
Water	69.76	84.48
Sewer	100.48	92.8
Service	19	13
<b>Total Bill</b>	<b>\$ 189.24</b>	<b>\$ 190.28</b>

**Impact**                      **\$            1.04**

<b>Lift-Station (Year-Round)</b>		
Port & Harbor - Maintenance		
	Existing	New Rate
Consumption	5000	5000
Water Rate	0.0109	0.0132
Sewer Rate	0.0232	0.0224
Water	54.5	66
Sewer	116	112
Service	19	13
<b>Total Bill</b>	<b>\$ 189.50</b>	<b>\$ 191.00</b>

**Impact**                      **\$            1.50**



**CITY OF HOMER  
HOMER, ALASKA**

City Clerk

**RESOLUTION 18-065**

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, AMENDING THE FEE SCHEDULE UNDER PLANNING AND ZONING FEES; ZONING PERMIT FEES TO ADD A \$100 ANNUAL ZONING PERMIT FEE FOR EMPLOYEE OCCUPIED RECREATION VEHICLES IN MARINE COMMERCIAL AND MARINE INDUSTRIAL ZONING DISTRICTS AND AMENDING ADMINISTRATIVE FEES DELETING REFERENCE TO CREDIT CARD ACCEPTANCE AND MINIMUMS .

WHEREAS, Ordinance 18-12(A)(S) amended Homer City Code 21.54.325, Standards for Recreational Vehicles in the Marine Commercial and Marine Industrial Zoning Districts to allow employee occupied recreational vehicles in the districts; and

WHEREAS, HCC 21.54.325(d) States all employee occupied recreational vehicles covered in Homer City Code 21.54.325 must obtain a zoning permit and pay an annual fee; and

WHEREAS, Memorandum 18-074 explains that Planning Staff recommends a zoning permit fee of at least \$100 annually; and

WHEREAS, Removing the restriction on credit card payment for real property lease payments allows the lessee more flexibility and the ability to set up auto-pay options which will reduce late payments; and

WHEREAS, A minimum \$10 credit card limit is not feasible as more people are paying for services with debit and credit cards; and

WHEREAS, The City of Homer Fee Schedule is amended as follows:

**PLANNING AND ZONING DEPARTMENT**

235-3106 or 235-8121 (Coordinates with Public Works)

(The following fees, for Zoning Permits have been set by legislative enactments, Resolution 00-17 as authorized by HCC 21.42.060, Resolution 03-12(A), Resolution 03-159, Resolution 04-35, and Resolution 04-98(S)(A), Resolution 05-27(S) and Resolution 05-35, Resolution 07-14 and Resolution 07-45, Resolution 08-124, 16-109, 17-010.)

Zoning Permit Fees:

Single Family /Duplex	\$200
Multi-Family/Commercial/Industrial	\$300, plus \$50 per hour when over six hours of administrative time.

- 46 Change of Use fee \$50
- 47 Deck \$50
- 48 **Employee Occupied Recreational Vehicle in Marine Commercial and**
- 49 **Marine Industrial Zoning Districts \$100 Annually**

50

51 **ADMINISTRATIVE FEES FOR THE CITY OF HOMER**

52 (The following fees have been set by legislative enactments, Ordinances 05-43(A),04-53(S)(A), 03-36(A),  
 53 01-13(S)(A); Resolutions 16-109,15-097(S)(A), 14-114, 11-074(A), 11-036(A)(S),10-90(A), 06-24(S), 05-125(S), 05-49,  
 54 05-22, 04-98(S)(A), 04-96, 04-95, 04-94(S)(A), 03-159, 00-14, 99-116, 99-50, 95-1 and 92-10(A), Regulations  
 55 Concerning Public Record Inspections dated March 2003.)

56 These fees are administrative fees for all departments of the City of Homer unless otherwise specified  
 57 under that department. All fees are inclusive of sales tax. Unless otherwise specified: Any item mailed  
 58 may have an additional fee added for actual postage. Handling fees may be added up to the actual staff  
 59 time spent preparing the item for shipping.

60 An application for indigency may be filed with the City Manager for waiving or partially waiving the costs  
 61 of fees. The City Manager may allow an applicant, who qualifies as an indigent, a reduced fee, a  
 62 payment plan or a waiver of the fee where the Manager is able to make a written finding, based on  
 63 information provided by the applicant, that payment of the fee would be a financial hardship. Based  
 64 upon the information provided, the fee may be reduced or waived in accordance with the following  
 65 scale:

Annual Income as a Percent of current Health and Human Services (HHS) Poverty Guidelines for Alaska	Percent of fee reduced
1-100%	100% Waiver
101-149%	75% Waiver
150-174%	50% Waiver
175-199%	25% Waiver
200% plus	No Waiver

- 66
- 67 Airport Pickup/delivery \$25
- 68 Annual Safety Inspection commercial vehicles \$100
- 69 Annual Taxi Permit \$75
- 70 Appeal Fees
- 71 Water and Sewer Appeals, under HCC 14.04 and 14.08 – shall be set by Resolution; in the event
- 72 the appellant is the prevailing party the fee shall be refundable.
- 73 Zoning Appeals – fee \$250.00 subject to refund if the appellant is successful on any aspect of
- 74 appeal.
- 75 Credit Cards are accepted for other than real property lease payments with a minimum of \$10.
- 76 CD Reproductions: \$20.00



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NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, hereby amends the the fee schedule establishing a \$100 annual zoning permit fee for employee occupied recreational vehicles in the marine industrial and marine commercial zoning districts.

PASSED AND ADOPTED by the Homer City Council this \_\_ day of August, 2018.

CITY OF HOMER

\_\_\_\_\_  
BRYAN ZAK, MAYOR

ATTEST:

\_\_\_\_\_  
MELISSA JACOBSEN, MMC, CITY CLERK





## City of Homer

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

Office of the City Manager

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(p) 907-235-8121 x2222

(f) 907-235-3148

### Memorandum 18-086

TO: Mayor Zak and Homer City Council  
FROM: Katie Koester, City Manager  
DATE: July 18, 2018  
SUBJECT: Credit Card Processing Fees

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Resolution 18-065 amends the fee schedule to reflect current practice by allowing credit card payment of ground leases. In anticipation of this stimulating broader conversation on credit cards, I have gathered some relevant information to inform your deliberation.

The majority of the City's leaseholders make their annual lease payment with a check. In the past, of the twenty-eight (28) harbor leases, seven (7) paid by credit card. Based on this history, and the range of credit card processing fees, the fee charged the City for those seven leases ranges from \$2,400 to \$4,800. If all City leases were paid by credit card, that range would increase to \$6,000 to \$12,000 in fees exclusively related to the credit card processing of ground lease payments.

Credit cards are widely used for all City services and represent a convenience the customer expects. The Port and Harbor has seen a decrease in NSF check with the widespread use of credit cards which also saves staff time not having to track down bad debt. However, the transactions can be quite large and the fees substantial, as any small business person can relate to. The average cost to process credit cards is roughly 2% to 4%. Based on 2016 actuals, the City spends just under \$100,000 a year on credit card processing fees, the bulk of which is at the Port and Harbor (\$70,000) and Water and Sewer (\$25,000).

There are state and federal laws that dictate whether or not organizations can charge a 'convenience fee' for using a credit card. As you can imagine, the credit card companies care a great deal that their form of payment is not discouraged by vendors. For example, we have to take payment for utilities by credit card. Of course there is a good business argument to be made for accepting credit cards – anytime we can encourage payment and make the experience easier for the customer is a win. The electronic nature of the transaction (no cash handling or data entry, for example) also often makes credit card a preferred form of payment.

Credit card processing fees are extensive and far from straight forward. There are a myriad of fees and variables associated with processing payments (see table).

<b>Fees and variables associated with processing credit card payments:</b>
Type of card used: VISA, MC, American Express etc.
Processing method. Card present (at the counter) or not present (over the phone or online).
Whether a PIN is used
Debit cards fees tend to be less than a credit card transactions.
Fees that are a combination of a percentage, transactional fees, flat fees, etc.
Fees vary by name and applicability.
Fees vary by transaction type.

In many ways credit card processing fees are an unavoidable cost of doing business. The regulatory environment related to vendor's ability to charge convenience fees is also a moving target as credit card companies push back on regulation. If Council is uncomfortable with accepting large payments by credit card, I would recommend amending the Resolution and I will spend some time researching the legal parameters of a convenience fee (3% for ground lease payments, for example). In my limited research municipalities such as the Kenai Peninsula Borough and MatSu Borough charge a fee for payment of property taxes by credit card, but not other services.

**CITY OF HOMER  
HOMER, ALASKA**

City Manager

**RESOLUTION 18-066**

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,  
APPROVING THE LEASE TEMPLATE FOR GROUND LEASES ON THE  
HOMER SPIT.

WHEREAS, Homer City Code 18.08.030 requires the City Manager to develop a standardized lease template that contains general provisions of a lease, to be reviewed by the City Attorney and approved by Council; and

WHEREAS, The ground lease template was extensively reviewed and rewritten by the City Attorney approximately five years ago; and

WHEREAS, The recent adoption of Ordinance 18-16(S)(A) necessitates updates to the current ground lease template to reflect changes to city code; and

WHEREAS, Individual leases can deviate from the ground lease template as long as deviations are reasonable and necessary to protect the City's best interests and approved by Council; and

WHEREAS, Updates in the ground lease template before you have been recommended and drafted by the City Attorney to align the template with current city code; and

WHEREAS, Changes in the ground lease template include definitions, clarifying improvements, lease assignments and insurance requirements.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby approves the lease template the City of Homer uses for ground leases on the Homer Spit.

PASSED AND ADOPTED by the Homer City Council this 23rd day of July, 2018.

CITY OF HOMER

\_\_\_\_\_  
BRYAN ZAK, MAYOR

ATTEST:

\_\_\_\_\_  
MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal Note: N/A





# City of Homer

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Office of the City Manager

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## Memorandum 18-085

TO: Mayor Zak and Homer City Council  
FROM: Katie Koester, City Manager  
DATE: July 18, 2018  
SUBJECT: Base Lease changes

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Resolution 18-066 makes updates to the base lease template the City of Homer uses for ground leases on the Homer Spit. The changes were necessary to bring the base lease template in line with current City Code after City Council adopted changes to property management code at the last Council meeting in Ordinance 18-16(S)(A).

Homer City Code 18.08.030 requires the City Manager to develop a standardized ground lease to be reviewed by the City Attorney and approved by Council. Deviations from the standard ground lease are required to be reasonable and necessary to protect the City's best interests and approved by Council in the final lease. The ground lease template was reviewed and rewritten by the City Attorney about 5 years ago. Changes between that version and the version before you include:

- Re-wording and reordering to provide clarity (*including those detailed below with conforming changes throughout*)
  - Redefining Rent to be one term including Base Rent and Additional Rent (*1.01(i) Definitions and Attachments*)
  - Redefining Term to be one term including Initial Term and Extended Terms (*1.01(s) Definitions and Attachments*)
  - Removing reference to Lease Policy and defining Lease Ordinance (*1.01(m) Definitions and Attachments*)
- Clarifying use of the term Required Improvements to encompass improvements that have to be on the property and are integral to the proposed use of the property, regardless of whether they are present at lease commencement or will be constructed by Tenant as part of its proposed use of the property (*throughout*)
- Changes to bring base lease in line with policy that all improvements (including Required Improvements) become property of the Landlord at lease termination, whether by expiration or early default, but protecting City from being involuntarily saddled with derelict improvements (*6.08*)
- Changes to bolster the City's ability to contest a non-consensual assignment by a trustee in bankruptcy (*Article 8 Assignment and Sublease*)

- Tied insurance minimums back to the Lease Ordinance requirements to allow the City's required insurance minimums to change over time (*Article 9*)
- Adding improvements to real property to the list of collateral for a security interest in the leasehold improvements (*Article 5 Security Interest*)
- Added option provision waiving environmental insurance based on authorized use (*9.04 Insurance Requirements*)
- Removed insurance certificates as an exhibit to be present at lease signing, but clarified that all insurance certificates and endorsements remain part of the Lease (*1.02*)



**GROUND LEASE AND SECURITY AGREEMENT**

**BETWEEN**

**CITY OF HOMER, ALASKA**

**AND**

**Dated \_\_\_\_\_, 20\_\_**

## GROUND LEASE AND SECURITY AGREEMENT

GROUND LEASE AND SECURITY AGREEMENT (“Lease”) dated as of \_\_\_\_\_, 20\_\_\_\_, between the CITY OF HOMER, an Alaska municipal corporation (“Landlord”), whose address is 491 East Pioneer Avenue, Homer, Alaska 99603, and \_\_\_\_\_ a \_\_\_\_\_ [state of organization] \_\_\_\_\_ [type of entity] (“Tenant”), whose address is \_\_\_\_\_.

### ***[USE THE FOLLOWING PARAGRAPH WHEN TENANT IS NOT A NATURAL PERSON]***

[Attached as **Exhibit A** is a schedule naming each owner of Tenant and describing the percentage of ownership of each. Also attached to **Exhibit A** are a certificate of good standing issued by the state under whose laws Tenant is organized, and, if Tenant is a foreign entity, a certificate of authority issued by the State of Alaska. Attached as **Exhibit B** is a true and correct copy of a resolution of Tenant authorizing Tenant to enter into this Lease and authorizing the undersigned individual(s) or officer(s) to execute the Lease on behalf of Tenant.]

## RECITALS

WHEREAS, Landlord owns certain properties having a strategic location near the waterfront and marine-related public infrastructure; and

WHEREAS, it is the policy of Landlord to retain ownership of these properties, and to make them available for leasing, in order to encourage growth in targeted economic sectors, to insure that Landlord receives the maximum benefit from a large investment in public infrastructure, and to provide land for businesses that require close proximity to the waterfront or infrastructure to operate efficiently and profitably; and

WHEREAS, Landlord has accepted Tenant’s proposal to lease and develop the property leased herein, because Tenant’s proposed use of the property should further Landlord’s goals for the development of Landlord’s properties, and Tenant’s proposal to lease and develop the property is a material inducement to Landlord leasing the property to Tenant; and

### ***[USE THE FOLLOWING PARAGRAPH WHEN TENANT IS DEVELOPING THE PROPERTY]***

[WHEREAS, Tenant has made its own determination that its proposed development of the property will be economically feasible, and that the term for which it is leasing the property will be sufficient to amortize Tenant’s investment in developing the leased property under Tenant’s proposal.]

NOW, THEREFORE, in consideration of the matters recited above, and the mutual covenants herein, the parties agree as follows:

## ARTICLE 1. DEFINITIONS AND ATTACHMENTS

**1.01 Definitions.** As used herein, the term:

(a) “Additional Rent” includes all amounts defined or referred to in this lease as additional rent, as well as all charges in the nature of rent such as taxes, utilities and insurance, regardless of whether such amounts are due directly to or collectible by Landlord or to a third party

under the terms of this Lease or under applicable law and including any of the preceding amounts that Landlord pays to a third party on behalf of Tenant, before or after any event of default.

(b) “Annual Rent Adjustment” and “Annual Rent Adjustment Date” are defined in Section 4.01(b).

(c) “Base Rent” is defined in Section 4.01.

(d) “Complete” and “Completion” mean, with regard to an improvement, that construction of the improvement is finished and the improvement is fully operational and ready for occupancy or use for its intended purpose, including without limitation the issuance of any applicable certificate of occupancy and other applicable permits, licenses, certificates or inspection reports necessary to the improvement’s legally authorized use.

(e) “Council” means the City Council of the City of Homer, Alaska.

(f) “Default Rate” means an annual rate of interest equal to the lesser of (i) the maximum rate of interest for which Tenant may lawfully contract in Alaska, or (ii) ten and one-half percent (10.5%).

(g) “Environmental Laws” means all local, state, and federal laws, ordinances, regulations, and orders related to environmental protection; or the use, storage, generation, production, treatment, emission, discharge, remediation, removal, disposal, or transport of any Hazardous Substance.

(h) “Excusable Delay” means delay due to strikes, acts of God, inability to obtain labor or materials, orders of any governmental authority having jurisdiction, removal of Hazardous Materials discovered at any time after the commencement of the Term, enemy action, civil commotion, fire, unusual inclement weather, unavoidable casualty or similar causes beyond the reasonable control of Tenant.

(i) “Extended Term” is defined in Section 3.05 if this Lease provides for extension at the option of the Tenant.

(j) “Five Year Rent Adjustment” and “Five Year Rent Adjustment Date” are defined in Section 4.01(a).

(k) “Hazardous Substance” means any substance or material defined or designated as hazardous or toxic waste; hazardous or toxic material; hazardous, toxic, or radioactive substance; or other similar term by any federal, state, or local statute, regulation, or ordinance or common law presently in effect or that may be promulgated in the future as such statutes, regulations, and ordinances may be amended from time to time.

(l) “Initial Term” is defined in Section 3.01.

(m) “Lease Ordinance” means such ordinances or other portions and provisions of the Homer City Code as may be enacted from time to time to dictate Landlord’s policies and requirements in leasing real property, currently enacted as Chapter 18.08 of the Homer City Code, as such may be amended, reenacted, supplemented or recodified from time to time, and as used herein the term shall refer to the Lease Ordinance as currently in effect at the time its terms would have operative effect on this Lease.

(n) “Leasehold Mortgage” is defined in Section 13.01.

- (o) “Property” is defined in Section 2.01.
- (p) “Rent” means Base Rent plus any Additional Rent.
- (q) “Qualified Mortgagee” is defined in Section 13.03.
- (r) “Required Improvements” is defined in Section 6.02.
- (s) “Term” means the Initial Term plus any Extended Term.

**1.02 Attachments.** The following documents are attached hereto, and such documents, as well as all drawings and documents prepared pursuant thereto and all documents, policies and endorsements delivered hereunder, including without limitation all copies of required insurance policies and/or endorsements, shall be deemed to be a part hereof:

Exhibit “A” Schedule of Organization, Owners, Percentage of Ownership

Exhibit “B” Conformed Copy of Resolution Authorizing Lease and Authorizing Signers to Sign Lease Agreement on Behalf of Tenant

Exhibit “C” Legal Description of Property

Exhibit “D” Tenant’s Lease Proposal

Exhibit “E” Site Plan

Exhibit “F” Required Improvements Floor Plan

Exhibit “G” Permission to Obtain Insurance Policies

## **ARTICLE 2. THE PROPERTY**

**2.01 Lease of Property.** Subject to the terms and conditions of this Lease, Landlord leases to Tenant and Tenant leases from Landlord the following described property (the “Property”):

*[insert legal description]*, Homer Recording District, State of Alaska, as depicted on **Exhibit C**, containing \_\_\_\_\_ square feet, more or less, also known as Kenai Peninsula Borough Tax Parcel No. \_\_\_\_\_;

subject, however, to reservations, restrictions, easements and encumbrances of record, and to encroachments that may be revealed by an inspection of the Property.

**2.02 Quiet Enjoyment.** Landlord covenants that Tenant, upon paying the Rent and other charges and performing its other obligations under this Lease shall have quiet enjoyment of the Property during the Term without hindrance or interference by Landlord or by any person claiming an interest in the Property through Landlord.

**2.03 Property Accepted “As Is.”** Tenant has inspected the Property, has made its own determination as to the suitability of the Property for Tenant’s intended use, and accepts the Property “AS IS.” None of landlord, its agents, or its employees make any warranties, expressed or implied, concerning the condition of the Property, including without limitation the habitability or fitness of the Property for any particular purpose, including those uses authorized by this Lease, or subsurface and soil conditions, including the presence of any Hazardous Substance.

**2.04 No Subsurface or Mineral Rights.** This Lease does not confer mineral rights, any rights to extract natural resources, or any rights with regard to the subsurface of the Property below the level necessary for the uses of the Property permitted in this Lease, all of which rights are, as between Landlord and Tenant, reserved to Landlord.

### ARTICLE 3. TERM

**3.01 Lease Term.** The term of this Lease is \_\_\_\_\_ years, commencing on \_\_\_\_\_  
\_\_\_\_\_, 20\_\_\_, and ending on \_\_\_\_\_, 20\_\_\_ (the "Term").

**3.02 Lease Renewal.**

(a) Tenant represents and warrants that it has determined that the duration of the Term, including any available Extended Terms, will be sufficient for Tenant to amortize any investment that it makes in connection with this Lease, including without limitation any investment in leasehold improvements, including any Required Improvements as Tenant may be required to develop. Tenant acknowledges that it has no right of any kind to continue using or occupying the Property after the expiration or earlier termination of the Term, including without limitation any option to renew this Lease, or any option to extend the Term other than as may be provided in Section 3.05.

(b) Notwithstanding the preceding subsection (a), not less than 12 months and not more than 18 months before the expiration of the Term, Tenant may apply to Landlord to enter into a new lease for the Property that is exempted from competitive bidding under and pursuant to the Lease Ordinance.

**3.03 Surrender of Possession.** Upon the expiration or earlier termination of the Term, unless Tenant and Landlord have entered into a new lease for the Property commencing upon the termination of the Term, Tenant shall promptly and peaceably surrender the Property, clean, free of debris, and in as good order and condition as at the commencement of the Term, ordinary wear and tear excepted. If Tenant fails to surrender the Property in the required condition, Landlord may restore the Property to such condition and Tenant shall pay the cost thereof, plus interest at the Default Rate, on demand. Section 6.08 governs the disposition of improvements on the Property at the expiration or earlier termination of the Term.

**3.04 Holding Over.** Tenant's continuing in possession of the Property after the expiration or earlier termination of the Term will not renew or extend this Lease. In the absence of any agreement renewing or extending this Lease, Tenant's continued possession of the Property after the end of the Term will be a tenancy from month to month, terminable upon 30 days written notice by either party at any time, at a monthly rental equal to 150% of the monthly Base Rent in effect at the end of the Term, subject to all other terms of this Lease. For good cause, Landlord may waive all or part of the increase in Base Rent during the holdover period.

***[USE ONE OF THE FOLLOWING PARAGRAPHS DEPENDING ON WHETHER THE LEASE PROVIDES OPTIONS FOR EXTENDED TERMS, WHICH BY ORDINANCE ARE LIMITED TO TWO OPTIONS EACH FOR NO MORE THAN 25% OF THE ORIGINAL TERM]***

**[3.05. Omitted.]**

**[3.05. Options to Extend Lease Term.**

(a) At its option and in its sole discretion, Tenant may seek to extend the Term for [one (1)/two (2)] additional, consecutive \_\_\_\_\_ month periods (each an “Extended Term”), provided that:

- (1) Tenant gives Landlord written notice of its exercise of the option not more than one year and not less than 120 days before day the Term would otherwise expire; and
- (2) the City Manager determines that the lessee is in full compliance with the terms of the lease at the time of renewal.

(b) Tenant’s failure to exercise an option to extend the Term in strict compliance with all the requirements in subsection (a) renders that option and all options as to subsequent Extended Terms null and void.]

#### **ARTICLE 4. RENT, TAXES, ASSESSMENTS AND UTILITIES**

**4.01 Base Rent.** Tenant shall pay to Landlord an initial annual rent of \$\_\_\_\_\_ (as such may later be adjusted per the terms of this Lease, the “Base Rent”). Base Rent is payable monthly in advance in installments of \$\_\_\_\_\_, plus sales and all other taxes Landlord is authorized or obligated to collect on such transactions, on \_\_\_\_\_, 20\_\_, and on the \_\_\_\_\_ day of each month thereafter, at the office of the City of Homer, 491 East Pioneer Avenue, Homer, Alaska 99603-7645, or at such other place as Landlord may designate in writing. All Base Rent shall be paid without prior demand or notice and without deduction or offset. Base Rent that is not paid on or before the due date will bear interest at the Default Rate. Base Rent is subject to adjustment as provided in Section 4.02.

#### **4.02 Rent Adjustments.**

(a) **Five-Year Appraised Rent Adjustments.** In the fifth year of the Term, and in every fifth year thereafter, Landlord will obtain an appraisal by a qualified real estate appraiser of the fair rental value of the Property as if privately owned in fee simple, excluding the value of alterations, additions or improvements (other than utilities) made by Tenant (or by Tenant’s predecessors under the Lease, if Tenant is party to this Lease by assignment). Following receipt of each such appraisal, the Base Rent will be adjusted (the “Five Year Rent Adjustment”), effective on the anniversary of the commencement of the term (each such date is a “Five Year Rent Adjustment Date”), to an amount equal to the greater of (1) the area of the Property in square feet, multiplied by the fair rental value per square foot determined by the appraisal, and (2) the Base Rent in effect immediately before the Five Year Rent Adjustment Date. The Base Rent as adjusted on a Five Year Rent Adjustment Date thereafter shall be the Base Rent.

(b) **Annual Rent Adjustments.** In addition to the rent adjustments under Section 4.02(a), the Base Rent also shall be adjusted annually (the “Annual Rent Adjustment”), effective on the anniversary of the commencement of the term in every year without a Five Year Rate Adjustment (each such date is an “Annual Rent Adjustment Date”), by the increase, if any, for the previous year in the cost of living as stated in the Consumer Price Index, All Urban Consumers, Anchorage, Alaska Area, All Items 2000 – present = 100 (“CPI-U”), as published by the United States Department of Labor, Bureau of Labor Statistics most recently before the Annual Rent Adjustment Date. If the CPI-U is revised or ceases to be published, Landlord instead shall use such revised or other index, with whatever adjustment in its application is necessary, to most nearly approximate in Landlord’s judgment the CPI-U for the relevant period.

**4.03 Taxes, Assessments and Other Governmental Charges.** Tenant shall pay prior to delinquency all taxes, installments of assessments that are payable in installments and other governmental charges lawfully levied or assessed upon or with respect to the Property,

improvements on the Property and personal property that is situated on the Property; provided that Tenant may contest in good faith any such tax, assessment or other governmental charge without subjecting the Property to lien or forfeiture. If an assessment on the Property that is not payable in installments becomes due during the Term, Tenant shall be obligated to pay the fraction of the assessment that is determined by dividing the number of years remaining in the Term by 10. If the Term of this Lease is subsequently extended renewed (i.e. if Tenant and Landlord later enter into a new lease without putting the Property out for competitive bidding as referenced in Section 2.02), then the part of the assessment that Tenant shall be liable for shall be determined by adding the extended or renewal term to the number of years remaining in the Term when the assessment became due. If the Term commences or expires during a tax year, the taxes or assessments payable for that year will be prorated between Landlord and Tenant. Tenant shall exhibit to Landlord, on demand, receipts evidencing payment of all such taxes, assessments and other governmental charges. Any taxes, installments of assessments on the Property that are due to or collectible by Landlord, or for which Landlord becomes liable that are attributable to any portion of the Term, shall be Additional Rent.

**4.04 Utility Charges.** Tenant shall pay all charges for utility and other services provided to or used on the Property, including without limitation gas, heating oil, electric, water, sewer, heat, snow removal, telephone, internet service and refuse removal. Tenant shall be solely responsible for the cost of utility connections. Any of the preceding due to or collectible by Landlord shall be Additional Rent.

**4.05 Tenant to Pay for City Services.** Tenant shall pay for all services provided by the City of Homer that are related to the use or operation of the Property, improvements thereon and Tenant's activities thereon, at the rates established by the City of Homer from time to time for such services, including without limitation wharfage, crane use, ice, and other Port and Harbor services. Tenant shall provide the City of Homer with the information necessary to determine the amount of service charges owed, keep written records of such information for not less than two years after such charges are due, and, upon request, make such records available to the City of Homer for inspection and audit.

**4.06 Additional Rent and Landlord's Right to Cure Tenant's Default.** All costs or expenses that Tenant is required to pay under this Lease at Landlord's election will be treated as Additional Rent, and Landlord may exercise all rights and remedies provided in this Lease in the event of nonpayment. If Tenant defaults in making any payment required of Tenant or defaults in performing any term, covenant or condition of this Lease that involves the expenditure of money by Tenant, Landlord may, but is not obligated to, make such payment or expenditure on behalf of Tenant, and any and all sums so expended by Landlord, with interest thereon at the Default Rate from the date of expenditure until repaid, will be Additional Rent and shall be repaid by Tenant to Landlord on demand, provided, however, that such payment or expenditure by Landlord will not waive Tenant's default, or affect any of Landlord's remedies for such default.

**4.07 Security Deposit.** Upon execution of this Lease, and in addition to any other security or credit support provided by or for the benefit of Tenant in entering into this Lease, Tenant shall deposit with Landlord an amount equal to 10% of the annual Base Rent as security for Tenant's performance of its obligations under this Lease. Landlord may commingle the security deposit with other funds of Landlord, and its obligations with respect to such security deposit shall only be as a debtor and not as a trustee or fiduciary. If Tenant defaults in performing any obligation under this Lease, including without limitation the payment of rent, Landlord may apply all or any portion of the security deposit to the payment of any sum in default or any damages suffered by Landlord as result of the default, or any sum that Landlord may be required to incur by reason of the default. Upon demand, Tenant shall deposit with Landlord the amount so applied so that Landlord will have the full deposit on hand at all times during the Term.

***[USE THE FOLLOWING PARAGRAPH FOR FISH PROCESSORS WITH ACCESS TO  
OUTFALL LINE]***

**4.08 Outfall Line Connection Agreement.** Tenant shall connect to the City of Homer fish processor outfall line. On or before the commencement of the Term of this Lease, Tenant shall enter into a Fish Processor Outfall Line Connection Agreement with Landlord, and thereafter at its own expense install and maintain a fish grinder as required by the Fish Processor Outfall Line Connection Agreement. Tenant shall comply with the terms of the Fish Processor Outfall Line Connection Agreement until the earlier to occur of (i) the expiration or earlier termination of the Term, and (ii) the date the City of Homer ceases to maintain the outfall line. Any default under the Fish Processor Outfall Line Connection Agreement shall be considered a default under this Lease.]

**ARTICLE 5. SECURITY INTEREST**

To secure the performance of Tenant's obligations under this Lease, including without limitation the obligations to pay rent and other sums to be paid by Tenant, Tenant grants to Landlord a lien and security interest in the following collateral: ("Collateral"): (1) all security deposits or other monies owing from Landlord to Tenant (as collateral in the possession of the secured party); (2) all insurance proceeds from any policy insuring the Property or improvements thereon; (3) all compensation payable to Tenant as a result of eminent domain proceedings or a transfer in lieu thereof; (4) all rents from Tenant's subletting of all or a part of the Property; and (5) all improvements on the Property, including any Required Improvements. Said lien and security interest will be in addition to Landlord's liens provided by law.

This Lease shall constitute a mortgage by Tenant as mortgagor of all right, title and interest of Tenant in and to any and all improvements on the Property, including any Required Improvements, in favor of Landlord as mortgagee, and the recorded memorandum of this Lease shall reference Landlord as mortgagee of such improvements. In addition, Tenant shall execute, such financing statements and other instruments as Landlord may now or hereafter reasonably request to evidence the liens, mortgages and security interests granted by Tenant hereunder, including any deed of trust pertaining to additions, alterations and improvements on the Property. This Lease also constitutes a security agreement under the Uniform Commercial Code as enacted in Alaska ("UCC"), and Landlord will have all rights and remedies of a secured party under the UCC regarding the Collateral.

**ARTICLE 6. USE AND IMPROVEMENT OF PROPERTY**

**6.01 Use of Property.** Tenant shall use and, if applicable, improve the Property only in the manner described in Tenant's proposal or application for the Property as more fully set forth on **Exhibit D**. Tenant's undertaking to use and, if applicable, improve the Property as described on Exhibit D is a material inducement to Landlord leasing the Property to Tenant, and Tenant shall not use or improve the Property for any purpose other than as described on Exhibit D without Landlord's written consent, which consent Landlord may withhold in its sole discretion.

**6.02 Required Improvements.** Tenant shall, at Tenant's sole expense, construct, and at all times during the Term keep and maintain as the minimum development on the Property the Required Improvements as described on Exhibit D and as depicted more specifically in the site plan and floor plans in **Exhibit E** and **Exhibit F**, respectively. If the Required Improvements are not in place at the commencement of the Term, Tenant shall commence construction of the Required Improvements within one year after the date of commencement of the Term, prosecute the construction of the Required Improvements with diligence, and Complete construction of the Required Improvements within one additional year.



**6.03 Construction Prerequisites.** Tenant may not commence any construction on the Property, including without limitation construction of the Required Improvements, without first satisfying the following conditions:

(a) Not less than thirty (30) days before commencing construction, Tenant shall submit to Landlord preliminary plans and specifications, and an application for a City of Homer zoning permit, for the construction, showing the layout of proposed buildings and other improvements, ingress and egress, dimensions and locations of utilities, drainage plans, and any other information required for the zoning permit or other required permits. The preliminary plans and specifications are subject to Landlord's approval, which will not be unreasonably withheld, as well as all specific requirements for the issuance of any permits or zoning variances. Landlord shall communicate approval or disapproval in the manner provided for notices hereunder, accompanying any disapproval with a statement of the grounds therefor. Tenant shall be responsible for complying with all laws governing the construction, including any specific requirements for the issuance of any permits or zoning variances, notwithstanding Landlord's approval of preliminary plans and specifications under this paragraph.

(b) Not less than fifteen (15) days before commencing construction, Tenant shall deliver to Landlord one complete set of final working plans and specifications as approved by the governmental agencies whose approval is required for Tenant to commence construction. The final working plans and specifications shall conform substantially to the preliminary plans and specifications previously approved by Landlord, subject to changes made to comply with suggestions, requests or requirements of a governmental agency or official in connection with the application for permit or approval.

(c) Not less than five (5) days before commencing construction, Tenant shall give Landlord written notice of its intent to commence construction, and furnish to Landlord the following:

- (1) Proof that all applicable federal, state and local permits required for the construction have been obtained.
- (2) For construction, alteration or restoration of Required Improvements, a current certificate of insurance with the coverages specified in Section 9.04(c).

**6.04 Extensions of Time for Completion of Required Improvements.** Landlord shall grant an extension of the time to Complete the Required Improvements for a period of time equal to the duration of an Excusable Delay, upon Tenant's written request describing the nature of the Excusable Delay, provided Tenant has commenced construction in a timely manner and is proceeding diligently to Complete construction.

**6.05 Additional and Replacement Improvements.**

(a) Construction of alterations, additions improvements that are not consistent with terms of this Lease or the proposed uses for the Property set forth on Exhibit D is prohibited unless the improvements are authorized by an amendment to this Lease approved by the Council via resolution.

(b) Subject to Section 6.05(a), upon satisfying the conditions in section 6.03, Tenant at any time may, but is not obligated to, construct new improvements on the Property and demolish, remove, replace, alter, relocate, reconstruct or add to existing improvements; provided that Tenant is not then in default under this Lease and provided further that Tenant continuously maintains on the Property the Required Improvements, or their equivalent of equal or greater value. Once any work is begun, Tenant shall with reasonable diligence prosecute to Completion all construction of

improvements, additions, alterations, or other work. All salvage resulting from such work will belong to Tenant, who is responsible for its removal and lawful disposal.

**6.06 As-Built Survey.** Within 30 days after Completion of construction of any improvements on the Property involving construction, alteration, addition, removal or demolition of the foundation, structure, utility services, ingress and egress, or any major changes of all or any part of any structure or improvement on the Property, Tenant shall provide Landlord with three copies of an as-built survey of the Property prepared by a registered professional surveyor, showing the location of all improvements on the Property, including underground utilities, pipelines and pre-existing improvements. Tenant shall accompany the as-built survey with a description of all changes from the approved plans or specifications made during the course of the work.

**6.07 Ownership of Improvements.** Other than the Required Improvements, any and all buildings, fixtures and improvements of any nature whatsoever constructed or maintained on the Property by Tenant will be and remain the property of Tenant at all times during the Term and may be removed or replaced by Tenant during the Term, subject to the provisions Section 6.08.

**6.08 Disposition of Improvements at End of Term.**

(a) Unless excepted by operation of the following subsection (b), any and all buildings, fixtures and improvements of any nature whatsoever constructed or maintained on the Property become the property of Landlord upon expiration or earlier termination of the Term.

(b) One year before the expiration of the Term, the Landlord and Tenant shall determine if the buildings, fixtures and improvements constructed or maintained on the Property, including the Required Improvements, are structurally sound and in good condition. If such buildings, fixtures and improvements constructed or maintained on the Property are structurally sound and in good condition, Tenant shall leave such improvements intact with all components, including without limitation doors, windows, and plumbing, electrical and mechanical fixtures and systems, in good condition and ready for use or occupancy, upon expiration of the Term, and Tenant shall execute, acknowledge, and deliver to Landlord a proper instrument in writing releasing and quitclaiming to Landlord all of Tenant's interest in such buildings, fixtures and improvements. Tenant shall be obligated to and shall remove, prior to the expiration of the Term, any buildings, fixtures and improvements constructed or maintained on the Property that are not structurally sound and in good condition, and Landlord shall not have or obtain any ownership interest in such buildings, fixtures and improvements by reason of this Lease.

(c) If Landlord terminates this Lease because of a default by Tenant prior to the expiration of the Term, any buildings, fixtures and improvements constructed or maintained on the Property shall, at Landlord's option, become the property of Landlord, which may use or dispose of them in its sole discretion. If Landlord elects not to obtain ownership of such buildings, fixtures and improvements under the preceding sentence or elects to remove any of such buildings, fixtures or improvements for any reason, Tenant shall be obligated to and shall remove such buildings, fixtures or improvements.

(d) Tenant shall notify Landlord before commencing the removal of an improvement as required under the preceding subsections (b) and/or (c) and coordinate the removal work with Landlord. Once Tenant commences the removal work, Tenant shall prosecute the removal with reasonable diligence to Completion and shall repair all damages to the Property caused by such removal no later than the expiration of the Term. All salvage resulting from such work will belong to Tenant, who is responsible for its removal and lawful disposal.

(e) If Tenant fails to remove any improvements from the Property that Tenant is required to remove under and per the terms of the preceding subsections (b), (c) and/or (d), Tenant

shall pay Landlord the costs that Landlord incurs in removing and disposing of the improvements and repairing damages to the Property caused by such removal.

## **ARTICLE 7. CARE AND USE OF THE PROPERTY**

**7.01 Maintenance of the Property.** Tenant at its own cost and expense shall keep the Property and all buildings and improvements that at any time may be situated thereon in a clean, safe and orderly condition, and in good repair at all times during the Term.

### **7.02 Repair of Improvements.**

(a) Except as provided in Section 7.02(b), in the event any buildings or improvements situated on the Property by Tenant are damaged or destroyed by fire, earthquake, tsunami, or other casualty, Tenant shall at Tenant's expense restore the same to good and tenable condition or shall remove the same as soon as is reasonably possible, but in no event may the period of restoration exceed 18 months nor may the period of removal exceed 45 days.

(b) Unless Tenant is excused from the obligation under this paragraph, if the Required Improvements or any part thereof are damaged or destroyed by fire, earthquake, tsunami, or other casualty, rendering the Required Improvements totally or partially inaccessible or unusable, Tenant shall at Tenant's expense restore the Required Improvements to substantially the same condition as they were in immediately before such damage, provided that:

- (1) if the cost of repairing or restoring the Required Improvements, less any available insurance proceeds not reduced by applicable deductibles and coinsurance, exceeds 10% of the replacement cost of the Required Improvements, then Tenant may terminate this Lease by giving notice to Landlord of Tenant's election to terminate within 15 days after determining the restoration cost and replacement cost, and this Lease shall terminate as of the date of such notice;
- (2) if the repair or restoration of the Required Improvements would be contrary to law, either party may terminate this Lease immediately by giving notice to the other party; or
- (3) if such damage or casualty to the Required Improvements occurs within three years before the end of the Term, Tenant may, in lieu of restoring or replacing the Required Improvements, terminate this Lease by giving written notice of termination to Landlord within 120 days after such damage or casualty.

Nothing in this paragraph relieves Tenant of the obligation to surrender the Property upon the expiration or earlier termination of the Term in the condition required by Section 3.03.

**7.03 Nuisances Prohibited.** Tenant at all times shall keep the Property in a clean, orderly and sanitary condition and free of insects, rodents, vermin and other pests; junk, abandoned or discarded property, including without limitation vehicles, equipment, machinery or fixtures; and litter, rubbish or trash. Tenant shall not use the Property in any manner that will constitute waste or a nuisance. Landlord, at Tenant's expense and without any liability to Tenant, may remove or abate any such junk, abandoned or discarded property, litter, rubbish or trash, or nuisance on the Property after 15 days written notice to Tenant, or after (4) four hour notice to Tenant in writing, by telephone, facsimile or in person if Landlord makes a written finding that such removal or abatement is required to prevent imminent harm to public health, safety or welfare. Tenant shall pay Landlord all the costs of such removal, plus interest at the Default Rate, as Additional Rent under this Lease. This section does not limit or waive any other remedy available to the City of Homer to abate any nuisance or for the violation of the Homer City Code.

**7.04 Compliance with Laws.** Tenant's improvement and use of the Property shall comply with all governmental statutes, ordinances, rules and regulations, including without limitation the City of Homer Zoning Code and all applicable building codes, now or hereafter in effect.

**7.05 Liens.** Except as provided in Article 13, Tenant may not permit any lien, including without limitation a mechanic's or materialman's lien, to be recorded against the Property. If any such lien is recorded against the Property, Tenant shall cause the same to be removed; provided that Tenant may in good faith and at Tenant's own expense contest the validity of any such lien without subjecting the Property to foreclosure, and in the case of a mechanic's or materialman's lien, if Tenant has furnished the bond required in A.S. 34.35.072 (or any comparable statute hereafter enacted providing for a bond freeing the Property from the effect of such a lien claim). Tenant shall indemnify and save Landlord harmless from all liability for damages occasioned by any such lien, together with all costs and expenses (including attorneys' fees) incurred by Landlord in negotiating, settling, defending, or otherwise protecting against such lien and shall, in the event of a judgment of foreclosure of the lien, cause the same to be discharged and removed prior to any attempt at execution of such judgment.

**7.06 Radio Interference.** Upon Landlord's request, Tenant shall discontinue the use on the Property of any source of electromagnetic radiation that interferes with any government operated transmitter, receiver, or navigation aid until the cause of the interference is eliminated.

**7.07 Signs.** Tenant may only erect signs on the Property that comply with state and local sign laws and ordinances. City Planning Department approval is required prior to the erection of any sign on the Property.

**7.08 Garbage Disposal.** Tenant shall keep any garbage, trash, rubbish or other refuse in industry standard containers until removed, and cause all garbage, trash, rubbish or other refuse on the Property to be collected and transported to a Kenai Peninsula Borough solid waste facility or transfer station at least once a week. Tenant may not place garbage, trash, rubbish or other refuse from the Property in Landlord's garbage disposal facilities on the Homer Spit or any other public facility.

**7.09 Access Rights of Landlord.** Landlord's agents and employees shall have the right, but not the obligation, to enter the Property at all reasonable times to inspect the use and condition of the Property; to serve, post or keep posted any notices required or allowed under the provisions of this Lease, including notices of non-responsibility for liens; and to do any act or thing necessary for the safety or preservation of the Property.

***[OPTIONAL PARAGRAPH 7. \_\_ APPLICABLE FOR USE OF FISH DOCK]***

**7. Fish Dock Use Permit.** Before using the City of Homer Fish Dock, Tenant shall obtain a City of Homer Fish Dock Use Permit. Tenant shall continue to have a current Fish Dock Use Permit in force until the earlier to occur of (i) the expiration or earlier termination of the Term, and (ii) the date Tenant ceases to use the Fish Dock. ]

***[OPTIONAL PARAGRAPH 7. \_\_ APPLICABLE FOR USE OF OTHER DOCKS]***

**7. Terminal Use Permit.** Before using City of Homer Docks other than the Fish Dock, Tenant shall obtain a City of Homer Terminal Use Permit. Tenant shall continue to have a current Terminal Use Permit in force until the earlier to occur of (i) the expiration or earlier termination of the Term, and (ii) the date Tenant ceases to use City of Homer Docks other than the Fish Dock.

**ARTICLE 8. ASSIGNMENT AND SUBLEASE**

### **8.01 Assignment or Sublease Absent Consent is Void.**

(a) Tenant shall not assign or sublease its interest in this Lease or in the Property without compliance with applicable provisions of the Lease Ordinance, including applying for and receiving consent of Council, and any attempted assignment or sublease absent such compliance is and shall be null and void and of no effect and, at Landlord's election, will constitute an event of default hereunder.

(b) If Tenant seeks to assign or sublease its interest in this Lease or in the Property, in addition to compliance with applicable provisions of the Lease Ordinance, Tenant shall request consent of Council to such assignment or sublease in writing at least 30 days prior to the effective date of the proposed assignment or sublease, accompanied by a copy of the proposed assignment or sublease. If Tenant subleases any portion of the Property, Tenant shall be assessed Additional Rent equal to 10% of the current Base Rent for the subleased area.

(c) No consent to any assignment or sublease waives Tenant's obligation to obtain Landlord's consent to any subsequent assignment or sublease. An assignment of this Lease shall require the assignee to assume the Tenant's obligations hereunder, and shall not release Tenant from liability hereunder unless Landlord specifically so provides in writing.

**8.02. Events that Constitute an Assignment.** If Tenant is a partnership or limited liability company, a withdrawal or change, voluntary, involuntary or by operation of law, of one or more partners or members owning 25% or more of the entity, or the dissolution of the entity, will be deemed an assignment to the Tenant as reconstituted, subject to Section 8.01 and the Lease Ordinance. If Tenant is a corporation, any dissolution, merger, consolidation or other reorganization of Tenant, or the sale or other transfer of a controlling percentage of the capital stock of Tenant, or the sale of 25% of the value of the assets of Tenant, will be deemed an assignment to the Tenant as reconstituted, subject to Section 8.01 and the Lease Ordinance; provided that if Tenant is a corporation the stock of which is traded through an exchange or over the counter, a sale or other transfer of a controlling percentage of the capital stock of Tenant will not constitute such an assignment. The phrase "controlling percentage" means the ownership of, and the right to vote, stock possessing at least 25% of the total combined voting power of all classes of Tenant's capital stock issued, outstanding and entitled to vote for the election of directors.

**8.03. Costs of Landlord's Consent to be Borne by Tenant.** As a condition to Landlord's consent to any assignment or sublease under section 8.01 and the Lease Ordinance, Tenant shall pay Landlord's reasonable costs, including without limitation attorney's fees and the expenses of due diligence inquiries, incurred in connection with any request by Tenant for Landlord's consent to the assignment or sublease.

## **ARTICLE 9. LIABILITY, INDEMNITY AND INSURANCE**

**9.01 Limitation of Landlord Liability.** Landlord, its officers and employees shall not be liable to Tenant for any damage to the Property or the buildings and improvements thereon, or for death or injury of any person or damage to any property, from any cause; however, this provision shall not affect the liability of Landlord, its officers and employees on any claim to the extent the claim arises from their negligence or willful misconduct.

**9.02 Indemnity Generally.** Tenant shall indemnify, defend, and hold harmless Landlord, its officers and employees from all claims arising from death or injury of any person or damage to any property occurring in or about the Property; however, this provision shall not apply to any claim to the extent the claim arises from the sole negligence or willful misconduct of Landlord, its officers and employees.

**9.03 Indemnity for Emergency Service Costs.** Without limiting the generality of Section 9.02, in the event of a major fire or other emergency, Tenant shall reimburse Landlord for the cost of providing fire-fighting and other emergency service to Tenant, the Property or at any other location where the fire or emergency requiring response arises from or is related to the use of the Property or Tenant's operations. For purposes of this section, a major fire or other emergency is one that requires more than five man-hours of effort by the City of Homer Fire Department.

**9.04 Insurance Requirements.**

(a) Without limiting Tenant's obligations to indemnify under this Lease, Tenant at its own expense shall maintain in force such policies of insurance with a carrier or carriers reasonably satisfactory to Landlord and authorized to conduct business in the state of Alaska, as Landlord may reasonably determine are required to protect Landlord from liability arising from Tenant's activities under this Lease, including the minimum insurance requirements set forth for tenants under the Lease Ordinance. Landlord's insurance requirements in the Lease Ordinance (or any superseding policy permitted under the Lease Ordinance) specify only the minimum acceptable coverage and limits, and if Tenant's policy contains broader coverage or higher limits, Landlord shall be entitled to such coverage to the extent of such higher limits.

(b) Without limiting the generality of the foregoing, Tenant shall maintain in force at all times during the Term the following minimum policies of insurance:

- (1) Comprehensive general liability insurance with limits of liability not less than a combined single limit for bodily injury and property damage of \$1,000,000 each occurrence and \$2,000,000 aggregate. This insurance shall also be endorsed to provide contractual liability insuring Tenant's obligations to indemnify under this Lease.
- (2) Comprehensive automobile liability covering all owned, hired and non-owned vehicles with coverage limits not less than \$1,000,000 occurrence combined single limit for bodily injury and property damage.
- (3) Workers' compensation insurance as required by AS 23.30.045. This coverage shall include employer's liability protection not less than \$1,000,000 per person, \$1,000,000 per occurrence. Where applicable, coverage for all federal acts (i.e. U.S. Longshoremen and Harbor Worker's Compensation and Jones Acts) shall also be included. The workers' compensation insurance shall contain a waiver of subrogation clause in favor of Landlord.
- (4) Environmental remediation and environmental impairment liability, including sudden and accidental coverage, gradual pollution coverage, and clean-up cost coverage associated with any activity by Tenant or others on, from, or related to the Property, with coverage limits not less than \$1,000,000 for any one accident or occurrence. Coverage shall extend to loss arising as a result of the work or services or products furnished, used or handled in connection with Tenant's operations contemplated under this Lease.

[*ALTERNATIVE 9.04(b)(4) — Optional provision waiving environmental insurance based on the authorized uses of Section 6.01.*]

[(4) Based on the authorized uses of the Property stated in Section 6.01, environmental insurance is not required. However, if Tenant uses the Property, with or without authorization from the Landlord, for purposes other than those stated in paragraph Section 6.01, if Landlord so elects, and within 10 days after Landlord gives notice of such election, Tenant shall procure and at all times

thereafter maintain, at its expense, environmental remediation and environmental impairment liability, including sudden and accidental coverage, gradual pollution coverage, and clean-up cost coverage associated with any activity by Tenant or others on, from, or related to the Property, with coverage limits not less than \$1,000,000 for any one accident or occurrence. Coverage shall extend to loss arising as a result of the work or services or products furnished, used or handled in connection with Tenant's operations contemplated under this Lease.]

(5) Property insurance covering the Required Improvements described in Section 6.02 in an amount not less than full replacement cost of the Required Improvements. This policy shall include boiler and machinery coverage.

(c) During any construction of the Required Improvements and during any subsequent alteration or restoration of the Required Improvements at a cost in excess of \$250,000 per job, Tenant shall maintain builder's risk insurance in an amount equal to the completed value of the project.

(d) Tenant shall furnish Landlord with certificates evidencing the required insurance not later than the date as of which this Lease requires the insurance to be in effect, and the provision of any such certificates due at or prior to the commencement of the Term shall be a condition precedent to the commencement of the Term. The certificates and the insurance policies required by this Section shall contain a provision that coverages afforded under the policies will not be cancelled or allowed to expire, and limits of liability will not be reduced, without at least 30 days' prior written notice to Landlord. Landlord shall be named as an additional insured under all policies of liability insurance required of Tenant. Landlord's acceptance of a deficient certificate of insurance does not waive any insurance requirement in this Lease. Tenant also shall grant Landlord permission to obtain copies of insurance policies from all insurers providing required coverage to Tenant by executing and delivering to Landlord such authorizations substantially in the form of **Exhibit G** as Landlord may request.

## **ARTICLE 10. ENVIRONMENTAL MATTERS**

**10.01 Use of Hazardous Substances.** Tenant shall not cause or permit the Property to be used to generate, manufacture, refine, transport, treat, store, handle, dispose of, transfer, produce or process any Hazardous Substance, except as is necessary or useful to Tenant's authorized uses of the Property stated in Section 6.01, and only in compliance with all applicable Environmental Laws. Any Hazardous Substance permitted on the Property as provided in this section, and all containers therefor, shall be handled, used, kept, stored and disposed of in a manner that complies with all applicable Environmental Laws, and handled only by properly trained personnel.

**10.02 Prevention of Releases.** Tenant shall not cause or permit, as a result of any intentional or unintentional act or omission on the part of Tenant or any of its agents, employees, contractors, tenants, subtenants, invitees or other users or occupants of the Property, a release of any Hazardous Substance onto the Property or onto any other property.

**10.03 Compliance with Environmental Laws.** Tenant at all times and in all respects shall comply, and will use its best efforts to cause all tenants, subtenants and other users and occupants of the Property to comply, with all Environmental Laws, including without limitation the duty to undertake the following specific actions: (i) Tenant shall, at its own expense, procure, maintain in effect and comply with all conditions of, any and all permits, licenses and other governmental and regulatory approvals required by all Environmental Laws, including without limitation permits required for discharge of (appropriately treated) Hazardous Substances into the ambient air or any sanitary sewers serving the Property; and (ii) except as discharged into the ambient air or a sanitary sewer in strict compliance with all applicable Environmental Laws, all Hazardous Substances from or on the Property to be treated and/or disposed of by Tenant will be removed and transported

solely by duly licensed transporters to a duly licensed treatment and/or disposal facility for final treatment and/or disposal (except when applicable Environmental Laws permit on-site treatment or disposal in a sanitary landfill).

**10.04 Notice.** Tenant shall promptly give Landlord (i) written notice and a copy of any notice or correspondence it receives from any federal, state or other government agency regarding Hazardous Substances on the Property or Hazardous Substances which affect or will affect the Property; (ii) written notice of any knowledge or information Tenant obtains regarding Hazardous Substances or losses incurred or expected to be incurred by Tenant or any government agency to study, assess, contain or remove any Hazardous Substances on or near the Property, and (iii) written notice of any knowledge or information Tenant obtains regarding the release or discovery of Hazardous Substances on the Property.

**10.05 Remedial Action.** If the presence, release, threat of release, placement on or in the Property, or the generation, transportation, storage, treatment or disposal at the Property of any Hazardous Substance (i) gives rise to liability (including but not limited to a response action, remedial action or removal action) under any Environmental Law, (ii) causes a significant public health effect, or (iii) pollutes or threatens to pollute the environment, Tenant shall, at its sole expense, promptly take any and all remedial and removal action necessary to clean up the Property and mitigate exposure to liability arising from the Hazardous Substance, whether or not required by law.

**10.06 Indemnification.** Subject to Section 10.09, Tenant shall indemnify, defend, and hold harmless Landlord, its officers and employees from and against any and all claims, disbursements, demands, damages (including but not limited to consequential, indirect or punitive damages), losses, liens, liabilities, penalties, fines, lawsuits and other proceedings and costs and expenses (including experts', consultants' and attorneys' fees and expenses, and including without limitation remedial, removal, response, abatement, cleanup, legal, investigative and monitoring costs), imposed against Landlord, arising directly or indirectly from or out of, or in any way connected with (i) the failure of Tenant to comply with its obligations under this Article; (ii) any activities on the Property during Tenant's past, present or future possession or control of the Property which directly or indirectly resulted in the Property being contaminated with Hazardous Substances; (iii) the discovery of Hazardous Substances on the Property whose presence was caused during the possession or control of the Property by Tenant; (iv) the clean-up of Hazardous Substances on the Property; and (v) any injury or harm of any type to any person or damage to any property arising out of or relating to Hazardous Substances on the Property or from the Property on any other property. The liabilities, losses, claims, damages, and expenses for which Landlord is indemnified under this section shall be reimbursable to Landlord as and when the obligation of Landlord to make payments with respect thereto are incurred, without any requirement of waiting for the ultimate outcome of any litigation, claim or other proceeding, and Tenant shall pay such liability, losses, claims, damages and expenses to Landlord as so incurred within 10 days after notice from Landlord itemizing in reasonable detail the amounts incurred (provided that no itemization of costs and expenses of counsel to Landlord is required where, in the determination of Landlord, such itemization could be deemed a waiver of attorney-client privilege).

**10.07 Survival of Obligations.** The obligations of Tenant in this Article, including without limitation the indemnity provided for in Section 10.06, are separate and distinct obligations from Tenant's obligations otherwise provided for herein and shall continue in effect after the expiration of the Term.

**10.08 Claims against Third Parties.** Nothing in this Article shall prejudice or impair the rights or claims of Tenant against any person other than Landlord with respect to the presence of Hazardous Substances as set forth above.



**10.09 Extent of Tenant's Obligations.** Tenant's obligations under this Article apply only to acts, omissions or conditions that (i) occur in whole or in part during the Term or during any time of Tenant's possession or occupancy of the Property prior to or after the Term of this Lease; or (ii) are proximately caused in whole or in part by the occupancy of, use of, operations on, or actions on or arising out of the Property by Tenant or its employees, agents, customers, invitees or contractors.

**10.10 Inspection at Expiration of Term.** Within 90 days before the expiration of the Term, Tenant shall at its own expense obtain a Phase I environmental inspection of the Property, and conduct any further inspection, including without limitation test holes, that is indicated by the results of the Phase I inspection. Tenant, at its own expense, shall remediate any contamination of the Property that is revealed by the inspections and that is Tenant's responsibility under this Article.

## ARTICLE 11. CONDEMNATION

**11.01 Article Determines Parties' Rights and Obligations.** If any entity having the power of eminent domain exercises that power to condemn the Property, or any part thereof or interest therein, or acquires the Property, or any part thereof or interest therein by a sale or transfer in lieu of condemnation, the interests of Landlord and Tenant in the award or consideration for such transfer and the effect of the taking or transfer upon this Lease will be as provided in this Article.

**11.02 Total Taking.** If all of the Property is taken or so transferred, this Lease and all of Tenant's interest thereunder will terminate on the date title to the Property vests in the condemning authority.

**11.03. Partial Taking.** If the taking or transfer of part of the Property causes the remainder of the Property to be not effectively and practicably usable in the opinion of the Tenant for the purpose of operation thereon of Tenant's business, this Lease and all of Tenant's interest thereunder will terminate on the date title to the Property vests in the condemning authority. If the taking or transfer of part of the Property leaves the remainder of the Property effectively and practicably usable in the opinion of Tenant for the operation of Tenant's business, this Lease and all of Tenant's interest thereunder will terminate as to the portion of the Property so taken or transferred on the date title to the Property vests in the condemning authority, but will continue in full force and effect as to the portion of the Property not so taken or transferred, and the Base Rent will abate in the proportion that the portion of the Property taken bears to all of the Property.

**11.04 Compensation.** Landlord and Tenant each may make a claim against the condemning or taking authority for the amount of just compensation due to it. Tenant shall make no claim against Landlord for damages for termination of the leasehold or interference with Tenant's business, even if Landlord is the condemning or taking authority. Neither Tenant nor Landlord will have any rights in or to any award made to the other by the condemning authority; provided, that if a single award to Landlord includes specific damages for loss of Tenant's leasehold interest separately awarded in the eminent domain proceeding and not as a part of the damages recoverable by Landlord, Landlord will transmit such separately awarded damages to Tenant.

## ARTICLE 12. DEFAULT

**12.01. Events of Default.** Each of the following shall constitute an event of default under this Lease:

(a) The failure of Tenant to pay Rent or any other sum of money due under this Lease within ten (10) days after the date such payment is due.

(b) The failure of Tenant to perform or observe any covenant or condition of this Lease, other than a default in the payment of money described in the preceding subsection (a), which is not cured within thirty (30) days after notice thereof from Landlord to Tenant, unless the default is of a kind that cannot be cured within such 30-day period, in which case no event of default shall be declared so long as Tenant shall commence the curing of the default within such 30 day period and thereafter shall diligently and continuously prosecute the curing of same.

(c) The use of the Property or buildings and improvements thereon for purposes other than those permitted herein, to which Landlord has not given its written consent.

(d) The commencement of a case under any chapter of the federal Bankruptcy Code by or against Tenant, or the filing of a voluntary or involuntary petition proposing the adjudication of Tenant as bankrupt or insolvent, or the reorganization of Tenant, or an arrangement by Tenant with its creditors, unless the petition is filed or case commenced by a party other than Tenant and is withdrawn or dismissed within ninety (90) days after the date of its filing.

(e) The admission in writing by Tenant of its inability to pay its debts when due; the appointment of a receiver or trustee for the business or property of Tenant, unless such appointment shall be vacated within ten (10) days after its entry; Tenant making an assignment for the benefit of creditors; or the voluntary or involuntary dissolution of Tenant.

**12.02 Landlord's Remedies.** Upon the occurrence of an event default, Landlord has all of the following remedies, all in addition to any other remedies that Landlord may have at law or in equity:

(a) Landlord may terminate this Lease by written notice to Tenant, upon which termination Tenant shall immediately surrender possession of the Property, vacate the Property, and deliver possession of the Property to Landlord. Tenant hereby makes a present grant to Landlord of a full, free and irrevocable license to enter into and upon the Property, in the event Landlord terminates this Lease in accordance with this subsection (a), and to repossess the Property, to expel or remove Tenant and any others who may be occupying or within the Property, and to remove any and all property therefrom, using such force as may be necessary, with or without process of law, without being deemed in any manner guilty of trespass, eviction or forcible entry or detainer, and without relinquishing Landlord's right to rent or any other right given to Landlord hereunder or by operation of law.

(b) Landlord may by written notice declare Tenant's right to possession of the Property terminated without terminating this Lease. Tenant hereby makes a present grant to Landlord of a full, free and irrevocable license to enter into and upon the Property, in the event Landlord terminates Tenant's right of possession in accordance with this subsection (b), and to repossess the Property, to expel or remove Tenant and any others who may be occupying or within the Property, and to remove any and all property therefrom, using such force as may be necessary, with or without process of law, without being deemed in any manner guilty of trespass, eviction or forcible entry or detainer, and without relinquishing Landlord's right to rent or any other right given to Landlord hereunder or by operation of law.

(c) Subject to Section 12.01(e), Landlord may relet the Property in whole or in part for any period equal to or greater or less than the remainder of the Term, as applicable, for any sum that Landlord may deem reasonable.

(d) Landlord may collect any and all rents due or to become due from subtenants or other occupants of the Property.

(e) Landlord may recover from Tenant, with or without terminating this Lease, actual attorney's fees and other expenses incurred by Landlord by reason of Tenant's default and elect to recover damages described under either (1) or (2):

- (1) from time to time, an amount equal to the sum of all Base Rent and other sums that have become due and remain unpaid, less the rent, if any, collected by Landlord on reletting the Property reduced by the amount of all expenses incurred by Landlord in connection with reletting the Property; or
- (2) immediately upon Tenant's default, an amount equal to the difference between the Base Rent and the fair rental value of the Property for the remainder of the Term, discounted to the date of such default at a rate per annum equal to the rate at which Landlord could borrow funds for the same period as of the date of such default.

(f) Reentry or reletting of the Property, or any part thereof, shall not terminate this Lease, unless accompanied by Landlord's written notice of termination to Tenant.

**12.03 Assignment of Rents.** Tenant immediately and irrevocably assigns to Landlord, as security for Tenant's obligations under this Lease, all rent from any subletting of all or a part of the Property, and Landlord, as assignee and attorney-in-fact for Tenant, or a receiver for Tenant appointed on Landlord's application, may collect such rent and apply it toward Tenant's obligations under this Lease, except that Tenant has the right to collect such rent until the occurrence of an event of default by Tenant.

## **ARTICLE 13. LEASEHOLD MORTGAGES**

**13.01. Mortgage of Leasehold Interest.** Tenant shall have the right at any time, and from time to time, to subject the leasehold estate and any or all of Tenant's improvements situated on the Property to one or more deeds of trust, mortgages, and other collateral security instruments as security for a loan or loans or other obligation of Tenant (each a "Leasehold Mortgage"), subject to the remainder of this Article 13.

**13.02 Subordinate to Lease.** The Leasehold Mortgage and all rights acquired under it shall be subject and subordinate to all the terms of this Lease, and to all rights and interests of Landlord except as otherwise provided in this Lease.

**13.03 Notice to Landlord.** Tenant shall give Landlord notice before executing each Leasehold Mortgage, and shall accompany the notice with a true copy of the note and the Leasehold Mortgage as proposed for execution. Upon Landlord's written consent to the Leasehold Mortgage and upon execution of the Leasehold Mortgage by all parties, the mortgagee shall become a Qualified Mortgagee as that term is used in this Lease. Tenant also shall deliver to Landlord a true and correct copy of any notice from a Qualified Mortgagee of default or acceleration of the maturity of the note secured by a Leasehold Mortgage promptly following Tenant's receipt thereof.

**13.04 Modification or Termination.** No action by Tenant or Landlord to cancel, surrender, or materially modify the economic terms of this Lease or the provisions of Article 11 will be binding upon a Qualified Mortgagee without its prior written consent.

### **13.05 Notice to Qualified Mortgagee.**

(a) If Landlord gives any notice hereunder to Tenant, including without limitation a notice of an event of default, Landlord shall give a copy of the notice to each Qualified Mortgagee at the address previously designated by it.

(b) If a Qualified Mortgagee changes its address or assigns the Leasehold Mortgage, the Qualified Mortgagee or assignee may change the address to which such copies of notices hereunder shall be sent by written notice to Landlord. Landlord will not be bound to recognize any assignment of a Qualified Mortgage unless and until Landlord has been given written notice thereof, a copy of the executed assignment, and the name and address of the assignee. Thereafter, the assignee will be deemed to be the Qualified Mortgagee hereunder with respect to the assigned Leasehold Mortgage.

(c) If a Leasehold Mortgage is held by more than one person, Landlord shall not be required to give notices to the Qualified Mortgagee of the Leasehold Mortgage unless and until all of the holders of the Leasehold Mortgage give Landlord an original executed counterpart of a written designation of one of their number to receive notices hereunder. Notice given to the one so designated is effective as notice to all them.

### **13.06 Performance of Tenant Obligations.**

(a) A Qualified Mortgagee may perform any obligation of Tenant and remedy any default by Tenant under this Lease within the time periods specified in the Lease, and Landlord shall accept such performance with the same force and effect as if furnished by Tenant; provided, however, that the Qualified Mortgagee will not thereby be subrogated to the rights of Landlord.

(b) Tenant may delegate irrevocably to a Qualified Mortgagee the non-exclusive authority to exercise any or all of Tenant's rights hereunder, but no such delegation will be binding upon Landlord unless and until either Tenant or the Qualified Mortgagee gives Landlord a true copy of a written instrument effecting such delegation.

(c) If Tenant defaults in the payment of any monetary obligation hereunder, Landlord shall not terminate this Lease unless and until Landlord provides written notice of such default to each Qualified Mortgagee and no Qualified Mortgagee cures such default within 10 days after the expiration of any grace or cure periods granted Tenant herein. If Tenant defaults in the performance of any non-monetary obligation hereunder, Landlord shall not terminate this Lease unless and until Landlord provides written notice of such default to each Qualified Mortgagee and no Qualified Mortgagee cures such default within 30 days after the expiration of any grace or cure periods granted Tenant herein.

**13.07 Possession by Qualified Mortgagee.** A Qualified Mortgagee may take possession of the Property and vest in the interest of Tenant in this Lease upon the performance of the following conditions:

(a) The payment to Landlord of any and all sums due to Landlord under this Lease, including without limitation accrued unpaid rent.

(b) The sending of a written notice to Landlord and Tenant of the Qualified Mortgagee's intent to take possession of the Property and assume the Lease.

(c) The curing of all defaults not remediable by the payment of money within an additional 30 days after the date upon which such default was required to be cured by Tenant under the terms of this Lease.

**13.08 No Liability of Mortgagee Without Possession.** A Qualified Mortgagee shall have no liability or obligation under this Lease unless and until it sends to Landlord the written notice described in paragraph 13.07(b). Nothing in this Lease or in the taking of possession of the Property and assumption of the Lease by a Qualified Mortgagee or a subsequent assignee shall relieve Tenant of any duty or liability to Landlord under this Lease.

**13.09 New Lease.** If a Qualified Mortgagee acquires Tenant's leasehold as a result of a judicial or non-judicial foreclosure under a Leasehold Mortgage, or by means of a deed in lieu of foreclosure, the Qualified Mortgagee thereafter may assign or transfer Tenant's leasehold to an assignee upon obtaining Landlord's written consent thereto, which consent will not be unreasonably withheld or delayed but which assignment will be subject to all of the other provisions of Article 8 and any provisions of the Lease Ordinance concerning acceptable assignees. Upon such acquisition by a Qualified Mortgagee or its assignee of Tenant's leasehold, Landlord will execute and deliver a new ground lease of the Property to the Qualified Mortgagee or its assignee not later than 120 days after such party's acquisition of Tenant's leasehold. The new ground lease will be identical in form and content to this Lease, except with respect to the parties thereto, the term thereof (which will be co-extensive with the remaining Term hereof), and the elimination of any requirements that Tenant fulfilled prior thereto, and the new ground lease will have priority equal to the priority of this Lease. Upon execution and delivery of the new ground lease, Landlord will cooperate with the new tenant, at the sole expense of said new tenant, in taking such action as may be necessary to cancel and discharge this Lease and to remove Tenant from the Property.

## ARTICLE 14. GENERAL PROVISIONS

**14.01 Authority.** Tenant represents and warrants that it has complete and unconditional authority to enter into this Lease; this Lease has been duly authorized by Tenant's governing body; this Lease is a binding and enforceable agreement of and against Tenant; and the person executing the Lease on Tenant's behalf is duly and properly authorized to do so.

**14.02 Estoppel Certificates.** Either party shall at any time and from time to time upon not less than 30 days prior written request by the other party, execute, acknowledge and deliver to such party, or to its designee, a statement in writing certifying that this Lease is in full force and effect and has not been amended (or, if there has been any amendment thereof, that the same is in full force and effect as amended and stating the amendment or amendments); that there are no defaults existing, (or, if there is any claimed default, stating the nature and extent thereof); and stating the dates to which the Base Rent and other charges have been paid in advance. The requesting party shall pay the cost of preparing an estoppel certificate, including the cost of conducting due diligence investigation and attorney's fees.

**14.03 Delivery of Notices -Method and Time.** All notices, demands or requests from one party to another shall be delivered in person or be sent by (i) mail, certified or registered, postage prepaid, (ii) reputable overnight air courier service, or (iii) electronic mail or facsimile transmission (accompanied by reasonable evidence of receipt of the transmission and with a confirmation copy mailed by first class mail no later than the day after transmission) to the address for the recipient in Section 14.04 and will be deemed to have been given at the time of delivery or, if mailed, three (3) days after the date of mailing.

**14.04 Addresses for Notices.** All notices, demands and requests from Tenant to Landlord shall be given to Landlord at the following address:

City Manager  
City of Homer  
491 East Pioneer Avenue  
Homer, Alaska 99603  
Facsimile: (907) 235-3148  
Email: \_\_\_\_\_

All notices, demands or requests from Landlord to Tenant shall be given to Tenant at the following address:

Facsimile: \_\_\_\_\_  
Email: \_\_\_\_\_

Each party may, from time to time, designate a different address or different agent for service of process by notice given in conformity with Section 14.03.

**14.05 Time of Essence.** Time is of the essence of each provision of this Lease.

**14.06 Computation of Time.** The time in which any act provided by this Lease is to be done is computed by excluding the first day and including the last, unless the last day is a Saturday, Sunday or a holiday, and then it is also excluded. The term "holiday" will mean all holidays as defined by the statutes of Alaska.

**14.07 Interpretation.** Each party hereto has been afforded the opportunity to consult with counsel of its choice before entering into this Lease. The language in this Lease shall in all cases be simply construed according to its fair meaning and not for or against either party as the drafter thereof.

**14.08 Captions.** The captions or headings in this lease are for convenience only and in no way define, limit or describe the scope or intent of any provision of this Lease.

**14.09 Independent Contractor Status.** Landlord and Tenant are independent contractors under this Lease, and nothing herein shall be construed to create a partnership, joint venture, or agency relationship between Landlord and Tenant. Neither party shall have any authority to enter into agreements of any kind on behalf of the other and shall have no power or authority to bind or obligate the other in any manner to any third party.

**14.10 Parties Interested Herein.** Nothing in this Lease, express or implied, is intended or shall be construed to give to any person other than Landlord, Tenant and any Qualified Mortgagee any right, remedy or claim, legal or equitable, under or by reason of this Lease. The covenants, stipulations and agreements contained in this Lease are and shall be for the sole and exclusive benefit of Landlord, Tenant and any Qualified Mortgagee, and their permitted successors and assigns.

**14.11 Multi-Party Tenant.** If Tenant is comprised of more than one natural person or legal entity, the obligations under this Lease imposed upon Tenant are joint and several obligations of all such persons and entities. All notices, payments, and agreements given or made by, with, or to any one of such persons or entities will be deemed to have been given or made by, with, or to all of them, unless expressly agreed otherwise by Landlord in writing.

**14.12 Broker's Commissions.** Each of the parties represents and warrants that there are no claims for brokerage commissions or finders' fees in connection with the execution of this Lease, and agrees to indemnify the other against, and hold it harmless from, all liability arising from any such claim including, without limitation, the cost of counsel fees in connection therewith.

**14.13 Successors and Assigns.** This Lease shall be binding upon the successors and assigns of Landlord and Tenant, and shall inure to the benefit of the permitted successors and assigns of Landlord and Tenant.

**14.14 Waiver.** No waiver by a party of any right hereunder may be implied from the party's conduct or failure to act, and neither party may waive any right hereunder except by a writing signed by the party's authorized representative. The lapse of time without giving notice or taking other action does not waive any breach of a provision of this Lease. No waiver of a right on one occasion applies to any different facts or circumstances or to any future events, even if involving similar facts and circumstances. No waiver of any right hereunder constitutes a waiver of any other right hereunder.

**14.15 Attorney's Fees.**

(a) If Landlord is involuntarily made a party to any litigation concerning this Lease or the Property by reason of any act or omission of Tenant, or if Landlord is made a party to any litigation brought by or against Tenant without any fault on the part of Landlord, then Tenant shall pay the amounts reasonably incurred and expended by Landlord, including the reasonable fees of Landlord's agents and attorneys and all expenses incurred in defense of such litigation.

(b) In the event of litigation between Landlord and Tenant concerning enforcement of any right or obligation under this Lease, the non-prevailing party shall reimburse the prevailing party for the attorney's fees reasonably incurred and expended by the prevailing party in the litigation.

**14.16 Severability.** If any provision of this Lease shall for any reason be held to be invalid, illegal, unenforceable, or in conflict with any law of a federal, state, or local government having jurisdiction over this Lease, such provision shall be construed so as to make it enforceable to the greatest extent permitted, such provision shall remain in effect to the greatest extent permitted and the remaining provisions of this Lease shall remain in full force and effect.

**14.17 Entire Agreement, Amendment.** This Lease constitutes the entire and integrated agreement between Landlord and Tenant concerning the subject matter hereof, and supersedes all prior negotiations, representations or agreements, either written or oral. No affirmation, representation or warranty relating to the subject matter hereof by any employee, agent or other representative of Landlord shall bind Landlord or be enforceable by Tenant unless specifically set forth in this Lease. This Lease may be amended only by written instrument executed and acknowledged by both Landlord and Tenant.

**14.18 Governing Law and Venue.** This Lease will be governed by, construed and enforced in accordance with, the laws of the State of Alaska. Any action or suit arising between the parties in relation to or in connection with this Lease, or for the breach thereof, shall be brought in the trial courts of the State of Alaska for the Third Judicial District at Homer.

**14.19 Execution in Counterparts.** This Lease may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same document.

**[OPTIONAL SPECIAL PROVISIONS]**

**14.20 Prior Lease Amended And Superseded.** Landlord and Tenant are parties to a prior lease affecting the Property dated \_\_\_\_\_, \_\_\_\_, a memorandum of which has been recorded in the records of the Homer Recording District under Document No. \_\_\_\_\_ (the "Prior Lease"). This Lease replaces and supersedes the Prior Lease effective as of \_\_\_\_\_, 20\_\_, and on and

after that date the Prior Lease shall have no force or effect, except that it shall remain in effect as to events, rights, obligations, or remedies arising or accruing under the Prior Lease prior to that date.

IN WITNESS WHEREOF, the parties have executed this Lease as of the date first set forth above.

**Landlord:**

**Tenant:**

**CITY OF HOMER**

**TENANT NAME**

By: \_\_\_\_\_  
Katie Koester, City Manager

\_\_\_\_\_  
(Name, Title)

**ACKNOWLEDGMENTS**

STATE OF ALASKA )  
 ) ss.  
THIRD JUDICIAL DISTRICT )

The foregoing instrument was acknowledged before me on \_\_\_\_\_, 20\_\_, by \_\_\_\_\_, City Manager of the City of Homer, an Alaska municipal corporation, on behalf of the City of Homer.

\_\_\_\_\_  
Notary Public in and for Alaska  
My Commission Expires: \_\_\_\_\_

STATE OF ALASKA )  
 ) ss.  
THIRD JUDICIAL DISTRICT )

The foregoing instrument was acknowledged before me on \_\_\_\_\_, 20\_\_, by \_\_\_\_\_, as \_\_\_\_\_ (title) of \_\_\_\_\_ (name of entity) on behalf of \_\_\_\_\_ (name of entity).

\_\_\_\_\_  
Notary Public in and for Alaska  
My Commission Expires: \_\_\_\_\_





**EXHIBIT A**

**SCHEDULE OF ORGANIZATION, OWNERS,  
PERCENTAGE OF OWNERSHIP**

Tenant, \_\_\_\_\_, is a \_\_\_\_\_ organized under the laws of the state of \_\_\_\_\_. Attached to this exhibit is a certificate issued by that state certifying that Tenant is in good standing and describing its legal organization. If Tenant is a foreign entity authorized to conduct business in Alaska, its certificate of authority is also attached

The \_\_\_\_\_ (specify whether shareholders, partners, members, etc.) and their percentage of ownership are as follows:

Name \_\_\_\_\_ %

Address: \_\_\_\_\_

Name \_\_\_\_\_ %

Address: \_\_\_\_\_

Name \_\_\_\_\_ %

Address: \_\_\_\_\_

TOTAL 100 %

**EXHIBIT B**

**CONFORMED COPY OF RESOLUTION AUTHORIZING LEASE AND  
AUTHORIZING SIGNERS TO SIGN LEASE AGREEMENT ON BEHALF  
OF TENANT**

**EXHIBIT C**  
**LOCATION OF PROPERTY**  
**(Section 2.01)**

**EXHIBIT D**  
**TENANT'S PROPOSED USE OF THE PROPERTY**  
**(Section 6.01)**

**EXHIBIT E**  
**SITE PLANS**  
**(Section 6.02)**

**EXHIBIT F**  
**FLOOR PLANS**  
**(Section 6.02)**

**EXHIBIT G**

**PERMISSION TO OBTAIN INSURANCE POLICIES**

**(Section 9.04(d))**

The City of Homer is hereby granted permission to request and obtain copies of \_\_\_\_\_ (“Tenant”) insurance policies from Tenant’s broker and/or insurer, \_\_\_\_\_. Tenant requests the broker/insurer to provide the City of Homer with information about and copies of all of Tenant’s insurance policies providing the type of coverage required by the Lease between Tenant and the City of Homer.

It is understood that the Tenant may revoke this permission at any time by written notice to City of Homer and to Tenant’s broker and/or insurer; however, such revocation will constitute a default of Tenant’s lease from the City of Homer.

Date: \_\_\_\_\_

**TENANT NAME**

By:

\_\_\_\_\_ (printed name)  
\_\_\_\_\_ ( title)

By: \_\_\_\_\_  
\_\_\_\_\_ (printed name)  
\_\_\_\_\_ ( title)



# VISITORS





# City of Homer

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

491 East Pioneer Avenue  
Homer, Alaska 99603

(p) 907-235-8121

(f) 907-235-3140

To: Mayor Zak and Homer City Council  
From: Employee Committee  
Date: July 15, 2018  
Subject: Ordinance 18-35

The employee committee met on Wednesday July 11<sup>th</sup> to discuss the proposed ordinance 18-35. Council may recall the parity study completed last fall, which found that most of the City of Homer's wages are comparable with industry averages. To keep wages within industry average, the City will need to consistently inflation proof the wage scale through Cost of Living Adjustments (COLAs). This ordinance does not require Council to approve a COLA, however, it creates a process by which COLAs and inflationary pressures are analyzed and considered on an annual basis.

Councilwoman Lord previously provided a written comment that she intended to propose an amendment to the ordinance, by removing the verbiage "exclusive of the medical portion" featured on lines 54 and 55. The Employee Committee endorses ordinance 18-35 and concurs with the removal of the verbiage "exclusive of the medical portion."



1 **CITY OF HOMER**  
2 **HOMER, ALASKA**

Lord

3  
4 **ORDINANCE 18-34**

5  
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA  
7 AMENDING HOMER CITY CODE 3.05.005, BUDGET ASSUMPTIONS,  
8 BY ADDING A REQUIREMENT THE CITY MANAGER PRESENT THE  
9 COUNCIL WITH INFORMATION ON INFLATIONARY PRESSURES ON  
10 THE CITY BUDGET

11  
12 WHEREAS, The City of Homer has a stated policy of using external parity as a non-  
13 binding guide for salary administration; and

14  
15 WHEREAS, The forces of inflation increase the cost of living across Alaska over time; and

16  
17 WHEREAS, The Anchorage Consumer Price Index (CPI) is a measure of inflation,  
18 established by the US Bureau of Labor Statistics in 1960 and is one of 27 cities in the country  
19 where changes in consumer prices are tracked; and

20  
21 WHEREAS, The Anchorage CPI is the only consumer price index in Alaska and is treated  
22 as the de facto statewide measure of inflation by the public and private sectors; and

23  
24 WHEREAS, The City of Homer recently completed a Salary Parity Study, finding that our  
25 wage scale is mostly on par with other municipalities; and

26  
27 WHEREAS, It is in the City of Homer's best interest to implement periodic cost of living  
28 adjustments (COLA) to its wage scale, in order to adjust for inflation, offer competitive wages,  
29 to attract and retain qualified employees, and ultimately maintain external parity; and

30  
31 WHEREAS, Providing timely and accurate external information to the City Council on  
32 the Anchorage CPI and actions by surrounding municipalities related to inflation aides the  
33 Council in evaluating the City Manager's budget assumptions in terms of regional inflation.

34  
35 NOW, THEREFORE, The City of Homer Ordains:

36  
37 Section 1. Homer City Code Section 3.05.005 is amended to read as follows:

38  
39 ~~By the third Friday in September the City Manager shall present to the Council an~~  
40 ~~overview of preliminary budget assumptions for the next fiscal year of the City. These~~  
41 ~~preliminary assumptions will address, by fund, revenue projections, tax and utility~~

42 rates, program additions or deletions, wages and benefits, or other issues with  
43 potential impact on the City's overall financial condition.

44  
45 **By the third Friday in September the City Manager shall present to the Council an**  
46 **overview of preliminary budget assumptions for the next fiscal year of the City.**  
47 **These preliminary assumptions will address, by fund, revenue projections, tax and**  
48 **utility rates, program additions or deletions, wages and benefits, inflationary**  
49 **pressure on the city budget or other issues with potential impact on the City's**  
50 **overall financial condition. The City Manager will include an overview of the**  
51 **previous year Anchorage Consumer Price Index (CPI) as a measure of overall**  
52 **inflation, the Cost of Living Adjustment made by no less than three nearby**  
53 **municipalities in their most recent budget year, and the cost of a Cost of Living**  
54 **Adjustment based on the Anchorage CPI for City of Homer employees, exclusive of**  
55 **the medical portion.**

56  
57 Section 2. This ordinance shall take effect upon its adoption by the Homer City Council.

58  
59 Section 3. This ordinance is of a permanent and general character and shall be included  
60 in the City Code.

61  
62 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this \_\_ day of \_\_\_\_\_, 2018.

63  
64  
65 CITY OF HOMER

66  
67  
68  
69 \_\_\_\_\_  
70 BRYAN ZAK, MAYOR

71 ATTEST:  
72  
73  
74 \_\_\_\_\_  
75 MELISSA JACOBSEN, MMC, CITY CLERK

76  
77  
78 YES:  
79 NO:  
80 ABSTAIN:  
81 ABSENT:

82

ANNOUNCEMENTS  
PRESENTATIONS  
BOROUGH REPORT  
COMMISSION REPORTS







## City of Homer

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

## Planning

491 East Pioneer Avenue  
Homer, Alaska 99603

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

(p) 907-235-3106

(f) 907-235-3118

To: Mayor Zak and the Homer City Council  
Through: Parks, Art, Recreation and Culture Advisory Commission  
From: Julie Engebretsen, Deputy City Planner  
Date: July 18, 2018  
Subject: Karen Hornaday Park Road Alternatives

Via Memo 18-041 the City Council asked the Commission to come up with some safety options for the access road that cost less than the \$726,000 requested in the Capital Improvement Plan. The Commission held a work session at the park on May 7<sup>th</sup> and came up with some ideas. At the May 17<sup>th</sup> PARCAC meeting, Public Works Director Meyer provided a laydown on proposed alternatives and approximate costs. (Prior to a budget ordinance, Public Works would like to further refine the estimated budget.)

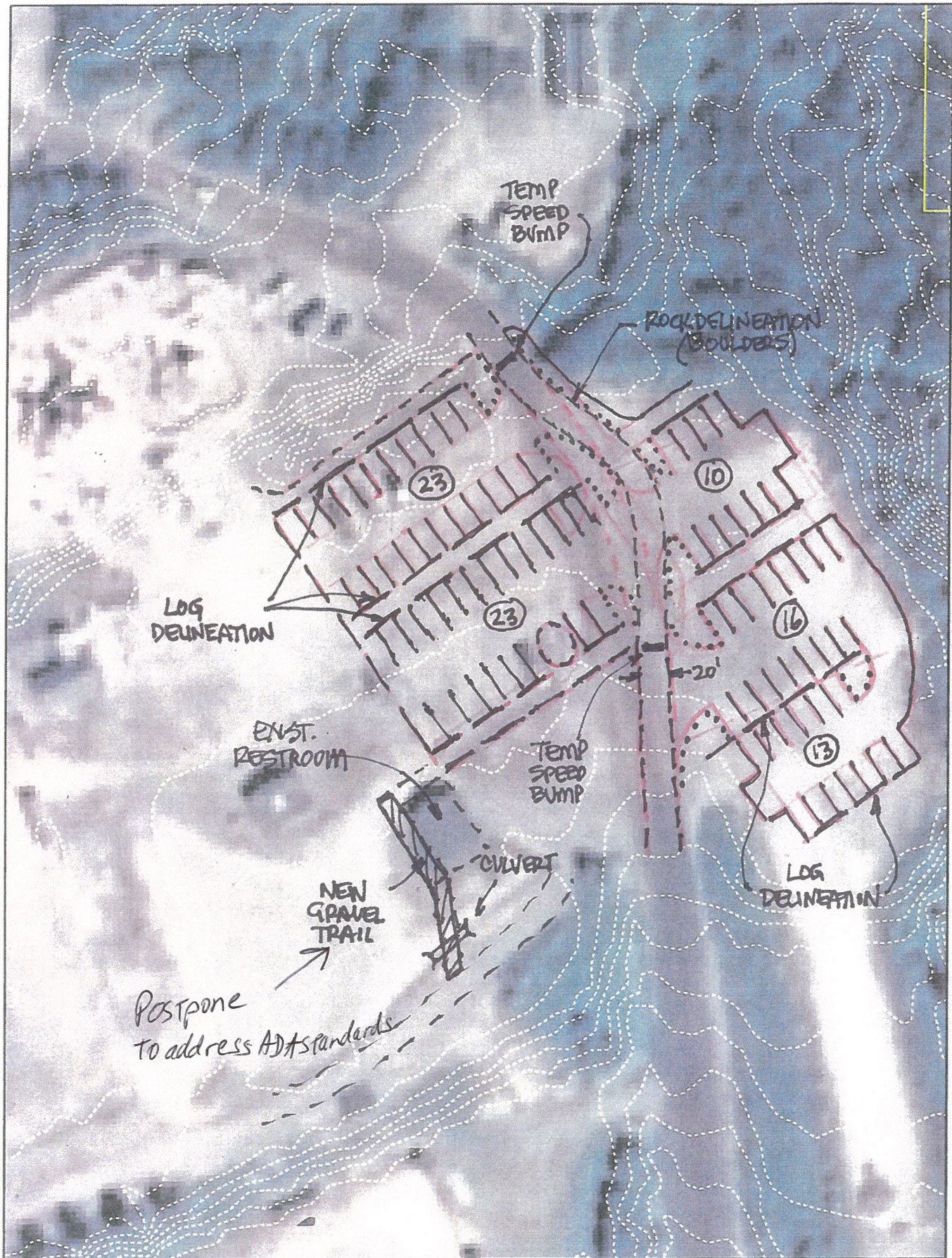
The Commission reached consensus that two of the proposals would increase safety for park users. First, the "Parking Improvements" consisting of shifting the road slightly east at the upper portion of the existing parking lot, defining the edges of the parking lots with the boulders already at the park, installing four speed bumps, and organizing the parking lot for an estimated \$40,000 is highly desirable. The rough cost estimate is \$40,000. The other recommended improvement to increase safety is to further improve the access trail on the west side of the access road ("Alternative 3"). This trail was built in summer 2017 with volunteer labor and limited city funds. The improvement of this trail would address some of the grade and width issues, and has an estimated budget of \$45,000. The Commission would like to see this trail built with ADA standards in mind, and potentially for future paving.

At the June 21<sup>st</sup>, 2018 meeting, PARCAC passed a motion recommending these improvements to the park. Additionally, they recommend including ADA parking spaces in the plan, and that the main area of the park be universally accessible. Total budget is roughly 85,000.

### Attachments

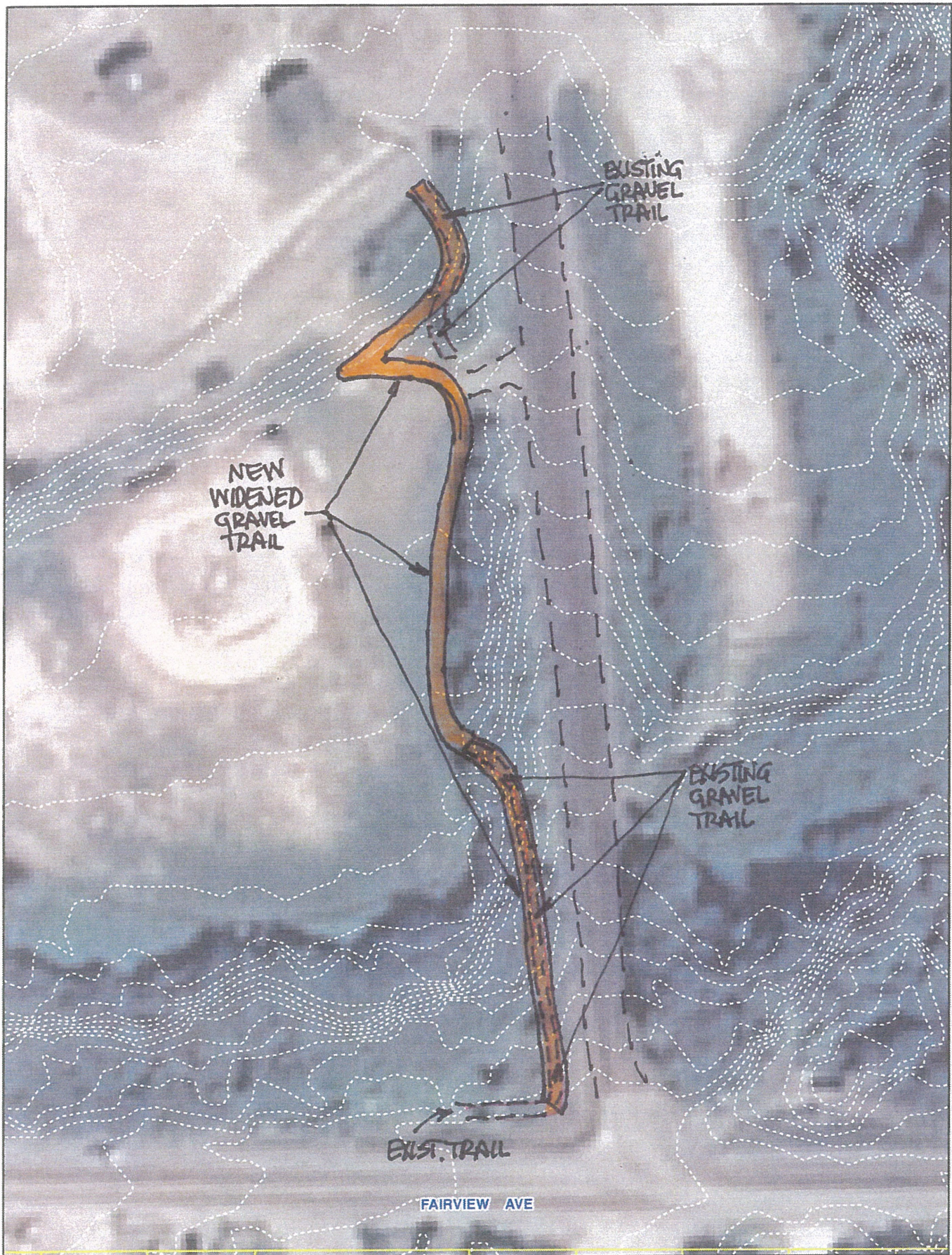
1. Parking Improvements
2. Meandering Trail improvements ("Alternative 3")
3. Memorandum 18-041
4. PARCAC minutes excerpts from June 21 and May 17





1 inch = 60 feet

KHP - PARKING IMPROVEMENTS



1 inch = 60 feet

### ALTERNATIVE 3 - MEANDERING TRAIL



## City of Homer

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

## Homer City Council

491 East Pioneer Avenue

Homer, Alaska 99603

(p) 907-235-3130

(f) 907-235-3143

### Memorandum 18-041

TO: City of Homer Parks Art Recreation and Culture Advisory Commission

THROUGH: Homer City Council

FROM: Councilmember Tom Stroozas

DATE: April 9, 2018

SUBJECT: Safety Improvements to Karen Hornaday Park Road

---

Karen Hornaday Park Improvements, Phase 2 on the City of Homer Capital Improvement Plan focuses on safe and inclusive access to the Park and its essential facilities by relocating the access road. In 2012, a budget for moving the road was estimated at \$726,000. This memo directs that Parks Art Recreation Culture Advisory Commission (PARAC) to come up with an improvement plan that includes alternate, less expensive, options for providing safe access to the Park and its facilities by considering measures such as:

1. Traffic calming including seasonal speed bumps and speed limit signs (SLOW 5 mph);
2. Creating a dedicated crosswalk and funneling patrons from the east parking lot via signage and landscape enhancement;
3. Other suggested improvements that would enhance pedestrian safety and improve access to the Park besides moving the access road.

The proposed funding source for the improvements would be the Homer Accelerated Roads and Trails fund (by ordinance).

Fiscal Note: Staff time from Public Works developing cost estimates and the Planning Department working with PARAC on recommendations.

then the concrete poured resulting in a “lip”

14. There is no statistics as yet, he is still in the process of changing some of the data collection methodologies and what data will be collected.
15. They are a little behind in camping fee collection but there are some variables that are affecting those results
16. There are considerably more tents than RV’s however it was discovered that the definition of tents versus recreation vehicle included even cab over campers.

Chair Lowney voiced concerns and comments on the following issues:

17. Missing back board for the city side of the basketball court at the HERC building
18. Fees charged for RV’s versus tents at Karen Hornaday Park Campground
19. Monofilament receptacles for the Fishing Lagoon
20. Improvements for the Skate Board Park

Staff responded on the reason for the charges such as Dump Fees regarding sanitation costs, previous discussions on fee changes for camping, Price differentials between Seward and Homer; automatic pay stations for campgrounds similar to the Harbor; the issues within the lawn contract and division of the portions that are under the contract versus the city staff; he also answered a few questions regarding the vagrancy on the Library and Poopdeck Trails.

Commissioner Archibald thanked Mr. Steffy for the improvements being done at the fishing lagoon and the extensive ditching behind the ballfields at Karen Hornaday Park.

Mr. Steffy announced a permit application for a local event celebrating the wild salmon on August 10, 2018 at Karen Hornaday Park.

Chair Lowney requested staff to weedeat the trail at the park but to be mindful of the trees that were planted.

## **PUBLIC HEARING**

### **PENDING BUSINESS**

#### **A. Sidewalk Prioritization Memorandum to Council**

This item was postponed until the August meeting as staff did not have materials ready for this meeting.

#### **B. Karen Hornaday Park Road Safety Alternatives**

Chair Lowney provided a summary of the item on the agenda and invited Deputy City planner Engebretsen to provide further input.

Deputy City Planner Engebretsen stated the following:

- Recommendations from the last meeting
- Motion is needed to recommend those selections to council
- Changes to trails to make it more accessible will require more curves and be longer in length
- City is working on an ADA transition plan
- Expanding scope may change budget numbers and portions of the project may be included in the ADA

plan in creating a universally accessible park and trails

- Paving will be required to create a universally accessible park as pushing a stroller on gravel is not doable
- Additional costs involved in paving
- Questions on phased approach wherein the trail be constructed so that paving can be done at a later date
- Option 3 is to improve the existing trail but is very steep and may be not be suitable for accessibility

Discussion ensued on the proposed construction of the option three on the existing trail, providing another more accessible access to the trail from the bleachers this does not just affect persons in wheelchairs, connection to other trails, phasing the project and how to approach that phasing process; push to be fiscally inexpensive.

Chair Lowney requested a motion.

LEWIS/SHARP MOVED RECOMMEND OPTION NUMBER THREE AS ADA COMPLIANT AS POSSIBLE

There was no discussion.

VOTE. NON-OBJECTION. UANIMOUS CONSENT.

Motion carried.

A brief discussion on the universal access routes revealed that additional work and information was needed; as well as the costs on the work required and that review of accessibility was a slower process than was originally thought and it may take longer.

The commission discussed including a recommendation to Council to address the accessibility issues prior to an overall city plan since the park is highly used ensued.

Deputy City Planner Engebretsen suggested including the fact of the park being highly used as a basis for the City Council to consider when prioritizing ADA Accessibility.

Chair Lowney and Commissioner Ashmun wanted to include in the recommendation that due to the high use the park should be included in the highest priority.

Commissioner Sharp expressed the unlikelihood of the park accessibility being fast tracked for accessibility issues by City Council.

Commissioner Lewis suggested using the language “universally accessible” instead of ADA Accessibility.

Chair Lowney requested a motion.

LEWIS/ARCHIBALD MOVED TO RECOMMEND PARKS AND RECREATION AND CITY COUNCIL CONSIDER UPGRADING KAREN HORNADAY PARK MAIN AREA TO BE UNIVERSALLY ACCESSIBLE.

There was no further discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Chair Lowney then requested commission comments on the parking improvements. Noting that there are no turn around when pulling into the parking lot.

Commissioner Lewis suggested removing spaces to allow a pull through and Deputy City Planner Engebretsen recommended that the plan is employing logs for the delineation so if it appears that it is not working the logs can be removed and/or reconfigured.

Commissioner Sharp advocated for using the plan as presented since there was substantial amount of work and expertise used in creating the plan.

ASHMUN/LEWIS MOVED TO RECOMMEND ACCEPTING THE PARKING IMPROVEMENTS AS DESIGNED TO INCLUDE THE CURVE IN THE ROAD, SEASONAL ROAD SPEED BUMPS AND NEW PARKING RECONFIGURATION WITH THE CAVEAT OF ALLOWING FOR FURTHER PARKING RECONFIGURATION IF NEEDED IN THE FUTURE.

A brief discussion on how this would affect the existing Handicapped Parking spaces in front of the restroom ensued.

ASHMUN/LOWNEY MOVED TO AMEND THE RECOMMENDATION TO INCLUDE THE ADA ACCESSIBLE PARKING SPACES IN THE PARKING PLAN.

There was further discussion on ADA parking requirements and future configurations and adding additional ADA parking spaces.

VOTE. (Amendment). NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VOTE. (Main Motion). NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

#### C. Diamond Creek Recreation Plan Review

Deputy City Planner Engebretsen provided a brief summary of the intent of the plan. She noted the following:

- ❖ City owns two parcels within the area
- ❖ Approved by the State and Federal Governments
- ❖ Managed in perpetuity
- ❖ Contains history and maps
- ❖ State owns some parcels
- ❖ Ski Trails
- ❖ Contains the Demonstration Forest



ASHMUN/HARRALD MOVED TO APPROVE THE MEMORANDUM AS AMENDED, DELETING PARAGRAPH FIVE, CHANGING THE VERBIAGE AND FORWARD TO COUNCIL.

There was a brief discussion to provide clarification on the amendments.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

### **NEW BUSINESS**

#### A. Welcome New Commissioner

The Commission welcomed David Lewis and thanked him for signing up.

#### B. Quiet Creek Subdivision Park Plan

Chair Lowney read the title into the record.

ASHMUN/HARRALD MOVED TO RECOMMEND THE CITY ACCEPT THE PARKLANDS AS DELINEATED IN THE PRELIMINARY PLAT.

A brief discussion ensued regarding the intent to leave open natural areas in the planned subdivision, potential revenue loss to the city if these lots were buildable with information from Staff that they were not hence leaving them as natural landscape.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

#### C. Karen Hornaday Park Road and Safety Improvements

Chair Lowney read the title into the record acknowledged the laydown materials provided regarding the various scenarios on reconfiguring the parking and road and a brief overview of the worksession held up at the park.

The commission reviewed the proposed options that included a main parking design to delineate parking spaces with logs on each side of the road but putting a curve in the road at the northern edge of the east side parking lot with boulders delineating where the road is through the parking areas, a speed bump before and after the parking areas. A new gravel path from the gravel access road to the existing restroom that provides a culvert over the ditch will allow easier access to the facilities from the upper and lower fields this is estimated to cost \$40,000

The commissioners liked the proposed parking plan but still expressed some concerns with pedestrians having to cross the road if parking in the east side parking lot and the second trail alternate was good but alternate three was more aesthetically pleasing.

Deputy City Planner Engebretsen reported that they did not look at redesigning where the existing restroom is and the location of the current ADA parking spots. Stating it is not included in the design at this time. If the commission decides this is a priority then they will work on it.

Deputy City Planner requested the commission to narrow down the proposals so they can bring a more refined plan back at a future meeting.

Chair Lowney inquired if anyone was opposed to the proposed parking plan as presented for \$40,000.

There was no opposition expressed by the Commission.

Chair Lowney then reviewed the individual proposed alternates.

Alternates to the main plan were reviewed with providing boulders along the western side of the campground road and pedestrian access along the back edge of the lower fields at a cost of \$20,000; a separated gravel trail along the western side of the campground road with a trail along the fields for \$85,000; and finally a separate gravel trail that borders the lower fields from the upper field access road down to Fairview Avenue which will tie into the existing gravel trails at the bottom and top for \$45,000.

Deputy City Planner Engebretsen confirmed consensus on alternate number three with the commission.

#### D. Diamond Creek Plan Review

The Commission agreed by consensus to postpone this item until the June meeting due to time constraints at the request of staff.

#### E. Request for Donation from Bunnell Arts Gallery to Install Mural on Bishops Beach Pavilion

Chair Lowney declared that she had a conflict of interest.

ARCHIBALD/LEWIS MOVED THAT COMMISSIONER LOWNEY HAD A CONFLICT OF INTEREST.

Chair Lowney reported her conflict by being a member on the board for the Bunnell.

VOTE. YES. ASHMUN, ROEDL, HARRALD, ARCHIBALD, SHARP, LEWIS

Motion carried.

Chair Lowney turned the meeting over to Vice Chair Archibald.

Deputy City Planner Engebretsen reviewed her report.

The Commission reviewed the application and several expressed concern on the request not being defined or explained clearly on why they needed the additional funds and requested input from staff.

Deputy City Clerk Krause provided clarification on the donation process and noted that the commission did not have to approve the request and that the funds would have to come from the parks reserve or the

# PUBLIC HEARING(S)



**CITY OF HOMER  
PUBLIC HEARING NOTICE  
CITY COUNCIL MEETING**

**Ordinances 18-30 through 18-35**

A **public hearing** is scheduled for **Monday, July 23, 2018** during a Regular City Council Meeting. The meeting begins at 6:00 p.m. in the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

**Ordinance 18-30**, An Ordinance of the City Council of Homer, Alaska, Amending the 2018 Capital Budget by Appropriating \$35,911 from the Harbor Depreciation Reserve Fund for the Relocation of the Ramp 2 Harbor Backflow Prevention Facilities, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Public Works Director.

**Ordinance 18-31**, An Ordinance of the City Council of Homer, Alaska, Amending the FY2018 Capital Budget by Appropriating \$473,829 from the Police Station Reserve for the Purpose of Funding 100% Design for the New Police Station Contingent Upon the Passage of Ballot Proposition 1 at the June 26, 2018 Special Election. Smith.

**Ordinance 18-32**, An Ordinance of the City Council of Homer Alaska, Amending the 2018 Operating Budget to Appropriate \$34,488.80 from the Water/Sewer Inventory Account for the Purchase of Concrete Septic Tanks. City Manager/Public Works Director.

**Ordinance 18-33**, An Ordinance of the City Council of Homer, Alaska, Authorizing the Expenditure of Accumulated Commercial Passenger Vessel Funds and Funds from the Port and Harbor Fund to Complete the Ramp 2 Restroom Replacement Project. City Manager.

**Ordinance 18-34**, An Ordinance of the City Council of Homer, Alaska, Amending the 2018 Capital Budget by Appropriating \$3,500 from Police Reserves for the Purchase of a Traffic Speed Monitoring Device. Lord. Introduction June 25, 2018, Public Hearing and Second Reading, July 23, 2018.

**Ordinance 18-35**, An Ordinance of the City Council of Homer, Alaska Amending Homer City Code 3.05.005, Budget Assumptions, by Adding a Requirement the City Manager Present the Council with Information on Inflationary Pressures on the City Budget. Lord.

All interested persons are welcome to attend and give testimony. Written testimony received by the Clerk's Office prior to the meeting will be provided to Council.

\*\* Copies of proposed Ordinances in entirety, are available for review online at <https://www.cityofhomer-ak.gov/ordinances>, at the Homer City Clerk's Office, and the Homer Public Library. Contact the Clerk's Office at City Hall if you have any questions. 235-3130, Email: [clerk@ci.homer.ak.us](mailto:clerk@ci.homer.ak.us)

Melissa Jacobsen, MMC, City Clerk  
Publish: Homer News July 19, 2018

## CLERK'S AFFIDAVIT OF POSTING

I, Rachel Tussey, Administrative Assistant for the City of Homer, Alaska, do hereby certify that a copy of the Public Hearing Notice for:

**Ordinance 18-30**, An Ordinance of the City Council of Homer, Alaska, Amending the 2018 Capital Budget by Appropriating \$35,911 from the Harbor Depreciation Reserve Fund for the Relocation of the Ramp 2 Harbor Backflow Prevention Facilities, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Public Works Director.

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...was distributed to the City of Homer kiosks located at City Clerk's Office, and the Homer Public Library on Monday, July 16, 2018 and posted on the City website on Monday, July 16, 2018.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal of said City of Homer this 16<sup>th</sup> day of July 2018.



Rachel Tussey, Administrative Assistant



**ORDINANCE REFERENCE SHEET**  
**2018 ORDINANCE**  
**ORDINANCE 18-30**

**Ordinance 18-30**, An Ordinance of the City Council of Homer, Alaska, Amending the 2018 Capital Budget by Appropriating \$35,911 from the Harbor Depreciation Reserve Fund for the Relocation of the Ramp 2 Harbor Backflow Prevention Facilities, and Authorizing the City Manager to Execute the Appropriate Documents. Harbor Ramp 2 Backflow Prevention Device.

Sponsor: City Manager/Public Works Director

1. Council Regular Meeting June 11, 2018 Introduction
  - a. Memorandum 18-072 from Public Works Director as backup

*June 11, 2018 meeting canceled for lack of a quorum*

2. Council Regular Meeting June 25, 2018 Introduction
  - a. Memorandum 18-072 from Public Works Director as backup
3. Council Regular Meeting July 23, 2018 Public Hearing and Second Reading
  - a. Memorandum 18-072 from Public Works Director as backup





1 **CITY OF HOMER**  
2 **HOMER, ALASKA**

3 City Manager/  
4 Public Works Director

5 **ORDINANCE 18-30**

6  
7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,  
8 AMENDING THE 2018 CAPITAL BUDGET BY APPROPRIATING \$35,911  
9 FROM THE HARBOR DEPRECIATION RESERVE FUND FOR THE  
10 RELOCATION OF THE RAMP 2 HARBOR BACKFLOW PREVENTION  
11 FACILITIES, AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE  
12 APPROPRIATE DOCUMENTS.

13  
14 WHEREAS, The replacement of the Ramp 2 restroom provides the opportunity to bring the  
15 Small Boat Harbor backflow prevention into code compliance, reduce maintenance costs, and  
16 provide for safer operations (see Memorandum 18-172 from Public Works/Harbormaster); and  
17

18 WHEREAS, Public Works has prepared a plan and proposes to complete the work later this  
19 summer utilizing a competitively selected Contractor and City water distribution/harbor staff.  
20

21 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:  
22

23 Section 1. The FY 2018 Capital Budget is hereby amended by appropriating \$35,911 from  
24 the Harbor Depreciation Reserve Fund for Relocation of the Ramp 2 Harbor Backflow Prevention  
25 Facility.  
26

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
27 456-0380	28 Harbor Depreciation Reserve Fund	29 \$35,911

30 Section 2. This is a budget amendment ordinance, is not permanent in nature, and shall  
31 not be codified.  
32

33 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 25th day of June, 2018.  
34

35 CITY OF HOMER  
36

37 \_\_\_\_\_  
38 BRYAN ZAK, MAYOR  
39

40 ATTEST:  
41

42 \_\_\_\_\_  
43 MELISSA JACOBSEN, MMC, CITY CLERK  
44  
45

46 YES:

47 NO:

48 ABSTAIN:

49 ABSENT:

50

51 First Reading:

52 Public Hearing:

53 Second Reading:

54 Effective Date:

55

56 Reviewed and approved as to form:

57

58

59 \_\_\_\_\_  
Katie Koester, City Manager

\_\_\_\_\_

Holly Wells, City Attorney

60

61 Date: \_\_\_\_\_

Date: \_\_\_\_\_



# City of Homer

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

Public Works

3575 Heath Street  
Homer, AK 99603

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

(p) 907- 235-3170

(f) 907-235-3145

## Memorandum 18-072

TO: Katie Koester, City Manager

FROM: Carey Meyer, Public Works Director  
Bryan Hawkins, Harbormaster

DATE: June 5, 2018

SUBJECT: **Relocation of the Ramp 2 Harbor Backflow Prevention Facility  
Harbor Reserve Expenditure Authorization Request**

---

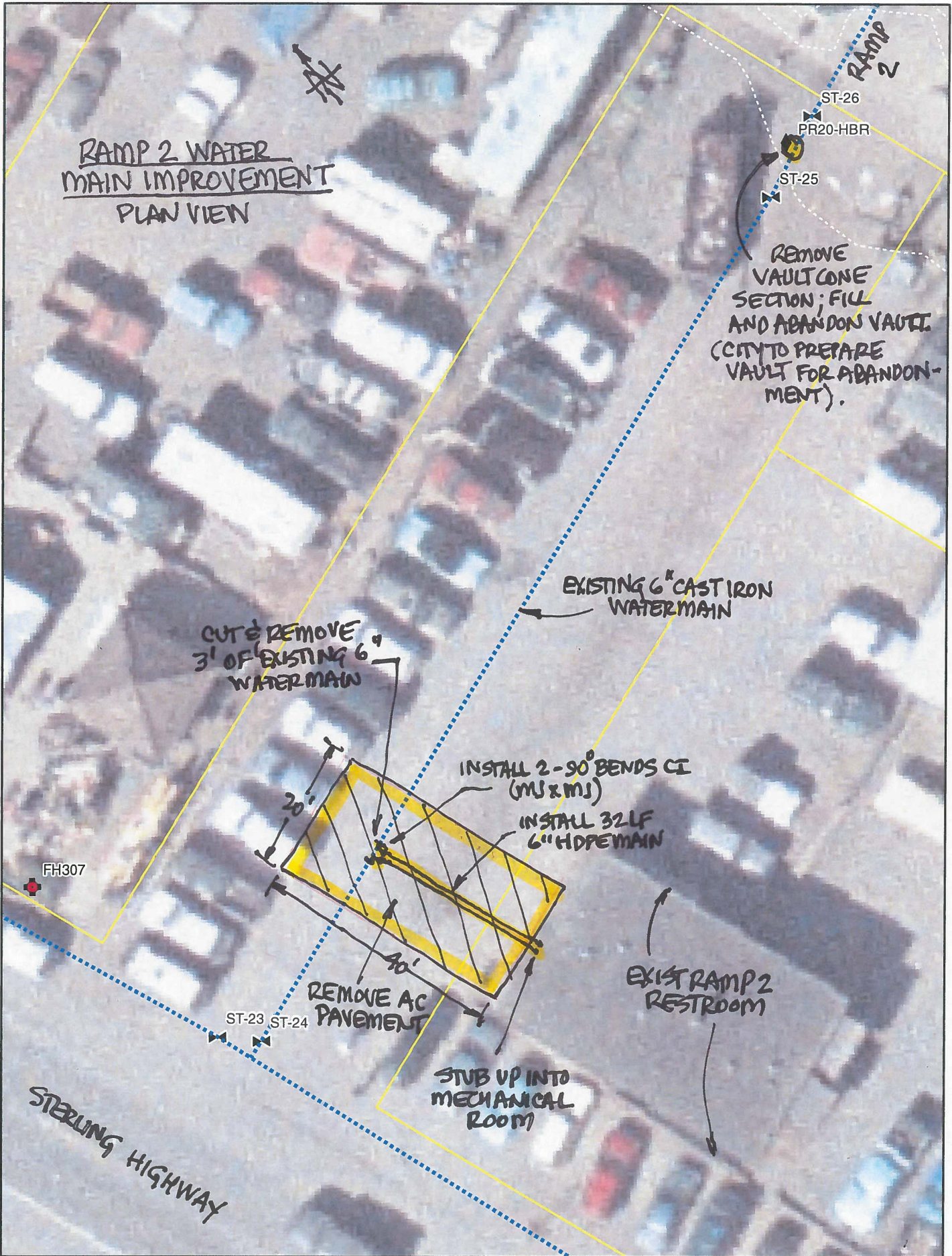
The water system in the west side of the Small Boat Harbor is protected from potential contamination by backflow prevention devices at Ramp 2 and 4. In the past, these devices have been located in underground vaults at the approach to each ramp. New regulations require that these devices be located above ground. When the new restroom was constructed at Ramp 4, the device was relocated into the new restroom mechanical room. The replacement of the Ramp 2 restroom provides the opportunity to do the same thing with the backflow prevention device at Ramp 2.

The work entails extending the 6" water main into the restroom, relocating the devices from the existing underground vault into the restroom structure, and abandoning the existing vault. The water main extension would be completed by a competitively selected Contractor; relocation of the devices would be accomplished by City water distribution staff.

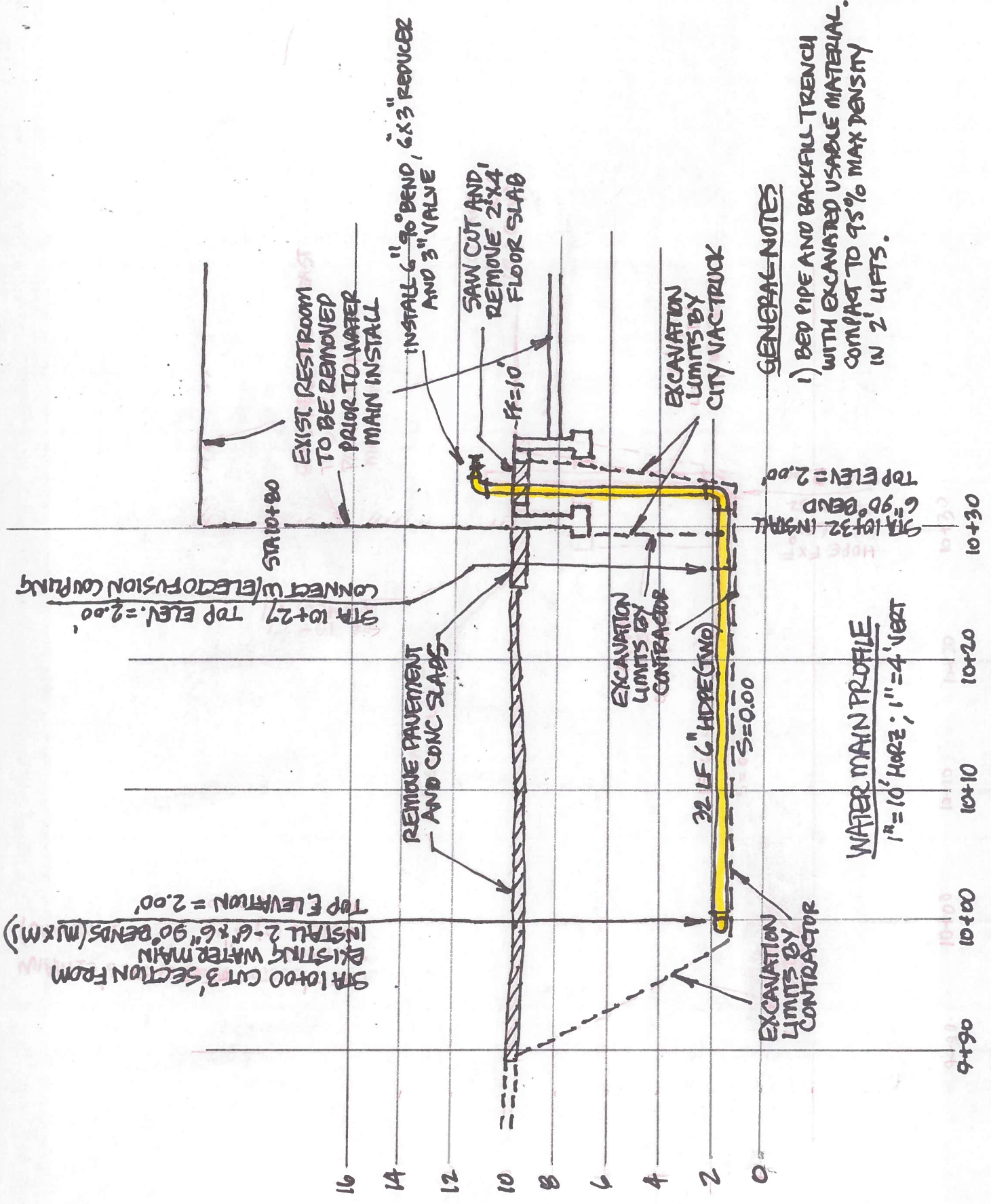
Attached is a cost estimate and plan for the work. The total cost of the work is estimated to be \$35,911. The Harbormaster supports this work since it will bring the Small Boat Harbor backflow prevention into code compliance, reduce maintenance costs, and provide for safer operations (no more confined space entry).

**Recommendation:** The Council pass an ordinance amending the 2018 capital budget to authorize the expenditure of an additional \$35,911 from the Harbor Reserve Fund for the relocation of the Ramp 2 Harbor backflow prevention facilities.





1 inch = 20 feet



**GENERAL NOTES**

- 1) BED PIPE AND BACKFILL TRENCH WITH EXCAVATED USABLE MATERIAL. COMPACT TO 95% MAX DENSITY IN 2' LIFTS.

**WATER MAIN PROFILE**  
 1" = 10' HORIZ; 1" = 4' VERT

**Cost Estimate - Relocation of backflow prevention - Ramp 2**

	Unit	Unit Price	Quantity	Price
Mob/Demob	LS	4500	1	\$4,500
Pvaement Removal	SF	4	800	\$3,200
Excavation/Backfill	LF	85	30	\$2,550
Cut Pipe/Install fittings and valves	LS	4500	1	\$4,500
Install 6" water service main	LF	65	40	\$2,600
Sawcut Restroom Floor Slab	LS	2500	1	\$2,500
Replace AC Pavement	SF	800	6	\$4,800

Total Construction				\$24,650
Design (10%)				\$2,465
Inspection (4%)				\$986
Contingency (10%)				\$2,810

City Crew - Abandon MH/Relocate Backflow Devices				\$5,000
---	--	--	--	---------

Total Project				\$35,911
---------------	--	--	--	----------





**ORDINANCE REFERENCE SHEET**  
**2018 ORDINANCE**  
**ORDINANCE 18-31**

**Ordinance 18-31**, An Ordinance of the City Council of Homer, Alaska, Amending the FY2018 Capital Budget by Appropriating \$473,829 from the Police Station Reserve for the Purpose of Funding 100% Design for the New Police Station Contingent Upon the Passage of Ballot Proposition 1 at the June 26. 2018 Special Election.

Sponsor: Smith

1. Council Regular Meeting June 11, 2018 Introduction

*June 11, 2018 meeting canceled for lack of a quorum*

2. Council Regular Meeting June 25, 2018 Introduction
3. Council Regular Meeting July 23, 2018 Public Hearing and Second Reading



**CITY OF HOMER  
HOMER, ALASKA**

Smith

**ORDINANCE 18-31**

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA AMENDING THE FY2018 CAPITAL BUDGET BY APPROPRIATING \$473,829 FROM THE POLICE STATION RESERVE FOR THE PURPOSE OF FUNDING 100% DESIGN FOR THE NEW POLICE STATION CONTINGENT UPON THE PASSAGE OF BALLOT PROPOSITION 1 AT THE JUNE 26, 2018 SPECIAL ELECTION.

WHEREAS, In recognition of the great need for a safe and hygienic police station, City Council has approved a new police station as the top-ranked priority in the City of Homer's Capital Improvement Plan; and

WHEREAS, Homer City Council has been working diligently for over 5 years on the size, scope, cost and location of a new police station; and

WHEREAS, Homer City Council passed Ordinance 18-26(A)(S) putting before the voters Ballot Proposition 1 on June 26, 2018 to authorize financing for the project; and

WHEREAS, If Homer voters approve Ballot Proposition 1 design will need to begin on the project as soon as possible in order to have sufficient time to engage the public in the design process before ground breaks in spring of 2019.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby amends the FY2018 capital budget by appropriating \$\$473,829 from the Police Station Reserve for the purpose of funding 100% design for the new police station.

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
Revenue:	New Police Station Reserve Account	\$473,829
Expenditure:	100% Design for new police station	\$473,829

Section 2. The City Manager is authorized to execute the appropriate documents.

Section 3. Sections 1 and 2 of this ordinance shall become effective immediately upon approval of Proposition No. 1 by a majority of the qualified voters voting on the proposition at

43 the special election to be held in the City on June 26, 2018. This is a budget amendment  
44 ordinance, is temporary in nature, and shall not be codified.

45  
46 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this \_\_ day of \_\_\_\_\_, 2018.

47  
48  
49 CITY OF HOMER

50  
51  
52 \_\_\_\_\_  
53 BRYAN ZAK, MAYOR

54  
55 ATTEST:

56  
57  
58 \_\_\_\_\_  
59 MELISSA JACOBSEN, MMC, CITY CLERK

60  
61 YES:

62 NO:

63 ABSTAIN:

64 ABSENT:

65  
66 Introduction:  
67 Public Hearing:  
68 Second Reading:  
69 Effective Date:

70  
71  
72 Reviewed and approved as to form:

73  
74 \_\_\_\_\_  
75 Katie Koester, City Manager

74 \_\_\_\_\_  
75 Holly Wells, Attorney

76  
77 Date: \_\_\_\_\_

76  
77 Date: \_\_\_\_\_

**ORDINANCE REFERENCE SHEET**  
**2018 ORDINANCE**  
**ORDINANCE 18-32**

An Ordinance of the City Council of Homer Alaska, Amending the 2018 Operating Budget to Appropriate \$34,488.80 from the Water/Sewer Inventory Account for the Purchase of Concrete Septic Tanks.

Sponsor: City Manager/Public Works Director

1. Council Regular Meeting June 25, 2018 Introduction
2. Council Regular Meeting July 23, 2018 Public Hearing and Second Reading



1 CITY OF HOMER  
2 HOMER, ALASKA

3 City Manager/  
4 Public Works Director

5 ORDINANCE 18-32

6  
7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,  
8 AMENDING THE 2018 OPERATING BUDGET TO APPROPRIATE  
9 FUNDS IN THE AMOUNT OF \$34,488.84 FROM THE WATER/SEWER  
10 INVENTORY ACCOUNT FOR THE PURCHASE OF CONCRETE SEPTIC  
11 TANKS.

12  
13 WHEREAS, Properties served by sewer in Kachemak City require concrete septic tanks;  
14 and

15  
16 WHEREAS, The City purchases the tanks, places them in inventory, and sells them to  
17 property owners as they are needed; and

18  
19 WHEREAS, All tanks purchased on 2013 have been sold and additional tanks need to be  
20 purchased; and

21  
22 WHEREAS, These tanks are available form one Alaska supplier and a quote for 16 tanks  
23 was obtained for \$34,448.84.

24  
25 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

26  
27 Section 1. The Homer City Council hereby authorizes \$34,488.84 to be expended from  
28 the water/sewer inventory account as follows:

29  
30 Expenditure:

31  
32 

<u>Account</u>	<u>Description</u>	<u>Amount</u>
200-0000-1417	Concrete Septic Tank Purchase (16)	\$34,488.84

33  
34  
35 Section 2. This is a budget amendment ordinance, is temporary in nature, and shall  
36 not be codified.

37  
38 ENACTED BY THE HOMER CITY COUNCIL this 23<sup>rd</sup> day of July, 2018.

39  
40 CITY OF HOMER

41  
42 \_\_\_\_\_  
43 BRYAN ZAK, MAYOR

44 ATTEST:

45

46

47 \_\_\_\_\_

48 MELISSA JACOBSEN, MMC, CITY CLERK

49

50 YES:

51 NO:

52 ABSENT:

53 ABSTAIN:

54

55 First Reading:

56 Public Hearing:

57 Second Reading:

58 Effective Date:

59

60 Reviewed and approved as to form:

61

62 \_\_\_\_\_

63 Katie Koester, City Manager

64

65 Date: \_\_\_\_\_

\_\_\_\_\_  
Holly Wells, City Attorney

Date: \_\_\_\_\_



**ORDINANCE REFERENCE SHEET**  
**2018 ORDINANCE**  
**ORDINANCE 18-33**

An Ordinance of the City Council of Homer, Alaska, Authorizing the Expenditure of a Land and Water Conservation Fund Grant Funds and Expenditure of Accumulated and Future Commercial Passenger Vessel Funds via a Loan from the Port and Harbor Enterprise Fund as Matching Funds and to Complete the Ramp 2 Restroom Replacement Project.

Sponsor: City Manager

1. Council Regular Meeting June 25, 2018 Introduction
2. Council Regular Meeting July 23, 2018 Public Hearing and Second Reading



1 **CITY OF HOMER**  
2 **HOMER, ALASKA**

3 City Manager

4 **ORDINANCE 18-33**

5  
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,  
7 AUTHORIZING THE EXPENDITURE OF ACCUMULATED  
8 COMMERCIAL PASSENGER VESSEL (CPV) FUNDS AND FUNDS  
9 FROM THE PORT AND HARBOR FUND TO COMPLETE THE RAMP 2  
10 RESTROOM REPLACEMENT PROJECT.

11  
12 WHEREAS, Replacing the forty-three year old Ramp 2 public restroom to better serve  
13 the public has been recognized as a capital need in the City of Homer 2018-2023 Capital  
14 Improvement Plan; and

15  
16 WHEREAS, City of Homer Ordinance 18-28 accepted and appropriated a 2017 Land and  
17 Water Conservation Fund (LWCF) matching grant in the amount of \$263,340 to help upgrade  
18 the Ramp 2 public restroom; and

19  
20 WHEREAS, City of Homer Ordinance 17-19 accepted 2016 Commercial Passenger Vessel  
21 (CPV) Tax Program grant funds from the Kenai Peninsula Borough, committing those funds to  
22 the Ramp 2 Public Restroom Replacement project; and

23  
24 WHEREAS, City of Homer Resolution 17-067 further committed accumulated and future  
25 CPV grant funds to meet match requirements for the LWCF grant and for completing the Ramp  
26 2 Restroom replacement project; and

27  
28 WHEREAS, The State of Alaska and Kenai Peninsula Borough CPV grant managers have  
29 confirmed that using future CPV funds to pay back the Port and Harbor for Ramp 2 restroom  
30 replacement is an eligible grant expense, estimated at a 2-year payback; and

31  
32 WHEREAS, A final design for the Ramp 2 Restroom rebuild has been completed and  
33 requests for proposals have been issued for construction to commence in the fall.

34  
35 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

36  
37 Section 1. The Homer City Council hereby authorizes \$263,340 to be expended to  
38 construct the new Ramp 2 public restroom from the accounts described below:

39  
40 Funding Source:

41 Description

Amount

42	CPV Tax Program Fund	\$168,678
43	Port & Harbor Fund Balance	\$ 94,662
44		
45	Expenditure:	
46	<u>Description</u>	<u>Amount</u>
47	Ramp 2 Public Restroom Replacement	\$263,340
48		

49 Section 2. This is a budget amendment ordinance, is temporary in nature, and shall  
50 not be codified.

51  
52 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 25<sup>th</sup> day of June, 2018.

53  
54  
55 CITY OF HOMER  
56  
57  
58 \_\_\_\_\_  
59 BRYAN ZAK, MAYOR  
60

61 ATTEST:  
62  
63 \_\_\_\_\_  
64 MELISSA JACOBSEN, MMC, CITY CLERK  
65

66 YES:  
67 NO:  
68 ABSTAIN:  
69 ABSENT:  
70  
71 Introduction:  
72 Public Hearing:  
73 Second Reading:  
74 Effective Date:  
75

76  
77 Reviewed and approved as to form:  
78  
79 \_\_\_\_\_  
80 Mary K. Koester, City Manager  
81  
82 Date: \_\_\_\_\_

\_\_\_\_\_   
Holly Wells, Attorney  
  
Date: \_\_\_\_\_

**ORDINANCE REFERENCE SHEET**  
**2018 ORDINANCE**  
**ORDINANCE 18-34**

An Ordinance of the City Council of Homer, Alaska, Amending the 2018 Capital Budget by Appropriating \$3,500 from Police Reserves for the Purchase of a Traffic Speed Monitoring Device.

Sponsor: Lord

1. Council Regular Meeting June 25, 2018 Introduction
2. Council Regular Meeting July 23, 2018 Public Hearing and Second Reading



**CITY OF HOMER  
HOMER, ALASKA**

Lord

**ORDINANCE 18-34**

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA  
AMENDING THE FY2018 CAPITAL BUDGET BY APPROPRIATING  
\$3,500 FROM THE POLICE RESERVES FOR THE PURCHASE OF A  
TRAFFIC MONITORING DEVICE.

WHEREAS, Every year members of the public report occurrences of excessive speed on  
City of Homer streets; and

WHEREAS, A small traffic monitoring device installed on a sign post can log the speed  
of passing vehicles, providing an inexpensive way of confirming speeding in a neighborhood;  
and

WHEREAS, A device to collect data on traffic speeds and provide traffic reports will  
relieve pressure on busy officers by efficiently gathering data that now can only be gathered  
by a police officer; and

WHEREAS, The device will not have the capability of identifying the vehicles and would  
be used for data collection purposes only; and

WHEREAS, Data collected by this device would be a useful tool for the Homer Police  
Department to confirm citizen complaints of excessive speed and justify the costs of additional  
signage, enforcement, and traffic calming measures.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby amends the FY2018 capital budget by  
appropriating \$3,500 from the Police Reserve for the purpose of purchasing a traffic  
monitoring device.

Funding Source:

<u>Description</u>	<u>Amount</u>
Police Reserve Account	\$3,500

Expenditure:

<u>Description</u>	<u>Amount</u>
Traffic Monitoring Device	\$3,500

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Section 2. The City Manager is authorized to execute the appropriate documents.

Section 3. This is a budget amendment ordinance, is temporary in nature, and shall not be codified.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this \_\_ day of \_\_\_\_\_, 2018.

CITY OF HOMER

\_\_\_\_\_  
BRYAN ZAK, MAYOR

ATTEST:

\_\_\_\_\_  
MELISSA JACOBSEN, MMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

Introduction:

Public Hearing:

Second Reading:

Effective Date:

Reviewed and approved as to form:

\_\_\_\_\_  
Katie Koester, City Manager

\_\_\_\_\_  
Holly Wells, Attorney

Date: \_\_\_\_\_

Date: \_\_\_\_\_



***Discretely collect, evaluate and chart traffic data to identify your speed-related situation. Now with 5-year warranty!***

### Targeted Enforcement

- Collect data to plan targeted enforcement in critical high speed areas when and where needed
- Uses the free flow survey method to gather data in 15 minute increments
- Automatically analyzes traffic data to create detailed reports for counts, averages, percentiles, minimums, maximums, dates and times.

### Effective Speed Studies

- Determine load times and speed violation concentrations
- Strategic deployment of traffic enforcement or speed calming devices
- Communicate specific traffic enforcement actions implemented by your community
- Measure effectiveness of speed control programs

### Flexible Reporting Options

- Summary information: survey location, date time, conditions, posted speed limit
- Volume and speed of vehicles
- Individual vehicle timestamp
- Calculates average number of vehicles and average speed
- Provides minimum and maximum speed
- Reports 85th percentile and 50th percentile
- Ten mph pace
- Analysis by 15 minute intervals or hourly, daily, weekly



**Discrete traffic analysis**

**Improve community relations**

**Force multiplier**

# StealthStat

## Covert Traffic Statistics



### Features

- Kustom Signals K band directional radar
- Programmable surveys for traffic statistics
- Graphical software for statistical analysis
- NEMA 4 waterproof, locking enclosure
- 12V DC battery with charger operates up to 80 hours
- 2 GB SD memory card
- PC interface cable
- Mounting straps and hardware
- AC to DC power supply

### Specifications

- Speed Accuracy: +/- 1 mph (+/- 1 kph)
- Speed Range: 5 to 150 mph (8 to 241 kph)
- Beam Width: 12°
- Operating Temp: -22° F to +140° F (-30° C to + 60° C)
- Power: 12V DC battery with 100V AC charger
- Profile: 16" x 12" x 8" (41cm x 30cm x 20cm)
- Weight: 34 lbs with battery (15 kg)
- Conveniently mounts on a pole
- Can be easily moved to a new location

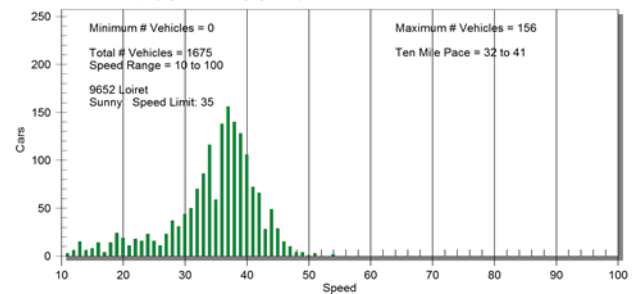


### Comprehensive Speed Studies

StealthStat can collect data of approaching, receding, both or two-dimensional, where approaching and receding are placed in separate files. Speeds are grouped in 1 mph (1 kph) increments. Analysis is grouped in 15 minute increments. Data can be exported to Microsoft® Excel for additional analysis.

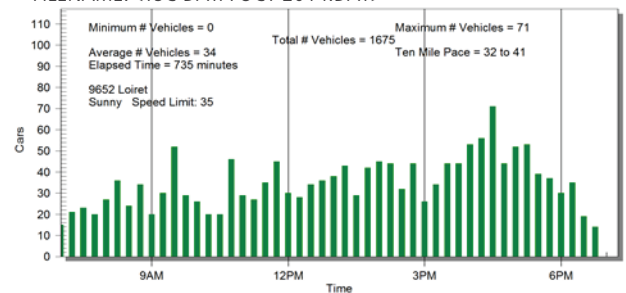
Cars vs. Speed

FILENAME:<TSC DATA OCT 2014.DAT>



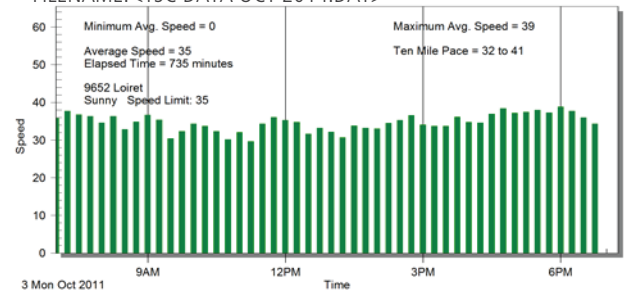
Cars vs. Time

FILENAME:<TSC DATA OCT 2014.DAT>



Speed vs. Time

FILENAME:<TSC DATA OCT 2014.DAT>



StealthStat - Data Sheet - USA Eng - Print - 04/2014

**ORDINANCE REFERENCE SHEET**  
**2018 ORDINANCE**  
**ORDINANCE 18-35**

An Ordinance of the City Council of Homer, Alaska Amending Homer City Code 3.05.005, Budget Assumptions, by Adding a Requirement the City Manager Present the Council with Information on Inflationary Pressures on the City Budget.

Sponsor: Lord

1. Council Regular Meeting June 25, 2018 Introduction
2. Council Regular Meeting July 23, 2018 Public Hearing and Second Reading



1 **CITY OF HOMER**  
2 **HOMER, ALASKA**

Lord

3  
4 **ORDINANCE 18-35**

5  
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA  
7 AMENDING HOMER CITY CODE 3.05.005, BUDGET ASSUMPTIONS,  
8 BY ADDING A REQUIREMENT THE CITY MANAGER PRESENT THE  
9 COUNCIL WITH INFORMATION ON INFLATIONARY PRESSURES ON  
10 THE CITY BUDGET

11  
12 WHEREAS, The City of Homer has a stated policy of using external parity as a non-  
13 binding guide for salary administration; and

14  
15 WHEREAS, The forces of inflation increase the cost of living across Alaska over time; and

16  
17 WHEREAS, The Anchorage Consumer Price Index (CPI) is a measure of inflation,  
18 established by the US Bureau of Labor Statistics in 1960 and is one of 27 cities in the country  
19 where changes in consumer prices are tracked; and

20  
21 WHEREAS, The Anchorage CPI is the only consumer price index in Alaska and is treated  
22 as the de facto statewide measure of inflation by the public and private sectors; and

23  
24 WHEREAS, The City of Homer recently completed a Salary Parity Study, finding that our  
25 wage scale is mostly on par with other municipalities; and

26  
27 WHEREAS, It is in the City of Homer's best interest to implement periodic cost of living  
28 adjustments (COLA) to its wage scale, in order to adjust for inflation, offer competitive wages,  
29 to attract and retain qualified employees, and ultimately maintain external parity; and

30  
31 WHEREAS, Providing timely and accurate external information to the City Council on  
32 the Anchorage CPI and actions by surrounding municipalities related to inflation aids the  
33 Council in evaluating the City Manager's budget assumptions in terms of regional inflation.

34  
35 NOW, THEREFORE, The City of Homer Ordains:

36  
37 Section 1. Homer City Code Section 3.05.005 is amended to read as follows:

38  
39 ~~By the third Friday in September the City Manager shall present to the Council an~~  
40 ~~overview of preliminary budget assumptions for the next fiscal year of the City. These~~  
41 ~~preliminary assumptions will address, by fund, revenue projections, tax and utility~~

42 rates, program additions or deletions, wages and benefits, or other issues with  
43 potential impact on the City's overall financial condition.

44  
45 **By the third Friday in September the City Manager shall present to the Council an**  
46 **overview of preliminary budget assumptions for the next fiscal year of the City.**  
47 **These preliminary assumptions will address, by fund, revenue projections, tax and**  
48 **utility rates, program additions or deletions, wages and benefits, inflationary**  
49 **pressure on the city budget or other issues with potential impact on the City's**  
50 **overall financial condition. The City Manager will include an overview of the**  
51 **previous year Anchorage Consumer Price Index (CPI) as a measure of overall**  
52 **inflation, the Cost of Living Adjustment made by no less than three nearby**  
53 **municipalities in their most recent budget year, and the cost of a Cost of Living**  
54 **Adjustment based on the Anchorage CPI for City of Homer employees, exclusive of**  
55 **the medical portion.**

56  
57 Section 2. This ordinance shall take effect upon its adoption by the Homer City Council.

58  
59 Section 3. This ordinance is of a permanent and general character and shall be included  
60 in the City Code.

61  
62 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this \_\_ day of \_\_\_\_\_, 2018.

63  
64  
65 CITY OF HOMER

66  
67  
68  
69 \_\_\_\_\_  
70 BRYAN ZAK, MAYOR

71 ATTEST:  
72  
73  
74 \_\_\_\_\_  
75 MELISSA JACOBSEN, MMC, CITY CLERK

76  
77  
78 YES:  
79 NO:  
80 ABSTAIN:  
81 ABSENT:

82

83 Introduction:  
84 Public Hearing:  
85 Second Reading:  
86 Effective Date:

87  
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89 Reviewed and approved as to form:

90  
91

92 \_\_\_\_\_  
Katie Koester, City Manager

93

94 Date: \_\_\_\_\_

95

\_\_\_\_\_  
Holly Wells, Attorney

Date: \_\_\_\_\_





# ALASKA ECONOMIC TRENDS

JULY 2018



## THE COST OF LIVING

## The COST of LIVING In Alaska

Inflation near historic low again while nation's inflation rises

By NEAL FRIED

PAGE 4

## GAUGING ALASKA'S ECONOMY

PAGE 14

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ALASKA DEPARTMENT  
of LABOR  
and WORKFORCE  
DEVELOPMENT

Bill Walker  
Governor

Heidi Drygas  
Commissioner

Dan Robinson  
Chief, Research and Analysis

Sara Whitney  
Editor

Sam Dapceвич  
Cover Artist

ON THE COVER: Nancy Edwards shops with her children in Bethel in 1969.  
Photo by Steve McCutcheon, McCutcheon Collection; Anchorage Museum, B1990.014.5.AKNative.3.74.1

*Alaska Economic Trends* is a monthly publication meant to objectively inform the public about a variety of economic issues in the state. *Trends* is funded by the Employment and Training Services Division of the Alaska Department of Labor and Workforce Development and is published by the department's Research and Analysis Section. Material in this publication is public information, and with appropriate credit may be reproduced without permission.

# The Jones Act is essential to Alaska's economy



**Heidi Drygas**  
Commissioner

Since joining Governor Walker's cabinet as labor commissioner, I have been working to achieve his goal of improving Alaska Hire. As most Alaskans know, we can't achieve that goal without good state and federal policies. I want to highlight one federal policy that is essential to Alaska Hire: the Merchant Marine Act, commonly known as the Jones Act.

The Jones Act requires that interstate and intrastate shipping is conducted through ships that are built, owned, and crewed by Americans. Today, the Transportation Institute estimates 1,200 Alaskans have jobs in the maritime sector thanks to the Jones Act. In addition, maritime companies have invested \$350 million in infrastructure for shipping in Alaska over the last 10 years.

Without the Jones Act, many of those jobs and investment dollars would have gone overseas, to the detriment of our economy. The math is simple. It is cheaper to build boats in overseas factories, where workers have few or no rights, than to employ Alaskans at shipyards such as our world class facility in Ketchikan. It is cheaper to operate boats with underpaid foreign workers rather than hire Alaskan seamen who earn a good middle class wage.

As the *New York Times* documented in its horrifying investigation of international shipping, many foreign shippers operate in a lawless environment in which work-

ers' rights are violated and their wages stolen.

We also must consider national security preparedness. Maintaining a strong shipbuilding industry in the United States means we have the capacity to scale up production quickly. That capacity helped us win World War II, and we should never surrender our industrial strength to overseas adversaries.

There are always those who think a race to the bottom will somehow create jobs or attract investment. In the maritime sector, nothing could be further from the truth. We know based on decades of experience that the Jones Act creates thousands of solid middle class careers for Alaskans while sustaining our region's shipbuilding industry. Repeal of or exemptions from the Jones Act would put our shipyards out of business and send Alaskans' jobs overseas. It would also raise the risk of oil spills and undermine national security.

At the state, we're working hard to strengthen Alaska Hire policies, and repeal of the Jones Act would be contrary to those efforts. Alaskans are fortunate in that our congressional delegation has a long record of supporting the Jones Act because its repeal would be devastating for our economy. Alaska's current maritime workers, and the generations to come, are best served by keeping the Jones Act intact.

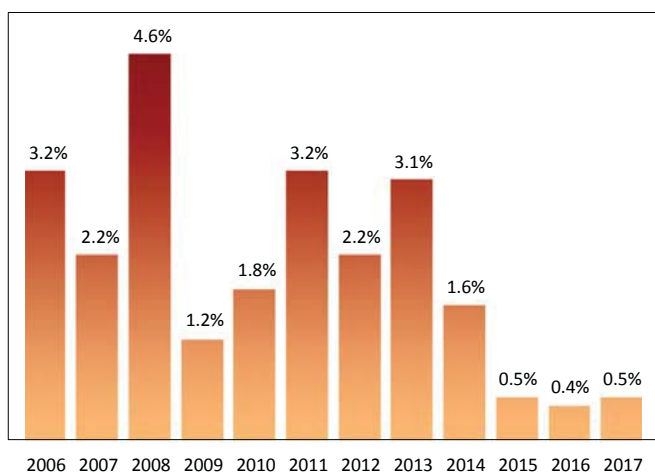


Follow the Alaska Department of Labor and Workforce Development on Facebook ([facebook.com/alaskalabor](https://www.facebook.com/alaskalabor)) and Twitter ([twitter.com/alaskalabor](https://twitter.com/alaskalabor)) for the latest news about jobs, workplace safety, and workforce development.

# The COST of LIVING IN ALASKA

## Inflation near historic low again while nation's inflation rises

### 1 Third Year of Low Inflation ANCHORAGE CPI, 2006 TO 2017



Source: U.S. Department of Labor, Bureau of Labor Statistics

#### How much would \$1,000 in 2000 be worth in 2017?

About \$1,450. To adjust any year's dollars for inflation, see: <http://live.laborstats.alaska.gov/cpi/calc.cfm>.

By NEAL FRIED

Inflation hovered near a record low for a third straight year in 2017, with the Anchorage Consumer Price Index increasing just 0.5 percent. This is the first time inflation in Alaska hasn't topped half a percentage point for three years in a row. (See Exhibit 1.)

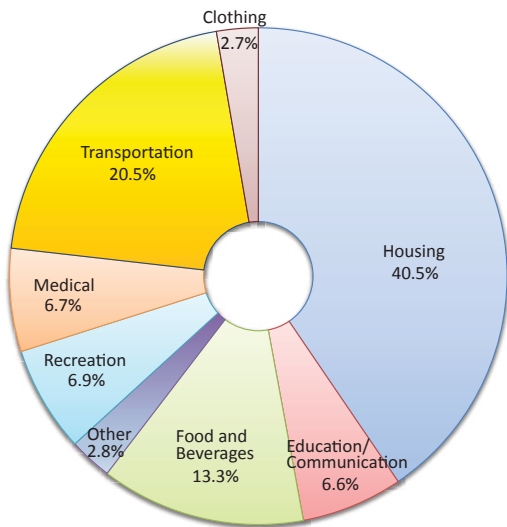
The rate has been lower just four other times since 1960, when the Bureau of Labor Statistics began producing inflation data for Anchorage. The lowest recorded rate was 0.3 percent in 1963. Then, inflation registered just 0.4 percent in 1987 and 1988, during Alaska's earlier recession, and again in 2016.

No other economic indicator has more daily ramifications for people than inflation. It's tied to bargaining agreements, wage negotiations, child support payments, real estate agreements, and — as of 2017 — minimum wage adjustments. Because inflation has been so low, Alaska raised its minimum wage by just a nickel in 2017 and four cents in 2018.

The rate appears to be rising, however. As of 2018, the Anchorage CPI has been renamed the Consumer Price Index for Urban Alaska and will be measured bi-monthly as well as semiannually and annually. Recent measurements show inflation of about 1 percent between December 2017 and April 2018, although that time frame is too short to know whether the increase is a trend. (For more on this index and recent changes, see the sidebars on pages 6 and 7.)

## 2 How Households Spend Their Income

ANCHORAGE CPI, DEC 2017



Source: U.S. Department of Labor, Bureau of Labor Statistics

### U.S. inflation is much higher

While inflation is much higher nationally this year than in Anchorage, the two consumer price indexes typically don't diverge much. That's because the prices of most goods and services in the market basket — purchases designed to reflect the average consumer — are dictated by national and international trends. For example, prices for gasoline, food, clothing, insurance, transportation, and health care respond mostly to national and global markets.

Housing is a big exception to that rule. Home prices are subject to local economic conditions, and housing is the largest spending category for the average household at nearly 41 percent of total expenditures. (See Exhibit 2.) As a result, housing has the biggest influence on the overall index.

Alaska has been in a recession for the past few years, and the Anchorage housing market has cooled. The average home price hasn't changed much, and the rental market has softened with vacancies increasing. The nation's economy is robust, however, and its housing market is booming. This means the housing segment of Anchorage's index increased just 0.9 percent in 2016 and 0.3

## 3 Anchorage and U.S. Metro Inflation

BY TYPE OF EXPENDITURE, 2007 TO 2017

Year	ALL ITEMS		Year	ALL ITEMS MINUS HOUSING	
	Anchorage % chg from previous yr	U.S. % chg from previous yr		Anchorage % chg from previous yr	U.S. % chg from previous yr
2007	2.2%	2.8%	2007	2.6%	2.5%
2008	4.6%	3.8%	2008	5.5%	4.5%
2009	1.2%	-0.4%	2009	0.6%	-1.0%
2010	1.8%	1.6%	2010	1.5%	2.6%
2011	3.2%	3.2%	2011	3.4%	4.0%
2012	2.2%	2.1%	2012	1.7%	2.0%
2013	3.1%	1.5%	2013	3.0%	1.1%
2014	1.6%	1.6%	2014	1.0%	1.1%
2015	0.5%	0.1%	2015	-0.3%	-1.3%
2016	0.4%	1.3%	2016	0.3%	0.2%
2017	0.5%	2.1%	2017	1.1%	1.6%

Year	HOUSING		Year	TRANSPORTATION	
	Anchorage % chg from previous yr	U.S. % chg from previous yr		Anchorage % chg from previous yr	U.S. % chg from previous yr
2007	2.7%	3.1%	2007	1.2%	2.1%
2008	2.5%	2.2%	2008	10.5%	5.9%
2009	3.7%	0.4%	2009	-4.8%	-8.3%
2010	0.9%	-0.4%	2010	4.4%	7.9%
2011	2.9%	1.3%	2011	4.7%	9.8%
2012	2.7%	1.6%	2012	2.0%	2.3%
2013	3.1%	2.1%	2013	7.0%	--
2014	2.7%	2.6%	2014	-0.6%	-0.7%
2015	2.4%	2.1%	2015	-6.8%	-7.8%
2016	0.9%	2.5%	2016	-1.7%	-2.1%
2017	0.3%	2.9%	2017	0.5%	3.5%

Year	FOOD AND BEVERAGES		Year	MEDICAL CARE*	
	Anchorage % chg from previous yr	U.S. % chg from previous yr		Anchorage % chg from previous yr	U.S. % chg from previous yr
2007	4.6%	3.9%	2007	3.0%	4.4%
2008	4.4%	5.4%	2008	3.7%	3.7%
2009	-0.2%	1.9%	2009	4.3%	3.2%
2010	-0.2%	0.8%	2010	5.7%	3.4%
2011	3.6%	3.6%	2011	5.3%	3.0%
2012	2.4%	2.6%	2012	4.3%	3.6%
2013	0.4%	1.4%	2013	3.2%	2.5%
2014	1.3%	2.3%	2014	3.2%	2.4%
2015	1.7%	1.8%	2015	3.3%	2.6%
2016	-0.7%	0.3%	2016	4.5%	3.8%
2017	-0.05%	1.6%	2017	1.5%	1.8%

Year	CLOTHING		Year	ENERGY	
	Anchorage % chg from previous yr	U.S. % chg from previous yr		Anchorage % chg from previous yr	U.S. % chg from previous yr
2007	-2.8%	-0.4%	2007	9.9%	5.5%
2008	6.1%	-0.1%	2008	17.5%	13.9%
2009	3.6%	1.0%	2009	-7.8%	-18.4%
2010	3.0%	-0.5%	2010	3.5%	9.5%
2011	2.2%	2.2%	2011	10.8%	15.4%
2012	4.3%	3.4%	2012	1.1%	0.9%
2013	4.8%	0.9%	2013	-2.7%	-0.7%
2014	1.5%	0.1%	2014	2.4%	-0.3%
2015	0.5%	-1.3%	2015	-10.3%	-16.7%
2016	2.6%	0.1%	2016	-5.8%	-6.6%
2017	0.3%	-1.6%	2017	12.3%	6.9%

Source: U.S. Department of Labor, Bureau of Labor Statistics

## Alaska burgers no longer the spendiest

Alaska cities typically rank among the most expensive for a McDonald's Quarter Pounder with Cheese, but more U.S. cities have pulled ahead in recent years. According to the Council for Community and Economic Research, Juneau and Fairbanks burgers tied for fourth-most expensive in the first quarter of 2017, and Anchorage and Kodiak fell out of the top 10. This year, Fairbanks and Juneau burger prices ranked eighth and ninth, respectively, and Anchorage was 11th. (Kodiak reported no data for first quarter 2018.)

The average U.S. Quarter Pounder price rose from \$4.13 in early 2017 to \$4.21 in 2018. In 2017, the most expensive burger was \$5.89, in Ithaca, New York.



Source: The Council for Community and Economic Research

percent in 2017 while the nation's grew by 2.5 percent and 2.9 percent, respectively. (See exhibits 3 and 4.)

This has happened before. When Anchorage's real estate market crashed in the 1980s, its housing index showed deflation while the nation's remained strong, so the overall national index moved ahead considerably. The relationship was similar during the U.S. recession of the past decade, but with the roles reversed. In 2009, the national index grew by just 0.4 percent and then turned negative in 2010 while Anchorage's grew by 3.7 percent and then 0.9 percent.

Inflation only measures the change in costs in a single place over time, so it can't be used to compare the costs of living between different places. A range of other sources compare costs between areas, and the rest of this article will focus on those comparisons.

## Two ways to measure the cost of living

### 1. In a single place over time (inflation)

The Anchorage Consumer Price Index, now called the CPI for Urban Alaska, is the only consumer price index in Alaska so it's treated as the de facto statewide measure of inflation. In general, price changes in the Anchorage/Mat-Su area, from where the U.S. Bureau of Labor Statistics now draws samples, don't differ radically from other urban Alaska areas. (For more about the changes BLS made to the index in early 2018, see the sidebar on the next page.)

Urban Alaska is one of 23 places where the U.S. Bureau of Labor Statistics tracks changes in consumer prices, and it's the smallest. Although there's a CPI for the U.S. and for a number of large cities, these indexes cannot be used to compare costs between locations.

BLS goes to great lengths to produce the CPI through elaborate surveys of consumer spending habits. These surveys look at a "market basket" of items, to which BLS assigns location-specific weights. A market basket, used in most cost-of-living indexes, is a sample of goods and services believed to best represent the average consumer or a specific group of consumers. The CPI basket includes housing, food, transportation, medical care, and entertainment.

The inflation rate, or how much prices have gone up in a

year, is used to adjust the value of the dollar over time. Workers, unions, employers, and many others pay close attention to the CPI because bargaining agreements and other wage rate negotiations often incorporate an adjustment for inflation. The CPI also plays a role in long-term real estate rental contracts, annual adjustments to the state's minimum wage, child support payments, and budgeting. The Permanent Fund Corporation uses the CPI to inflation-proof the fund, and nearly all senior citizens are affected when Social Security payments are adjusted each year using the CPI.

BLS now produces the CPI for Urban Alaska bimonthly (in February, April, June, August, October, and December) as well as annually and semiannually.

### 2. In different places at the same time

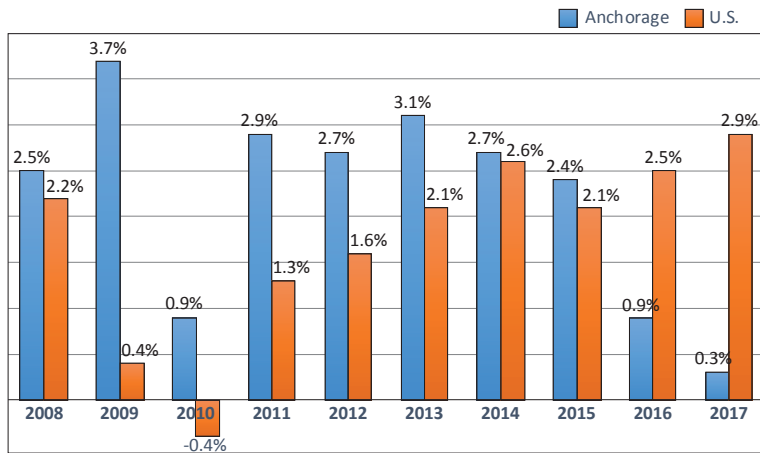
The other way to assess the cost of living is to look at cost differences between places. For example, is it more expensive to live in Nome or Delta Junction?

A variety of studies compare the costs of living among Alaska communities and other places around the country. These studies assume a certain consumption pattern and investigate how much more or less it might cost to maintain a specific standard of living elsewhere.

Some of the studies are more comprehensive than others, and because several sources may cover the same areas, it's important to know the strengths and weaknesses of each.

# 4 National Housing Inflation Far Exceeds Anchorage

2008 TO 2017



Source: U.S. Department of Labor, Bureau of Labor Statistics

(See the sidebar on the previous page for more on the two main ways to measure the cost of living.)

## Alaska's costs rank seventh among states

The Council for Community and Economic Research, or C2ER, produces a cost of living index for all 50 states and the District of Columbia that shows Alaska's living costs ranked seventh-highest in early 2018, between Massachusetts and Connecticut. (See Exhibit 5.)

In the past we've used the Missouri Economic Research and Information

### Alaska's inflation index changed slightly in 2018

For nearly 60 years and with few methodological changes, the Anchorage Consumer Price Index has been the go-to CPI for Alaskans who want to know the change in the cost of living. It has also been the only measure for Alaska, aside from a Fairbanks CPI that lasted just a few years.

The U.S. Bureau of Labor Statistics rebranded Anchorage's CPI as the CPI for Urban Alaska in 2018 and altered its geography slightly. In effect, however, the change is in name only. According to BLS, this new index can be matched with the old to calculate changes in the CPI for any time period and will remain a consistent series.

While in theory the new index represents the Matanuska-Susitna, Fairbanks North Star, Juneau, and Ketchikan boroughs and the Municipality of Anchorage, BLS draws the new sample only from Anchorage and Mat-Su. This represents a relatively small change from the Anchorage CPI because for all practical purposes, the Anchorage/Mat-Su Region is a single economy with similar price changes.

It's important to remember that the CPI only measures change in a single place over time, however, and can't be used to compare costs between places. For more on the two ways to measure the cost of living, see the sidebar on the previous page.

# 5 Alaska Costs 7th Among States

FIRST QUARTER 2018

State	Index
1 District of Columbia	150.2
2 New York	141.7
3 California	139.0
4 Hawaii	132.3
5 Maryland	126.6
6 Massachusetts	125.9
<b>7 Alaska</b>	<b>123.6</b>
8 Connecticut	123.6
9 New Hampshire	119.6
10 New Jersey	118.2
11 Vermont	117.6
12 Rhode Island	117.3
13 Maine	114.2
14 Washington	112.5
15 Oregon	108.6
16 Illinois	108.4
17 Colorado	105.1
18 Arizona	104.3
19 Nevada	103.9
20 Delaware	103.7
21 Pennsylvania	103.1
22 Virginia	102.5
23 North Dakota	101.2
24 Wyoming	100.6
25 Florida	100.5
<b>U.S. Average</b>	<b>100.0</b>

26 Minnesota	99.8
27 Utah	98.5
28 Montana	96.9
29 South Carolina	96.9
30 New Mexico	96.8
31 Wisconsin	96.7
32 Texas	95.2
33 South Dakota	94.5
34 West Virginia	93.9
35 Nebraska	93.8
36 Louisiana	93.6
37 Georgia	92.7
38 Kansas	92.5
39 Idaho	92.1
40 North Carolina	92.1
41 Iowa	91.9
42 Indiana	91.4
43 Kentucky	91.4
44 Oklahoma	90.5
45 Tennessee	90.5
46 Alabama	90.3
47 Ohio	89.7
48 Michigan	89.6
49 Missouri	89.4
50 Arkansas	88.3
51 Mississippi	84.8

Source: The Council for Community and Economic Research

## 6

## How Alaska Cities' Costs Compare to Other U.S. Cities

1ST QUARTER 2018 INDEX FOR PROFESSIONAL HOUSEHOLDS, U.S. AVERAGE = 100

	Total Index	Groceries	Housing	Utilities	Transportation	Health Care	Misc.
<b>Category's weight in total index</b>	<b>100.0%</b>	<b>13.47%</b>	<b>28.15%</b>	<b>9.90%</b>	<b>8.99%</b>	<b>4.57%</b>	<b>34.92%</b>
<b>U.S. Average</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Region and City</b>							
<b>Anchorage, AK</b>							
	128.4	134.0	139.3	121.8	106.5	145.3	122.7
<b>Fairbanks, AK</b>							
	129.8	125.9	118.2	207.0	122.0	151.5	117.9
<b>Juneau, AK</b>							
	134.5	145.4	150.5	132.1	140.8	153.4	114.0
<b>West</b>							
<b>Portland, OR</b>							
	130.0	111.2	180.8	89.1	113.1	110.8	114.8
<b>Honolulu, HI</b>							
	186.3	168.0	295.8	183.6	139.7	111.8	127.6
<b>San Francisco, CA</b>							
	195.7	129.5	366.0	126.0	127.7	127.1	130.2
<b>Los Angeles/Long Beach, CA</b>							
	147.1	108.6	238.8	111.7	121.6	106.9	110.0
<b>Reno, NV</b>							
	110.3	118.9	111.3	80.3	112.5	111.9	113.9
<b>Seattle, WA</b>							
	153.0	127.8	211.6	110.8	133.2	122.0	136.5
<b>Spokane, WA</b>							
	98.2	94.5	95.0	91.5	106.9	115.2	99.7
<b>Tacoma, WA</b>							
	110.3	106.9	107.6	91.9	97.7	125.4	120.3
<b>Boise, ID</b>							
	95.0	96.6	90.5	87.8	105.7	104.5	96.1
<b>Bozeman, MT</b>							
	103.9	107.4	106.4	88.1	97.9	105.2	106.3
<b>Cheyenne, WY</b>							
	90.0	102.3	79.5	98.1	104.4	91.1	87.7
<b>Southwest/Mountain</b>							
<b>Salt Lake, UT</b>							
	100.6	110.1	97.7	91.0	95.0	99.2	103.7
<b>Phoenix, AZ</b>							
	96.0	99.9	95.0	109.2	95.5	97.7	91.4
<b>Denver, CO</b>							
	111.5	96.0	135.8	85.7	97.9	105.7	109.6
<b>Colorado Springs, CO</b>							
	97.7	93.3	98.6	88.8	106.4	100.1	98.6
<b>Dallas, TX</b>							
	100.4	108.5	88.0	98.7	101.5	106.3	106.6
<b>Houston, TX</b>							
	96.9	84.8	99.9	112.9	97.9	91.5	95.2
<b>Brownsville-Harlingen, TX (lowest)</b>							
	76.3	80.8	63.1	98.1	86.4	88.5	74.9
<b>Oklahoma City, OK</b>							
	84.5	92.1	70.9	93.3	85.9	91.5	88.8
<b>Midwest</b>							
<b>Cleveland, OH</b>							
	98.0	114.0	84.9	99.2	99.2	99.9	101.6
<b>Peoria, IL</b>							
	96.0	95.5	82.4	96.2	100.0	97.7	105.9
<b>Minneapolis, MN</b>							
	105.0	105.8	104.2	96.1	108.1	107.0	106.8
<b>Fargo/Moorehead, ND/MN</b>							
	99.5	109.7	91.8	91.9	97.8	117.9	102.1
<b>Southeast</b>							
<b>Washington, DC</b>							
	161.8	112.4	269.8	116.4	111.9	99.8	127.6
<b>Fort Lauderdale, FL</b>							
	118.7	107.3	162.9	99.9	108.9	96.8	98.2
<b>Miami, FL</b>							
	115.2	107.1	147.0	100.4	104.9	95.3	102.1
<b>Birmingham, AL</b>							
	91.1	93.0	87.3	107.0	88.5	79.6	91.2
<b>Atlanta, GA</b>							
	99.0	97.8	101.2	87.9	97.4	107.3	100.2
<b>New Orleans, LA</b>							
	100.4	103.8	114.2	81.8	107.4	100.8	91.3
<b>Atlantic/New England</b>							
<b>New York City/Manhattan, NY (highest)</b>							
	245.4	137.3	529.0	115.6	131.0	115.7	141.8
<b>Boston, MA</b>							
	146.5	105.9	206.5	120.0	115.3	137.4	130.5
<b>Philadelphia, PA</b>							
	98.4	109.2	91.9	100.6	107.6	90.6	97.4
<b>Hartford, CT</b>							
	118.2	108.8	131.6	97.8	113.4	117.8	118.0

Note: Kodiak reported no data in the first quarter of 2018.  
Source: The Council for Community and Economic Research



Center data on cost of living by state, but we replaced it this year because the C2ER index is more comprehensive.

The Missouri index merely averages the indexes for Juneau, Fairbanks, Kodiak, and Anchorage and applies no adjustment for population size. C2ER's state index uses county-level data from the U.S. Bureau of Economic Analysis and includes all 29 boroughs and census areas in Alaska. It also factors in a range of other cost-of-living determinants, such as an area's per capita income and population characteristics.

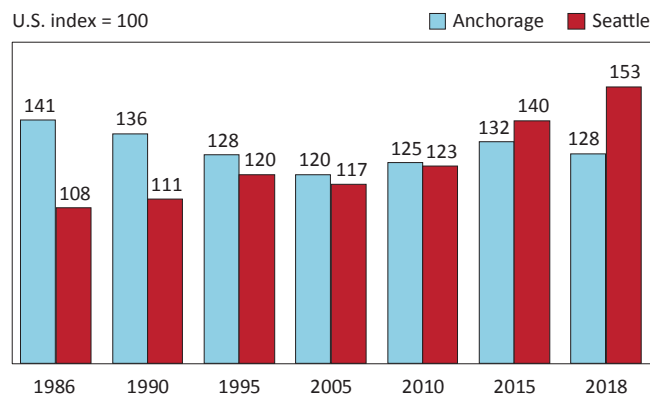
## Alaska cities not the most expensive

To compare costs between cities, C2ER gathers pricing data for more than 250 U.S. cities quarterly and annually, including four in Alaska. (See exhibits 6 and 7.) The survey includes prices for 57 specific items in categories such as groceries, housing, utilities, transportation, health care, and miscellaneous goods and services, and sets the national average at 100.

While the city survey is broad, it has a number of drawbacks. The consumption pattern is designed to represent a professional or executive household in the top income quartile, and the survey can't differentiate between consumption patterns by area. It also doesn't include taxation, which is lower in Alaska than in most states.

As it has in the past, the survey showed that costs of living in Anchorage, Juneau, Fairbanks, and Kodiak remain well above the national average and comparable to places like Portland, Oregon.

## 8 Seattle's Cost of Living Overtakes Anchorage 1985 TO 2018



Source: The Council for Community and Economic Research

# 7 U.S. Cities With Higher Costs than Urban Alaska

FIRST QUARTER 2018

Community	Index
<b>U.S. Average</b>	<b>100.0</b>
New York (Manhattan), NY	245.4
San Francisco, CA	195.7
Honolulu, HI	186.3
New York (Brooklyn), NY	179.4
Washington, DC	161.8
Seattle, WA	153.0
Oakland, CA	151.3
New York (Queens), NY	149.6
Arlington, VA	148.7
Orange County, CA	148.5
Los Angeles-Long Beach, CA	147.1
Boston, MA	146.5
Alexandria, VA	145.1
San Diego, CA	144.3
Stamford, CT	143.1
Bethesda-Gaithersburg-Frederick, MD	142.9
Juneau	134.5
Kodiak*	130.3
Portland, OR	130.0
Fairbanks	129.8
Anchorage	128.4

\*2017 (no data reported for 2018)

Source: The Council for Community and Economic Research

Costs in Alaska's communities have always ranked high, but a growing number of U.S. cities are becoming even more expensive. Seattle is a good example. (See Exhibit 8.) Just six U.S. cities registered higher costs than Alaska's most expensive surveyed city in 2000, which grew to 16 cities in the first quarter of 2018.

### Calculating index changes

Changes in an index are usually expressed as percent changes rather than index points because index points are affected by the level of the index in relation to its base period. The following example shows how index points and percent changes are computed.

#### Index point change

Anchorage CPI, 2017.....218.9  
 Less CPI for previous period, Anchorage 2016.....217.8  
 Equals index point change.....1.1

#### Percent change

Index point difference.....1.1  
 Divided by the previous index.....217.8  
 Equals percent change, Anchorage CPI 2017.....0.5%

# What Common Items and Services Cost in Early 2018



## CELL SERVICE

Anchorage	\$183.90
Fairbanks	\$180.90
Juneau	\$191.10

Chicago, IL: \$198.06  
**U.S. Average \$178.97**  
 Portland, OR: \$164.37



## YOGA CLASS

Anchorage	\$17.00
Fairbanks	\$14.40
Juneau	\$13.00

Orange County, CA: \$23.33  
**U.S. Average \$14.97**  
 Salina, KS: \$5.00



## LB. BANANAS

Anchorage	91¢
Fairbanks	89¢
Juneau	92¢

Jonesboro, AR: \$1.19  
**U.S. Average 57¢**  
 Richmond, VA: 41¢



## DENTAL EXAM

Anchorage	\$141.00
Fairbanks	\$150.53
Juneau	\$147.80

San Marcos, TX: \$155.00  
**U.S. Average \$93.80**  
 McAllen, TX: \$62.33



## CAN TUNA

Anchorage	\$1.79
Fairbanks	\$1.03
Juneau	\$1.48

Thibodaux-Lafourche, LA: \$1.87  
**U.S. Average \$1.09**  
 Hastings, NE: 76¢



## DOCTOR VISIT

Anchorage	\$188.50
Fairbanks	\$190.00
Juneau	\$195.00



## TIRE BALANCING

Anchorage	\$38.00
Fairbanks	\$46.41
Juneau	\$61.70

Manhattan, NY: \$80.16  
**U.S. Average \$46.98**  
 Thomasville/Lexington, NC: \$16.67


Juneau, AK: \$195.00  
**U.S. Average \$108.53**  
 San Juan, PR: \$31.25



## COCA-COLA, 2L

Anchorage	\$2.49
Fairbanks	\$1.91
Juneau	\$2.65

Juneau, AK: \$2.66  
**U.S. Average \$1.69**  
 Cedar City, UT: 94¢



## BOX of CEREAL

Anchorage	\$4.78
Fairbanks	\$4.67
Juneau	\$4.72

Honolulu, HI: \$6.59  
**U.S. Average \$3.56**  
 Kansas City, MO/KS: \$2.04



## LB. RIBEYE STEAK

Anchorage	\$10.97
Fairbanks	\$14.16
Juneau	\$14.32

Baltimore, MD: \$14.99  
**U.S. Average \$11.22**  
 Pueblo, CO: \$7.94

Source: The Council for Community and Economic Research Cost of Living Index, First Quarter 2018, Published May 2018

## Juneau has the highest average house price

An area's housing market is a good proxy for its overall cost of living because housing makes up such a large slice of a household's expenditures. The supply and quality of housing, vacancy rates, the local economy, building costs, and demographics can all differ considerably by area.

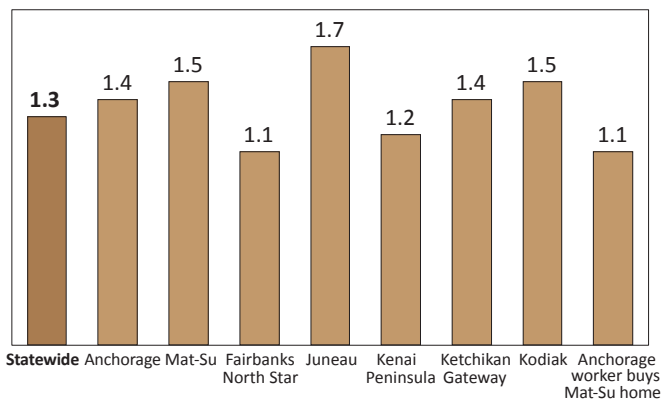
In 2017, Juneau was the most expensive place to buy the average single-family home, a spot that has seesawed between Juneau and Anchorage in recent years. (See Exhibit 9.) The average two-bedroom house in Juneau cost \$394,909 in 2017. In 2016, Anchorage was most expensive on average at \$383,830, but its average price dropped in 2017.

## Areas' earning differences affect home affordability

Affordability indexes take housing cost analysis a step further by figuring in an area's average earnings as well as housing prices. The resulting index value represents the number of average paychecks required to qualify for a 30-year mortgage, with an average interest rate and a 15 percent down payment.

## 10 Paychecks Needed to Buy a House

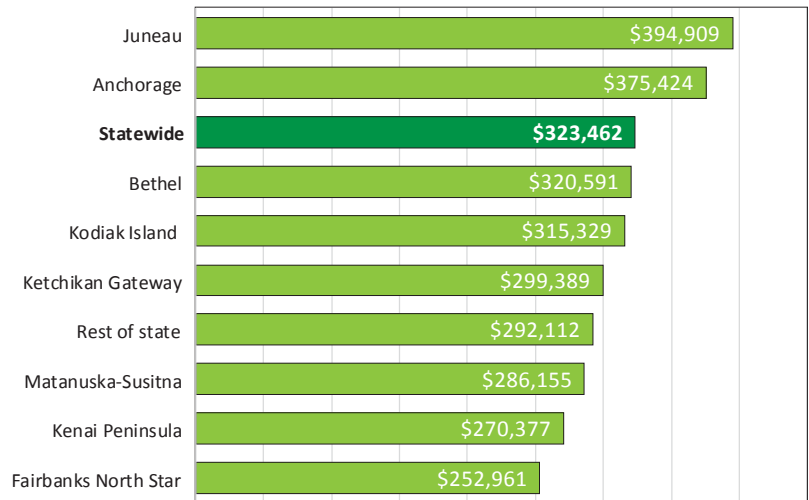
TWO-BEDROOM HOUSES, 2017



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and Alaska Housing Finance Corporation Quarterly Survey of Mortgage Lending Activity

## 9 Average Home Costs the Most in Juneau

TWO-BEDROOM HOUSES, 2017



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and Alaska Housing Finance Corporation Quarterly Survey of Mortgage Lending Activity

Even with its higher earnings, Juneau was least affordable, at 1.7 average paychecks. Fairbanks had the lowest average home price in 2017 and was also the most affordable area at 1.1 paychecks. (See Exhibit 10.)

An Anchorage earner buying a home in the Matanuska-Susitna Borough tied with Fairbanks as most affordable. Anchorage's earnings are higher, which is a major reason commuting between the borough and the city is so popular. It takes 1.5 average paychecks earned in the Matanuska-Susitna Borough to afford the average home there, but buying a Mat-Su home requires just 1.1 average paychecks earned in Anchorage.

## Kodiak has highest rent

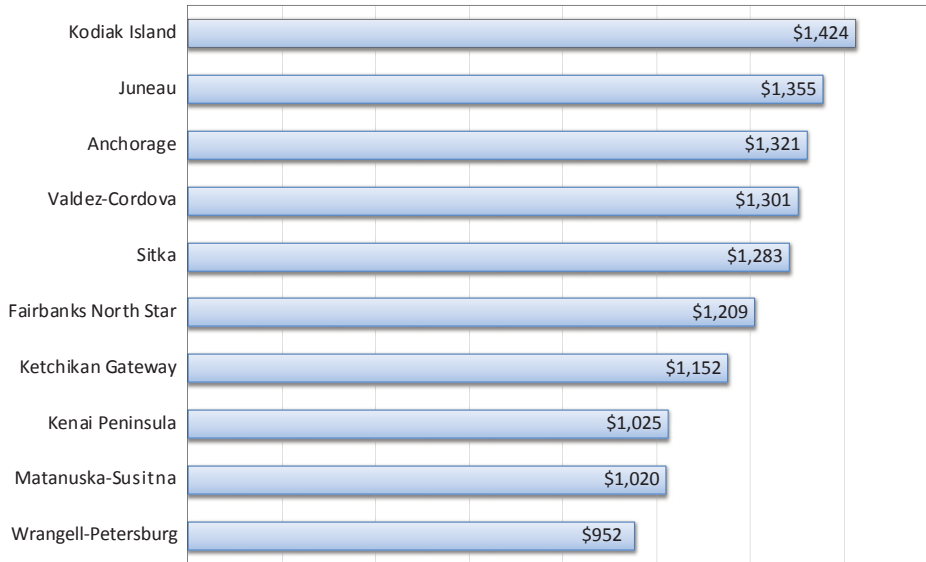
The cost of a home is usually related to an area's rental rates. As exhibits 9 and 11 show, areas with more expensive homes also tend to have higher rents.

Kodiak is an exception and has been for more than six years. It was the most expensive area to rent a two-bedroom apartment in 2017 but not the most expensive place to buy a house — in fact, Kodiak's average home price was well below the statewide average. Kodiak has a large Coast

# 11

## Kodiak Has Highest Rent Plus Utilities

TWO-BEDROOM APARTMENTS, 2017



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and Alaska Housing and Finance Corporation, 2017 Rental Market Survey

Guard population that receives a generous housing allowance, which in theory puts upward pressure on rents.

## Groceries and other staples by area

Four times a year, the University of Alaska Fairbanks' Cooperative Extension Service publishes weekly grocery costs for 16 communities. (See Exhibit 12.) Its market basket includes items that represent the minimum levels of nutrition at the lowest possible cost for a family of four that has two children, ages 6 and 11.

As of December 2017, grocery prices were lowest in urban communities, including Fairbanks, Ketchikan, Palmer/Wasilla, and Anchorage. The highest costs were in areas where most food is flown in, such as Bethel, Nome, and Kotzebue. Kotzebue groceries were more than double the cost for the same items in the urban areas.

Areas with costs that fell between lower urban and high remote-rural prices included small communities that lie on a major transportation system such as a highway or the Alaska Marine Highway system. Cordova and Petersburg are examples. But location isn't everything. The size of the market, level of competition, and proximity to a larger area are other major cost determinants.

Another source for prices in various Alaska communities is the Alaska Department of Commerce, Community and Economic Development, which works with partners throughout the state to produce quarterly surveys for four staples:

# 12

## The Cost of Groceries for One Week

DECEMBER 2017

Area*	Cost**	Percent of AK avg
<b>Alaska</b>	<b>\$274</b>	<b>100%</b>
Anchorage	\$217	79%
Bethel	\$381	139%
Cordova	\$319	116%
Delta Junction	\$258	94%
Fairbanks	\$197	72%
Haines	\$256	93%
Homer	\$228	83%
Juneau	\$221	81%
Kenai/Soldotna	\$228	83%
Ketchikan	\$212	77%
Kotzebue	\$463	169%
Palmer/Wasilla	\$202	74%
Nome	\$360	131%
Petersburg	\$268	98%
Sitka	\$263	96%
Valdez	\$315	115%

\*Values interpolated where current data were unavailable

\*\*Cost for a family of four with two children, ages 6 and 11

Source: University of Alaska Fairbanks, Cooperative Extension Service

Text continues on page 18

# 13 Staples by Community

SEPTEMBER 2017

	Eggs (12)	Milk (1 gal)	Bread (1 loaf)	Gasoline (1 gal)	Total
<b>Average</b>	<b>\$2.69</b>	<b>\$4.78</b>	<b>\$2.86</b>	<b>\$3.52</b>	<b>\$13.85</b>
Anchorage	\$1.99	\$3.79	\$2.49	\$2.84	\$11.11
Juneau	\$1.29	\$3.75	\$2.19	\$3.55	\$10.78
Fairbanks	\$1.99	\$4.38	\$2.99	\$3.04	\$12.40
Kenai	\$1.97	\$3.78	\$2.28	\$3.01	\$11.04
Kodiak	\$2.19	\$4.09	\$2.39	\$3.39	\$12.06
Valdez	\$1.99	\$3.99	\$2.39	\$3.40	\$11.77
Glennallen	\$4.50	\$4.95	\$3.95	\$3.37	\$16.77
Nome	\$3.79	\$6.29	\$4.49	\$4.38	\$18.95
Bethel	\$4.49	\$7.99	\$2.59	\$4.69	\$19.76

Source: Department of Commerce, Community and Economic Development

# 14 Fuel Prices in Alaska

JANUARY 2018

Selected communities	Heating fuel #1, residential	Gasoline, regular
<b>Statewide average</b>	<b>\$4.41</b>	<b>\$4.95</b>
<b>National average</b>	<b>\$3.08</b>	<b>\$2.64</b>
Akiak	\$4.78	\$5.13
Angoon	\$3.95	\$4.00
Arctic Village	\$11.00	\$10.00
Atka	\$6.85	\$7.35
Utqiagvik (Barrow)	Natural gas	\$5.90
Bethel	\$4.18	\$4.34
Chenega Bay	\$5.94	\$5.95
Chignik	\$3.51	\$4.00
Circle	\$3.45	\$4.20
Deering	\$4.90	\$5.00
Dillingham	\$3.14	\$4.24
Eagle	\$3.95	\$3.95
Emmonak	\$5.55	\$5.77
Fairbanks	\$2.89	\$3.23
Galena	\$3.99	\$5.87
Gambell	\$4.38	\$4.79
Glennallen	\$2.80	\$3.44
Golovin	\$3.70	\$3.70
Holy Cross	\$6.05	\$5.80
Homer	\$2.92	\$3.36
Hooper Bay	\$5.10	\$5.45
Huslia	\$5.70	\$5.50
Juneau	\$2.96	\$2.78
King Cove	\$3.07	\$4.40
Kodiak	\$3.08	\$3.14
Kokhanok	\$5.60	\$6.31
Kotzebue	\$5.52	\$5.69
Mountain Village	\$6.91	\$5.55
Nenana	\$3.75	\$3.49
Noorvik	\$5.42	\$5.83
Nuiqsut (subsidized)	\$2.30	\$5.00
Nulato	\$4.25	\$5.00
Pelican	\$3.65	\$4.04
Pilot Station	\$6.28	\$5.80
Port Lions	\$3.70	\$3.75
Ruby	\$5.25	\$6.00
Sand Point	\$3.60	\$4.03
Shishmaref	\$3.80	\$4.07
Unalaska	\$3.29	\$3.82
Wales	\$6.44	\$6.70
Wrangell	\$3.19	\$3.61

Note: This is a partial list of the 100 communities surveyed. For all communities, see the publication cited below.

Source: Department of Commerce, Community, And Economic Development, Current Community Conditions: Fuel Prices Across Alaska, January 2018 Update

# 15 Index the Military Uses to Adjust for Local Costs

OCONUS FOR ALASKA, APRIL 2018

Location	Index
<b>U.S. Average</b>	<b>100</b>
Anchorage (inc. Eagle River)	128
Bethel	150
Clear Air Force Base	134
College (UAF area)	122
Cordova	146
Delta Junction	134
Eielson Air Force Base (Fairbanks)	128
Fort Wainwright (Fairbanks)	122
Homer (includes Anchor Point)	130
Juneau	140
Kenai (includes Soldotna)	130
Ketchikan	130
King Salmon (incl Bristol Bay Borough)	130
Kodiak	136
Nome	150
Petersburg	150
Seward	132
Sitka	136
Spuce Cape	130
Tok	132
Unalaska	130
Utqiagvik (Barrow)	150
Valdez	150
Wainwright	150
Wasilla	122
Other	150

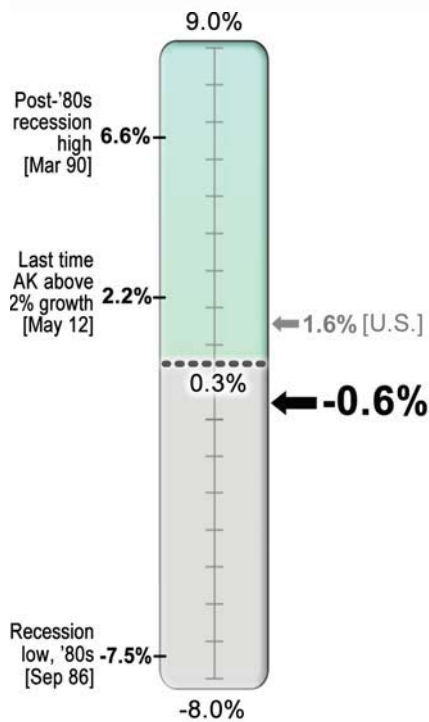
Source: U.S. Department of Defense

# Gauging Alaska's Economy



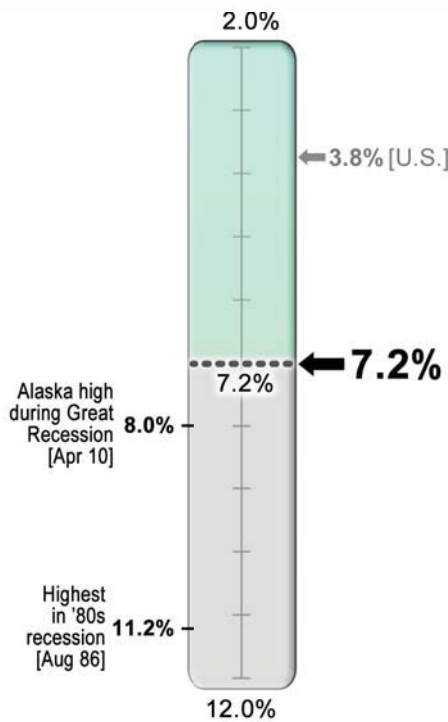
## Job Growth

May 2018  
Over-the-year percent change



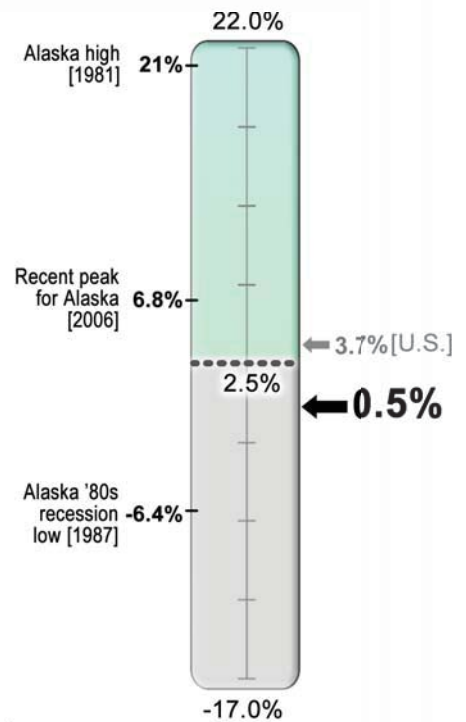
## Unemployment Rate

May 2018  
Seasonally adjusted



## Wage Growth

4th Quarter 2017  
Over-the-year percent change

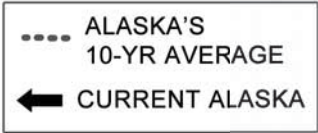


- May was the 32nd consecutive month Alaska has recorded job losses.
- Alaska had 25 consecutive months of job losses during the state's 1980s recession, although the magnitude of the losses in the '80s was much larger as a percentage of total jobs.
- Job losses during the current recession were at their worst in September 2016 (-2.5 percent).

- Alaska's unemployment rate is the highest in the nation, but is right at its 10-year average.
- Unemployment rates are more complicated as an economic indicator than job growth, although most of the time high rates signal economic weakness.
- In the short term, unemployment rates can rise because a state is especially attractive to job seekers (a positive) or fall because people have given up on looking for work (a negative).

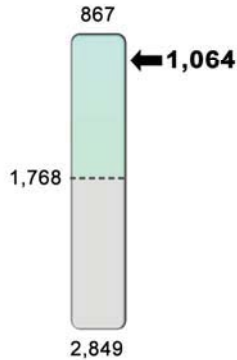
- Wage growth or decline is one of the most basic and useful measures of overall economic health.
- Resumed and sustained wage growth, when it occurs, will be one of the best indicators that Alaska's recession has ended.
- Alaska is still losing ground on wages, but the losses are getting smaller.

# Gauging Alaska's Economy



## Initial Claims

Unemployment, week ending June 2, 2018†

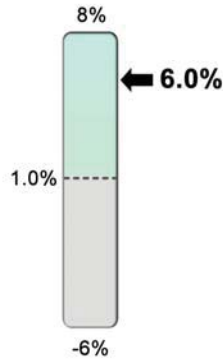


➤ For a variety of reasons, initial claims are well below the 10-year average despite job losses.

† Four-week moving average ending with the specified week

## GDP Growth

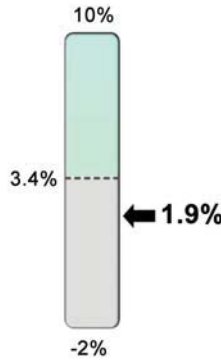
4th Quarter 2017  
Over-the-year percent change



➤ Gross domestic product is the market value of all goods and services. It's promising for economic recovery that growth has been positive for three consecutive quarters after declining for the previous 17 consecutive quarters.

## Personal Income Growth

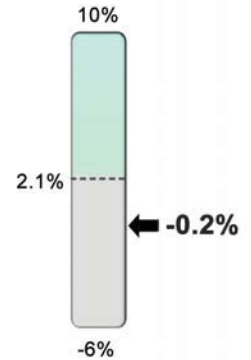
4th Quarter 2017  
Over-the-year percent change



➤ Personal income includes wages as well as government transfer payments (such as Social Security, Medicaid, and the PFD) and investment income.

## Change in Home Prices

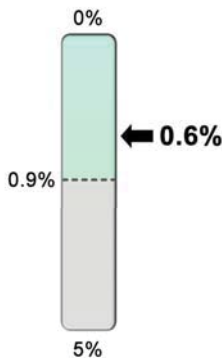
4th Quarter 2017  
Over-the-year percent change



➤ Home prices include only those for which a commercial loan is used. This indicator tends to be volatile from quarter to quarter.

## Foreclosure Rate

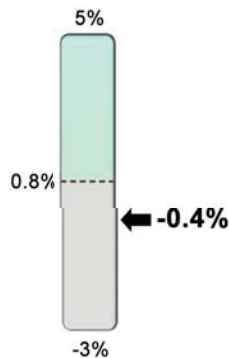
4th Quarter 2017



➤ Foreclosure rates remain very low, highlighting how different the current recession is from the '80s recession when foreclosure rates exceeded 10 percent.

## Population Growth

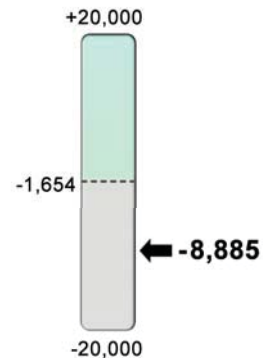
2016 to 2017



➤ The state's population has remained remarkably stable during the state's recession, although 2017 was the first year of population decline since 1988.

## Net Migration

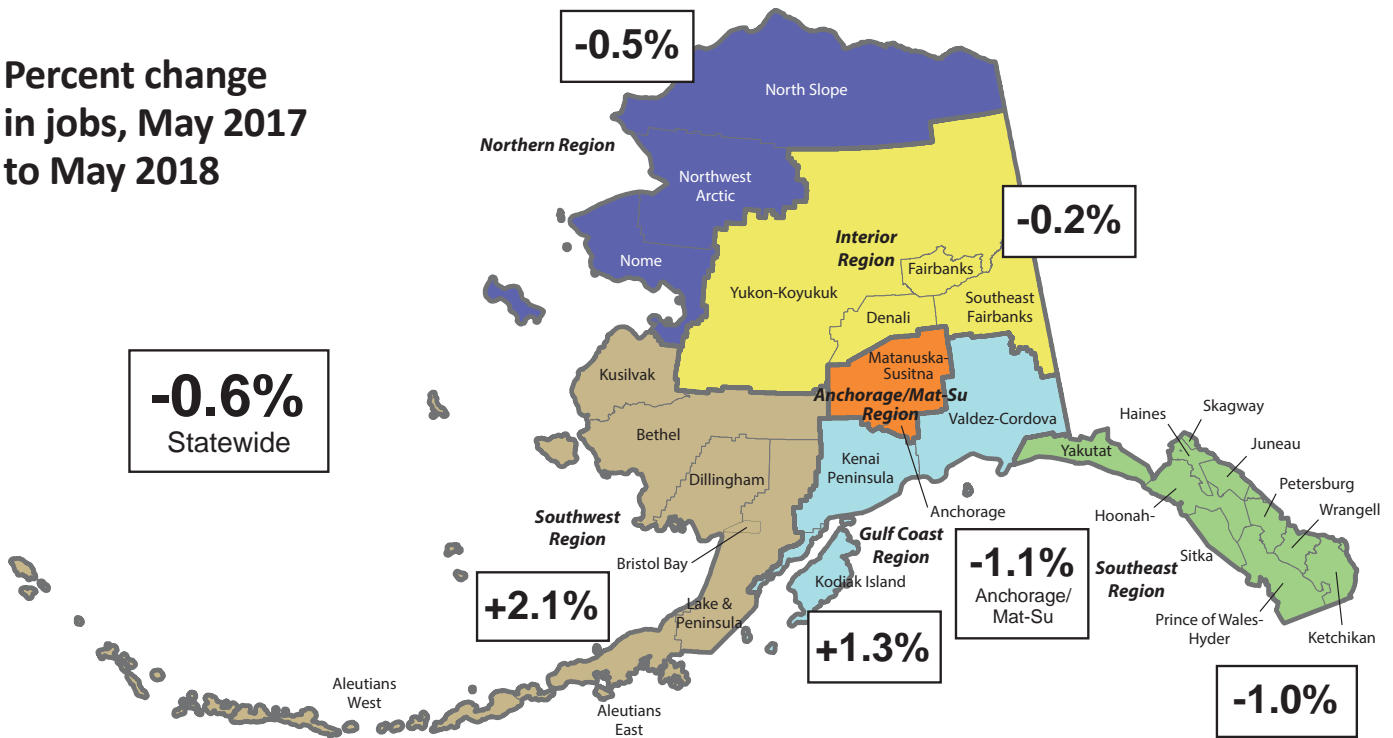
2016 to 2017



➤ The state had net migration losses for the fifth consecutive year in 2017, although natural increase (births minus deaths) offset those losses each year until 2017.

# Employment by Region

Percent change  
in jobs, May 2017  
to May 2018



## Unemployment Rates

Seasonally adjusted

	Prelim.		Revised
	5/18	4/18	5/17
United States	3.8	3.9	4.3
Alaska	7.2	7.3	7.1

Not seasonally adjusted

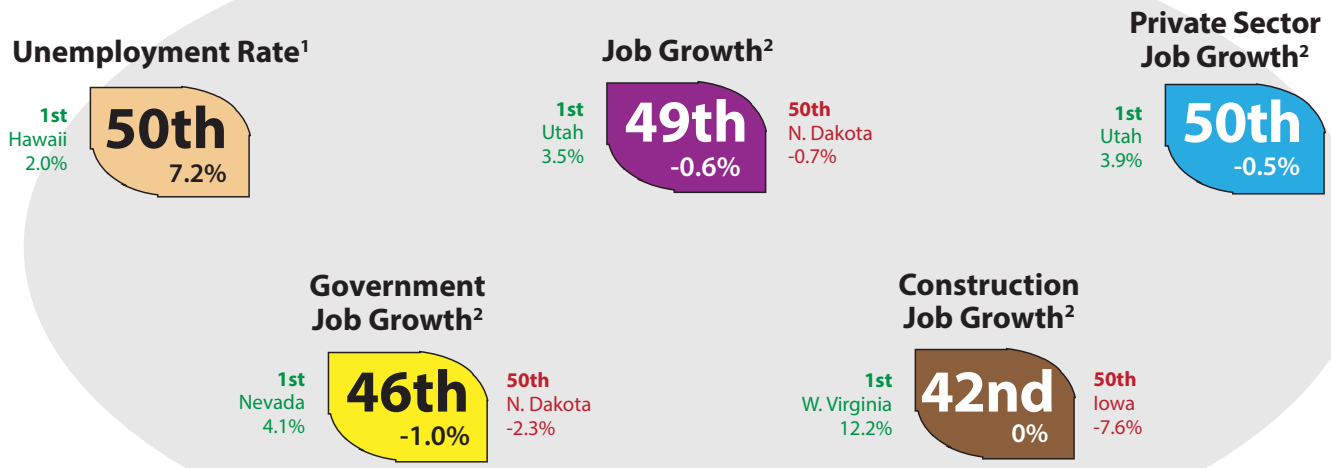
	Prelim.		Revised
	5/18	4/18	5/17
United States	3.6	3.7	4.1
Alaska	7.0	7.5	7.1

### Regional, not seasonally adjusted

	Prelim.			Revised				Prelim.			Revised		
	5/18	4/18	5/17	5/18	4/18	5/17		5/18	4/18	5/17	5/18	4/18	5/17
<b>Interior Region</b>	<b>7.0</b>	<b>7.8</b>	<b>6.9</b>	<b>Southwest Region</b>	<b>11.8</b>	<b>10.3</b>	<b>12.2</b>	<b>Southeast Region</b>	<b>5.7</b>	<b>6.9</b>	<b>5.5</b>		
Denali Borough	4.7	12.5	6.4	Aleutians East Borough	4.8	2.7	4.8	Haines Borough	8.6	10.8	7.5		
Fairbanks N Star Borough	6.3	6.9	6.2	Aleutians West Census Area	5.0	2.9	5.4	Hoonah-Angoon Census Area	11.3	16.9	10.0		
Southeast Fairbanks Census Area	9.8	10.9	9.5	Bethel Census Area	13.8	13.3	14.5	Juneau, City and Borough	4.3	4.9	4.2		
Yukon-Koyukuk Census Area	17.7	18.9	17.2	Bristol Bay Borough	4.4	10.0	4.8	Ketchikan Gateway Borough	5.8	7.0	5.9		
<b>Northern Region</b>	<b>12.1</b>	<b>12.0</b>	<b>12.9</b>	Dillingham Census Area	8.9	9.9	10.2	Petersburg Borough	8.7	10.1	8.8		
Nome Census Area	13.2	13.2	13.3	Kusilvak Census Area	21.2	20.8	20.8	Prince of Wales-Hyder Census Area	11.6	12.9	10.1		
North Slope Borough	7.3	7.1	7.7	Lake and Peninsula Borough	12.0	13.6	10.8	Sitka, City and Borough	4.1	4.9	4.5		
Northwest Arctic Borough	16.5	16.3	18.8	<b>Gulf Coast Region</b>	<b>7.3</b>	<b>8.4</b>	<b>7.5</b>	Skagway, Municipality	4.8	13.6	4.1		
<b>Anchorage/Mat-Su Region</b>	<b>6.4</b>	<b>6.9</b>	<b>6.6</b>	Kenai Peninsula Borough	7.7	8.9	8.1	Wrangell, City and Borough	6.7	7.2	6.9		
Anchorage, Municipality	5.8	6.2	6.0	Kodiak Island Borough	5.7	6.1	5.1	Yakutat, City and Borough	7.3	8.7	8.0		
Mat-Su Borough	8.3	9.0	8.4	Valdez-Cordova Census Area	7.3	9.3	7.1						



# How Alaska Ranks



<sup>1</sup>May seasonally adjusted unemployment rates  
<sup>2</sup>May employment, over-the-year percent change

Sources are U.S. Bureau of Labor Statistics and Alaska Department of Labor and Workforce Development, Research and Analysis Section, unless otherwise noted.

## Other Economic Indicators

	Current		Year ago	Change
<b>Anchorage Consumer Price Index (CPI-U, base yr 1982=100)</b>	219.131	2nd half 2017	218.660	+0.9%
<b>Commodity prices</b>				
Crude oil, Alaska North Slope,* per barrel	\$76.12	May 2018	\$50.72	+50.08%
Natural gas, residential, per thousand cubic feet	\$9.79	Mar 2018	\$9.90	-1.11%
Gold, per oz. COMEX	\$1,274.30	6/20/2018	\$1,249.40	+1.99%
Silver, per oz. COMEX	\$16.30	6/20/2018	\$16.48	-1.09%
Copper, per lb. COMEX	\$307.05	6/20/2018	\$263.45	+16.55%
Zinc, per MT	\$3,002.00	6/19/2018	\$2,640.00	+13.71%
Lead, per lb.	\$1.09	6/19/2018	\$0.94	+15.96%
<b>Bankruptcies</b>				
	101	Q1 2018	124	-22.8%
Business	13	Q1 2018	15	-15.4%
Personal	88	Q1 2018	109	-23.9%
<b>Unemployment insurance claims</b>				
Initial filings	4,756	May 2018	5,738	-17.11%
Continued filings	36,641	May 2018	43,503	-15.77%
Claimant count	9,504	May 2018	10,544	-9.86%

\*Department of Revenue estimate

Sources for pages 14 through 17 include Alaska Department of Labor and Workforce Development, Research and Analysis Section; U.S. Bureau of Labor Statistics; U.S. Bureau of Economic Analysis; U.S. Census Bureau; COMEX; Bloomberg; Infomine; Alaska Department of Revenue; and U.S. Courts, 9th Circuit

eggs, milk, bread, and gasoline. (See Exhibit 13 on page 13.)

Like the other surveys, this source showed staples in Alaska’s urban communities, which have more competition and cheaper shipping, often cost less than half of what they would in smaller or remote places.

The department also conducts a semiannual survey of fuel prices in 100 communities, with similar results. With few exceptions, smaller and remote communities pay significantly more for fuel than larger and urban areas, and the highest fuel costs are in places that depend on air transport for supplies.

Arctic Village’s costs were highest by far, with \$10 per gallon gasoline and \$11 heating fuel. Atka was a distant second, with gas at \$7.35 and heating fuel at \$6.85. In contrast, Juneau had the least expensive gasoline at \$2.78 and Glennallen’s heating fuel was lowest at \$2.80. (See Exhibit 14 on page 13.)

Between the last survey in July 2017 and the most recent in January of this year, gasoline and heating prices rose somewhat. The next survey, in July 2018, will likely show an upsurge as oil prices continue to increase.

## Examples of military cost adjustments for Alaska

The military produces a couple of notable cost of living indexes. The Department of Defense produces an index called OCONUS to adjust costs for areas outside the contiguous United States, which it considers “overseas.” The military makes adjustments for personnel based on their spendable income, defined as total income minus housing expenses, because it deals with housing through a separate allowance program. (See Exhibit 15 on page 13.)

Based on an average index value of 100, OCONUS values for Alaska in 2018 range from a low of 122 for

# 16 Corps of Engineers Cost Factors

## BY STATE, FY 2017 AND 2018

U.S. Average	1.00		
Alabama	0.84	Montana	1.06
<b>Alaska</b>	<b>2.12</b>	Nebraska	1.00
Arizona	0.97	Nevada	1.18
Arkansas	0.84	New Hampshire	1.04
California	1.23	New Jersey	1.21
Colorado	1.03	New Mexico	0.91
Connecticut	1.15	New York	1.13
Delaware	1.06	North Carolina	0.83
Florida	0.86	North Dakota	1.07
Georgia	0.82	Ohio	0.94
Hawaii	2.32	Oklahoma	0.95
Idaho	1.03	Oregon	1.13
Illinois	1.04	Pennsylvania	1.14
Indiana	0.99	Rhode Island	1.17
Iowa	1.00	South Carolina	0.89
Kansas	0.90	South Dakota	0.93
Kentucky	0.90	Tennessee	0.85
Louisiana	0.87	Texas	0.84
Maine	1.03	Utah	1.04
Maryland	0.97	Vermont	1.02
Massachusetts	1.17	Virginia	0.90
Michigan	1.06	Washington	1.07
Minnesota	1.15	West Virginia	0.97
Mississippi	0.83	Wyoming	0.99
Missouri	1.00	Washington D.C.	1.03

Note: Used for military construction and family housing  
Source: U.S. Army Corps of Engineers

Wasilla and Fort Wainwright and the university area in Fairbanks to a high of 150 for Bethel, Nome, Petersburg, Wainwright, Valdez, and Utqiagvik.

The U.S. Army Corps of Engineers also produces area cost factors each year for family housing and military construction projects. The Corps ranks Alaska’s costs as second-highest among states, behind Hawaii, at more than double the U.S. average. (See Exhibit 16.)

Neal Fried is an economist in Anchorage. Reach him at (907) 269-4861 or neal.fried@alaska.gov.

# Employer Resources

## Hiring workers with disabilities benefits business

The U.S. Department of Labor's Office of Disability Employment Policy provides comprehensive resources for employers who recognize the significant return on investing in an inclusive workforce.

ODEP resource topics include building an inclusive workforce, disability etiquette, tax incentives, accommodations and accessibility, and how an inclusive workplace is good for business by demonstrating leadership to community, stakeholders, and competitors. These resources are available at <http://www.dol.gov/odep/topics/Employers.htm>.

Alaska employers benefit from the collaborative efforts of several state and federal agencies that specialize in disability awareness, recruitment, and employment. The Department of Labor and Workforce Development's divisions of Vocational Rehabilitation and Employment and Training

Services are foremost among the agencies employers partner with to learn about recruiting and employing qualified Alaskans with disabilities. Local Alaska Job Center staff will guide you as you develop your disability employment strategy and find applicants to meet your business needs. Federal contractors in particular can benefit from this partnership by hiring people with disabilities (including veterans) as they strive to reach affirmative action goals.

Be a hero to your staff, an innovator in your community, and a leader among competitors. Get started today by contacting your nearest Alaska Job Center at (877) 724-2539 or <http://jobs.alaska.gov>.

Employer Resources is written by the Employment and Training Services Division of the Alaska Department of Labor and Workforce Development.

**AMENDMENT  
TO ORDINANCE 18-35**

Smith

Line 57 following ‘inflation’ delete “**the Cost of Living Adjustment made by no less than three nearby municipalities in their most recent budget year,**”

Amendment description/justification:

The COLA of a neighboring municipality is incomplete without the full contextual picture of overall budget considerations and how they did, or did not, come to a conclusion on employee compensation. The major factor we need to take into consideration is what our budget can realistically sustain over time. Not what others budgets can.

# ORDINANCE(S)



# CITY MANAGER'S REPORT







## City of Homer

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

## Office of the City Manager

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

(p) 907-235-8121 x2222

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## Memorandum

TO: Mayor Zak and Homer City Council

FROM: Katie Koester, City Manager

DATE: July 18, 2018

SUBJECT: July 23 City Manager's Report

---

### **Citizen Comment Card Summary**

The City is continuing with the comment card feedback program that Mayor Zak initiated. No cards came in for the 1<sup>st</sup> quarter of 2018. Of the eight comment cards received in the 2<sup>nd</sup> quarter, three were compliments. One for the library and its “awesome” services; two for City staff members, Angie Kalugin at the front desk and Matt Steffy in parks maintenance for their great service.

Three concerns were raised. Two had to do with State-maintained roads – the poor condition of East Hill Road and the need for a safe pedestrian crossing at the Ocean Shores Boardwalk area on the Homer Spit Road. The first concern was referred to DOT's area maintenance staff; the second is being worked on by Port & Harbor staff in coordination with DOT. The third concern a resident voiced was about the level of cleanliness in the Library's public restroom. Ann Dixon followed up with the patron and explained the extensive demands on janitorial services in a highly used public facility such as the Library. See attached comment card summary.

### **Department Activity Stats**

The attached spreadsheet is an attempt to provide Council and the public with a snapshot of department activity. In the past, you were given reports from various departments in your inbox that had varying levels of information, detail and comparative analysis. The attached spreadsheet takes one or two statistics from each department that can be used as a barometer for activity. It also compares them to the same time period in the previous year for frame of reference. Many of the numbers are too small to be statistically relevant, so I caution drawing too many conclusions from the data. Nevertheless, it is an interesting snapshot. For example – campground fee collection is up which means that the increase in campground fees approved by Council last year were prudent and did not drive away customers. Crane hours at the dock are down, which speaks to the health of fishing returns in the area. I plan on including this report on a regular basis in the City Manager's report. Please let me know if there are additional stats that you feel like would be useful (and I will let you know how easy –or not – they are to track!). We are still working on metrics for a few departments that provide a reasonable snapshot of activity, so expect this list to grow as staff figures out the best way to use it as a reporting tool.

### **Moose Habitat Exemption**

Kachemak Moose Habitat has requested tax exemption from 3 parcels acquired for the preservation of moose habitat. In the past, City Council has exempted the properties by resolution. However, HCC 9.04.046(c) states that “The Borough Assessor’s determination of whether property in the City qualifies for the Borough exemption under KPBC 5.12.100 shall be determinative of whether the property qualifies for the exemption under this subsection.” According to the Borough, all three properties qualify for the exemption. I have notified the Kachemak Moose Habitat in the attached letter.

### **Inspection of Homer Spit Road**

Public Works Director Meyer accompanied Army Corps and ADOT maintenance staff during their annual inspection of the rip-rap along the west side of the Spit.

A formal inspection report will be completed by the Corps, but based on the inspectors comments during the walk, all phases of the riprap installation appear to be in good condition. There are issues of pavement undermining that occurs during wind driven storms at high tides, but the protection of the Spit from serious erosion is being prevented and should continue with little remediation of the existing erosion control improvements.

### **Financing for the Police Station**

Based on the cash flow analysis provided by Public Works Director Meyer, the City has enough funds on hand to get us through to next June without drawing down on the \$5 million bond. As a side note, we expect around \$148,000 to come in for 2018 Community Assistance from the state in September. This revenue will be formally accepted and appropriated by City Council when it is received in fall, however it has been considered as part of the \$2.5 million in available City funds.

Finance Director Walton and I have been researching financing options for the bond, which are detailed below.

#### **Alaska Municipal Bond Bank Authority (AMBBA or ‘the Bond Bank’)**

The Alaska Bond Bank is the obvious option, as they are a corporation of the State of Alaska with the mission of saving borrowers money by selling bonds on the national market and using the proceeds to purchase bonds from authorized borrower (AMBBA Annual Report p. 2). This means small municipalities benefit from the credit rating of the State of Alaska and the legal and financial expertise of the Bond Bank. I have included the first few pages of the Alaska Bond Bank Annual report as an attachment. The full report can be viewed at

[http://treasury.dor.alaska.gov/Portals/1/docs/AMBBA\\_AnnualReport\\_FY2017\\_FINAL.pdf](http://treasury.dor.alaska.gov/Portals/1/docs/AMBBA_AnnualReport_FY2017_FINAL.pdf)

The Bond Bank will make a loan at a fixed interest rate (for each maturity, year 1 to 20). The loan probably would not be subject to prepayment during its first 10 years. The interest rate estimates City Council based their decision on were from pro forma debt service schedules using conservative estimates for market rates 1 year out. The City of Homer most recently went through AMBBA for the bond for Homer Harbor improvements.

#### **Issuing our Own Bonds**

I have been asked why the City of Homer does not issue its own bonds and allow local investors to take advantage of investing in their community. As you know, Kachemak City did just this in 2012 to finance \$500,000 of their \$700,000 natural gas mainline distribution project. I talked with experienced investor and former Mayor of Kachemak City, Phil Morris to get some perspective on how they achieved this. Working with the Homer Foundation, they formed a limited liability corporation (LLC) and sold shares at \$50,000 each making each purchaser a partner in the LLC partnership created. Kachemak City guaranteed investors a rate of return for 2 years, then the investment would be

callable and could be paid off in full. Because Kachemak City had a percentage of the project cost in hand, they knew they could make the first payments. Also, because they knew many property owners would pay off in full as soon as the assessment was due, they could expect a large influx of cash within the first two years to pay off the investors. The City also paid all the expenses associated with setting up the LLC and annual fees (with generous help from experienced local experts). I see two challenges with this approach.

1. Getting enough local investors to finance \$5,000,000. It is unlikely there is that much available cash on hand in the community (not that we do not have very wealthy people in our midst, but that it is tied up in other investments). For example, we would have to find 100 investors at \$50,000 a share. That is a lot of advertising to attract investors and records to keep track of. After the initial interest is generated, this could be contracted out, but at an expense. Each financial mechanism has a fixed amount of paperwork, overhead, legal requirements and fees – so you would want to pick one and stick with it rather than break the \$5 million up into two separate financing mechanisms.
2. Liability/responsibility. According to Bond Attorney Klinkner, if the City were to sell its bonds to local investors, the City (and its officials) would assume significant responsibilities and liabilities as an issuer of securities. Although the City's bonds would be exempt from registration under federal and state securities laws, the City as issuer would be subject to the anti-fraud provisions of federal and state securities law, which impose significant penalties and liability for material misstatements in offering materials and the like. There are also ongoing reporting and disclosure requirements that the City is unfamiliar with we would have to stay on top of. The City assumes the same liability in dealing with the Bond Bank, but at least is dealing with an investor that is experienced and sophisticated. Apart from this liability, the City would assume administrative responsibilities for the bond issue (or would need to delegate those responsibilities), such as maintaining a register of bond ownership, recording transfers of ownership, and making payments of principal and interest to the bond owners. The City also would need to determine the terms on which it would offer the bonds, and probably would need professional advice in doing so. The Bond Bank provides that advice without charge.

### **Financing Through a Private Bank**

The City of Homer banks with Wells Fargo, who has been following the Police Station with great interest. If Council decides to entertain a private lender, we would need to issue a request for proposal to assure that the City is getting the best terms available.

From talking with the City's bond attorney who has recent experience in this regard, Wells Fargo offers tax-exempt loans with a variable interest rate based on LIBOR (London interbank offered rate, a common commercial interest rate benchmark.) Their interest rate also may be subject to adjustment based on factors affecting their cost of funds (for example, changes in regulatory capital requirements or changes in the federal corporate tax rate). Thus, the cost of the loan cannot be determined at the outset, and may change substantially. They typically restrict prepayment, at least for a specified period, either by prohibiting it or subjecting it to a substantial penalty. Of course any term sheet would be studied carefully in order to fully understand the process, risks, and cost to the City.

### **In Conclusion**

After surveying the different options, I believe the Alaska Municipal Bond Bank is the safest and most cost effective option for the City of Homer. They operate with a moral obligation from the State of

Alaska to issue bonds at the best interest rate for municipal borrowers. And municipal borrowers, including the City of Homer, have a long history of working with them on public projects. I am also cognizant of the lack of experience staff has (myself included) in some of the more outside the box options presented which also makes me uncomfortable managing the ups and downs a project like this will inevitably present. However, I understand Council may need to understand the options better before making a recommendation. Authority to enter into any bond agreement would need to be issued by City Council by ordinance and we have plenty of time to discuss alternate options. Please let me know how in-depth you would like to analyze the topic and I will schedule a worksession and work to get guest speakers with more expertise than I have. Mostly I wanted to provide this somewhat detailed overview to ensure the Council that staff is looking at all options and collect questions that members have well in advance of needing authorizing legislation.

**Update on Greatland Construction**

Work on the Greatland Street Extension project started last week. Public Works expects that the new road will be open to traffic soon after Labor Day. Clearing of the right-of-way corridor is the first major activity (should be complete as you read this); followed by excavation, water/sewer/storm drain construction and then gravel import/paving. ACS is taking the opportunity to bury its overhead line along Greatland and remove the existing poles along the east side.

The existing access to Save-U-More will be maintained during construction, but some inconvenience will occur during haul out of unusable excavation and import of gravel. Generally, trucks will leave the site to the south (making right turns onto the Sterling Highway). On street parking in front of Save-U-More will be limited during some phases of the work. Trucks will enter the work area from Pioneer Avenue. Access to businesses at the north end of the project will be maintained (with some access interruption during excavation/paving and curb/gutter installation activities).

For safety reasons, pedestrian movement up and down the Greatland Street trail through the work area will be interrupted during construction. When the project is complete, sidewalks will exist on both sides of Greatland.

Milestone Completion Schedule:

Clearing and Grubbing	July 16-24
Road Excavation	July 25-August 3
Water/Sewer/Storm Drain	August 6-17
Gravel Import	August 20-25
Curb/Gutter	August 27-31
Paving	September 4-7

**Parks in Quiet Creek Subdivision**

The developer of Quiet Creek Subdivision has proposed placing four tracts of land in City ownership to be preserved as park land. The tracts are critical to maintaining drainage in area and not very developable for recreation. A key piece of the arrangement will be a management plan for the Parks that sets the expectation that the space is to be preserved in its natural state primarily for green space and not add another maintenance burden to the Parks Division. The attached memo for Deputy City Planner Engebretsen details the proposed plan and next steps nicely.

Enc:  
July Employee Anniversaries  
Comment Card Summary  
Department Activity Stats  
Letter to Kachemak Moose Habitat  
Cash flow analysis for Police Station  
Excerpt from AMBBA 2017 Annual Report  
Memo from Deputy Planner Engebretsen RE: Proposed Public Parks in Barnett South Slope Subdivision,  
Quiet Creek Park Addition  
2<sup>nd</sup> Quarter Financial Report





# City of Homer

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## Memorandum

TO: MAYOR ZAK AND CITY COUNCIL  
FROM: Katie Koester  
DATE: July 23, 2018  
SUBJECT: July 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>John Wythe,</b>	<b>Public Works</b>	<b>27</b>	<b>Years</b>
<b>Brian McCarthy,</b>	<b>Port</b>	<b>19</b>	<b>Years</b>
<b>Lori Sorrows,</b>	<b>Finance</b>	<b>19</b>	<b>Years</b>
<b>Dan Olsen,</b>	<b>Public Works</b>	<b>17</b>	<b>Years</b>
<b>Julie Engebretsen,</b>	<b>Planning</b>	<b>16</b>	<b>Years</b>
<b>Ed Stading,</b>	<b>Police</b>	<b>13</b>	<b>Years</b>
<b>Rick Abboud,</b>	<b>Planning</b>	<b>10</b>	<b>Years</b>
<b>Dave Welty,</b>	<b>Public Works</b>	<b>10</b>	<b>Years</b>
<b>David Bernard,</b>	<b>Library</b>	<b>7</b>	<b>Years</b>
<b>Jason Hoffman,</b>	<b>Public Works</b>	<b>3</b>	<b>Years</b>





## Customer Feedback Quarterly Report 1st and 2nd Quarter, 2018

### Customer Feedback Quarterly Report

#### 1st Q 2018 - No comment cards received

DATE	TYPE	CUST COMMENT	Response
Mar-28	<b>Suggestion</b>	Trade DVD titles with Kenai Library to keep collection fresh for patrons.	Ann Dixon spoke with patron. Staff time involved with exchanging DVD's with Kenai (since we are not on a shared system) would be prohibitive. Suggestions for patron: Library adds 10-12 DVDs a week. Encouraged patron to give Library suggestions for new titles. DVD's are in heavy circulation so encouraged patron to use the library's "hold" system to be able to obtain the movies most frequently checked out -- DVDs he may not see on the shelf since they are in circulation.
Apr-5	<b>Compliment</b>	I love the library; the services are awesome.	
May-10	<b>Concern</b>	East Hill Road is falling apart from midway up to Skyview. Dangerous!	Comms Coord connected citizen with the area's DOT representative.
May-11	<b>Suggestion</b>	Can the City not send gas bills out in a fishing town during fishing season?	Not able to follow up with customer as no contact information was provided.
Jun-6	<b>Compliment</b>	Always great customer service at the front counter at City Hall. Thanks!	Comms Coord shared comment with Angie Kalugin and City Manager.
Jun-8	<b>Concern</b>	Homer Shores boardwalk would like to see a cross walk as a lot of people and kids cross the Spit Road there to use bike path. Drivers need a tall sign to watch for pedestrians	Harbormaster Hawkins followed up with customer. He's had the conversation about installing another pedestrian zone marker in the middle of the road with the owner of the boardwalk last year, but DOT has to approve a crosswalk. So far DOT & City had opted for mid-road markers since pedestrians generally cross where ever they desire regardless of cross walks. We're checking back in with DOT to see about trying to get the plan changed.
Jun-22	<b>Concern</b>	Level of bathroom cleanliness in Homer Public Library is inadequate, both as a patron using the library and as a resident wanting visitors to have a favorable impression of Homer.	Ann Dixon spoke with Building Maintenance and then contacted the customer to let her know we heard her concern. Customer was more sympathetic when she learned the size of Homer's janitorial staff and agreed that two hours is not enough time to keep a building this size with this much traffic clean.
Jun-28	<b>Compliment</b>	Commend the job Matt Steffy is doing. Very communicative and helpful; great City Campground brochure he delivered to the Chamber for distribution. Great to work with him.	Comms Coord forwarded comments to Public Works Director, Matt Steffy and City Manager.



<b>Department Activity</b>	<b>Jan 2017- June 2017</b>	<b>Jan. 2018 - June 2018</b>
<b>Police</b>		
Arrests charges	213	232
Citations	318	267
Jail Bookings	214	202
Jail Days Served	376	298
<b>Animal Shelter</b>		
Strays turn ins from inside City limits	72	53
Strays turn ins from outside City limits	9	37
<b>Library</b>		
Circulation	88,918	86,750
<b>Port</b>		
Seasonal Parking Pass Revenues	\$17,730	\$21,749
Crane hours	926.6	796.1
Stall wait list	173	197
Load and Launch revenues	68,558	65,404
<b>Planning</b>		
Zoning Permits issued	21	29
Plats reviewed	13	15
Conditional Use Permits	3	7
<b>Public Works</b>		
Sewer treated ( per million gallons)	24.82	22.52
Water & Sewer Permits	23	25
Preventive maintenance & repair orders	2378	2606
Campground fees collected	\$65,932	\$71,789
<b>Clerks</b>		
Number of public meetings	117	85
<b>Community Recreation</b>		
Participants	1,297	1,217





# City of Homer

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July 17, 2018

Kachemak Moose Habitat, Inc.

Lynn Whitmore

PO Box 355

Anchor Point, AK 99556

Dear Mr. Whitmore,

Thank you for contacting the City Manager's office regarding a tax exemption for three parcels that Kachemak Moose Habitat Inc. is preserving for moose habitat.

KPB Parcel #	Legal Description	Acres
17903041	Lot 7 Block 3 Mariner Village Sub. (long legal)	10.2
17915012	Govn Lot 9 (along Kachemak Dr.)	5
17915043	Govn Lot 10 (abuts South side of airport lands)	5

We also received the March 29, 2018 letter from the Kenai Peninsula Borough Assessing Department determining that all three properties are used exclusively for community purposes and are exempt from taxation under Alaska Statutes 29.45.050(b)(1)(A) and Kenai Peninsula Borough Code 5.12.100.

Homer City Code states that when the Borough Assessor determines that the property is tax exempt, the City's portion of the tax is also exempt:

HCC 9.04.046(c). Property of an organization not organized for business or profit-making purposes and used exclusively for community purposes is exempt from taxation under this chapter. Property or a part of the property from which rentals or income is derived is not exempt from taxation unless the income derived from the rentals does not exceed the actual cost to the owner of the use by the renter. The Borough Assessor's determination of whether property in the City qualifies for the Borough exemption under KPBC 5.12.100 shall be determinative of whether the property qualifies for the exemption under this subsection.

Based on State Statute, and Borough and City code, these exemptions are approved for the 2017 and each successive tax year. If the use of the properties change to anything other than exclusive use for moose habitat conservation, please notify the City and the Borough.

Respectfully submitted,

Katie Koester, City Manager

cc: KPB Assessing Department



Kachemak Moose Habitat, Inc. has acquired three parcels that are used exclusively for moose habitat. Based on State, Borough and City code these properties are exempt from taxation.

KPB Parcel #	Legal Description	Acres
17903041	Lot 7 Block 3 Mariner Village Sub. (long legal)	10.2
17915012	Govn Lot 9 (along Kachemak Dr.)	5
17915043	Govn Lot 10 (abuts South side of airport lands)	5

## Katie Koester

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**From:** Carey Meyer  
**Sent:** Thursday, May 24, 2018 4:55 PM  
**To:** Katie Koester  
**Subject:** Cash Flow - New Police Station

### Cash Flow associated with design/construction of New Police Station

Assume design start July 1, 2018 – total design cost = \$525,000; total construction = \$6,600,000

#### Design

July	\$ 0
August	\$ 105,000
September	\$ 80,000
October	\$ 70,000
November	\$ 65,000
December	\$ 55,000
January	\$ 50,000
February	\$ 50,000
March	<u>\$ 50,000</u>
	\$525,000

#### Construction

April	\$ 350,000
May	\$ 550,000
June	\$1,100,000
July	\$1,100,000
August	\$1,100,000
September	\$1,100,000
October	\$ 800,000
November	<u>\$ 500,000</u>
	\$6,600,000

#### Carey S. Meyer, P.E., MPA

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(f) 907-235-3145  
(c) 907-399-7232







# 2017 | ANNUAL REPORT



Dear Fellow Alaskans:

On behalf of the entire Board of Directors, I am pleased to report that the Alaska Municipal Bond Bank Authority (Bond Bank) completed another year of exceptional support to authorized borrowers within the State of Alaska during Fiscal Year 2017. Here are a few accomplishments we are particularly proud of:

- The Bond Bank is estimated to have saved \$41.2 million for authorized borrowers;
- The Bond Bank issued \$255.0 million in bonds, which resulted in approximately \$280.7 million in loans to communities, and a Regional Health Organization for refinancing loans or funding new projects;
- The Bond Bank entered into 27 loan agreements;
- Funded projects include health care facilities, ports, harbors, roads, and public services;
- The second Regional Health Organization loan of \$100.7 million was made, representing the largest single loan issued by the Bond Bank since inception

These 2017 results were developed by utilizing the Bond Bank's authority to capitalize on the financial strength of the State of Alaska to achieve high credit ratings, combining our authorized borrower bond issuances into larger more economic offerings, negotiating lower costs to issue bonds, and taking advantage of the favorable interest rate environment over the last year.

The Bond Bank generates funding by selling bonds on the national market, and using the proceeds to purchase bonds from authorized borrowers. For 42 years, the Bond Bank has provided a lower cost alternative for aiding political subdivisions within the State in financing capital improvement projects.

We find that many borrowers rely on the Bond Bank due to a lack of familiarity with the financial markets, while others are driven by the goal of seeking the lowest possible cost for their bonds. In providing this lower cost alternative, the savings achieved by the borrowing communities has directly reduced local taxpayer burden. The State of Alaska also benefits as when communities borrow through the Bond Bank at lower interest rates, the State of Alaska pays lower reimbursements rates for qualifying projects such as schools, transportation projects, and health care facilities.

We hope you share our pride in the Bond Bank's accomplishments during fiscal year 2017 and we look forward to helping serve all authorized Alaskan borrowers that seek our expertise and assistance in the future.

In accordance with Alaska Statute 44.85.100, the Bond Bank respectfully submits the attached report for fiscal year 2017. Within you will find recent activities and the financial condition of the Bond Bank.

Sincerely,  
Luke Welles  
Chairperson



## The Alaska Municipal Bond Bank Authority

The Bond Bank is a public corporation of the State of Alaska created in 1975 with a mission of saving authorized borrowers money. The Bond Bank achieves this by selling bonds at interest rates lower than otherwise available, and by purchasing the borrowers' general obligation bonds, revenue bonds, or other obligations at the same rate.

The Bond Bank has a legal existence independent of and separate from the State of Alaska. Bonds issued by the Bond Bank are payable from pledged Bond Bank funds. (For more information please see Notes to Financial Statements, attached.)

The powers of the Bond Bank are vested in its Board of Directors. The membership of the Board consists of five directors representing both the public and private sector. The three private sector Board members are appointed by the Governor and serve four-year terms. They are joined on the Board by the Commissioner of Revenue and the Commissioner of Commerce, Community & Economic Development (or their assigned representatives).

The Board of Directors operates in accordance with the Bond Bank Act (AS 44.85), its published regulations (15 AAC144) and its by-laws.

AS 44.85.180(c) was enacted in 1975 limiting the Bond Bank outstanding bonds at any time to \$150 million. This Statute has been periodically amended to raise the limit, and modify the definition of authorized borrowers. As of Fiscal Year 2017, the limit was \$1.7925 billion, comprised of \$1.5 billion in authority for authorized political subdivisions, \$87.5 million for the University of Alaska, and \$205 million for Regional Health Organizations.

Total Bond Bank bonds and notes outstanding as of June 30, 2017 was approximately \$1.19 billion. The limit on additional bond issuance as of June 30, 2017 was approximately \$604.9 million, of which \$543.3 million of authority is available for the main program, \$1.4 million is available specifically to the University of Alaska, and \$60.2 million is available to Regional Health Organizations.

### The Bond Bank has Funded Projects for the Following Authorized Borrowers:

City of Kaktovik	City of Kenai
City of Wasilla	Ketchikan Gateway Borough
City of King Cove	City of Palmer
Haines Borough	City of Seward
City of North Pole	Municipality of Skagway
City of Cordova	Northwest Arctic Borough
City of Adak	University of Alaska
Municipality of Anchorage	City of Whittier
City of Craig	City of Soldotna
Fairbanks North Star Borough	Kodiak Island Borough
Inter-Island Ferry Authority	City of Wrangell
City of Valdez	City of Ketchikan
City of Hoonah	City of Homer
Matanuska-Susitna Borough	Kenai Peninsula Borough
City of Saxman	City of Dillingham
City of Klawock	City & Borough of Sitka
City & Borough of Yakutat	Lake & Peninsula Borough
City of Kodiak	City & Borough of Juneau
City of Sand Point	City of Nome
City of Petersburg	City of Galena
Bristol Bay Borough	City of St. Paul
Aleutians East Borough	City of Fairbanks
City of Bethel	Tanana Chiefs Conference
City of Unalaska	Yukon-Kuskokwim Health Corporation

## An Idea That Works

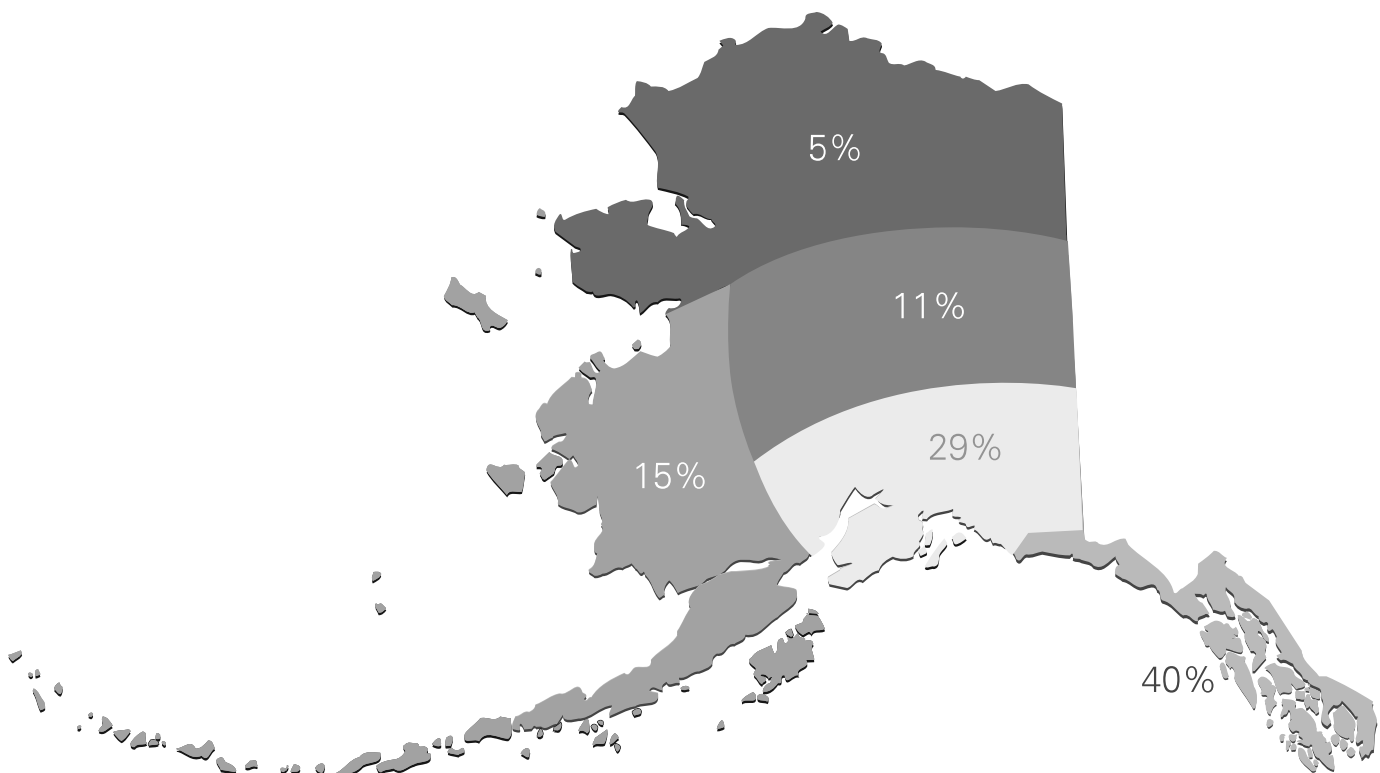
Alaska's investment in the Bond Bank is realized in reduced payments in State funded municipal programs as well as lower local tax requirements in Alaskan communities. The State manages reimbursement programs for school projects through the Alaska Department of Education and Early Development, certain other capital projects through the Alaska Department of Transportation, and provides State match to health care facilities' Medicare reimbursement rates. As communities are borrowing at lower interest rates through the Bond Bank the State of Alaska pays less money in reimbursements to the communities eligible for these programs.

Alaskan borrowers taking advantage of the Bond Bank program over the last 10 years have realized savings of over \$230 million. These borrowers may have low bond ratings, or although credit worthy have not issued bonds, have little outstanding debt, or lack investor familiarity. The Bond Bank has high credit ratings and frequently issues bonds and uses these attributes to meet the capital needs of authorized borrowers. The Bond Bank is efficient enough that some larger communities, that routinely issue their own bonds, find that the Bond Bank's services result in less expense, especially for small bond issues.

## Helping Alaskan Borrowers

The Bond Bank is organized to work with all authorized borrowers in funding their capital needs at the lowest cost. From the time a borrower contacts the Bond Bank, legal and financial professionals with extensive experience in Alaska financing begin working with managers to identify and develop the most advantageous financing program for the borrower.

The Bond Bank is able to reduce borrowers' costs of issuing bonds by including multiple borrowers in a bond issue for operational efficiency.



ALL BOND PROCEEDS DISTRIBUTION  
BY AREA PERCENTAGES

## Issuing Bonds

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The Bond Bank issues primarily tax-exempt, but also taxable bonds. Purchasers of these bonds include bond mutual funds, institutional investors, insurance companies, and private individual investors. Purchasers of the Bond Bank's tax exempt bonds do not have to pay federal income taxes on the interest income received, and as a result, receive lower interest rates.

The Bond Bank adds to efficiency by pooling multiple bond issues into a single Bond Bank issue. This is accomplished by selling one larger Bond Bank bond issue to fund a number of smaller bond issues.

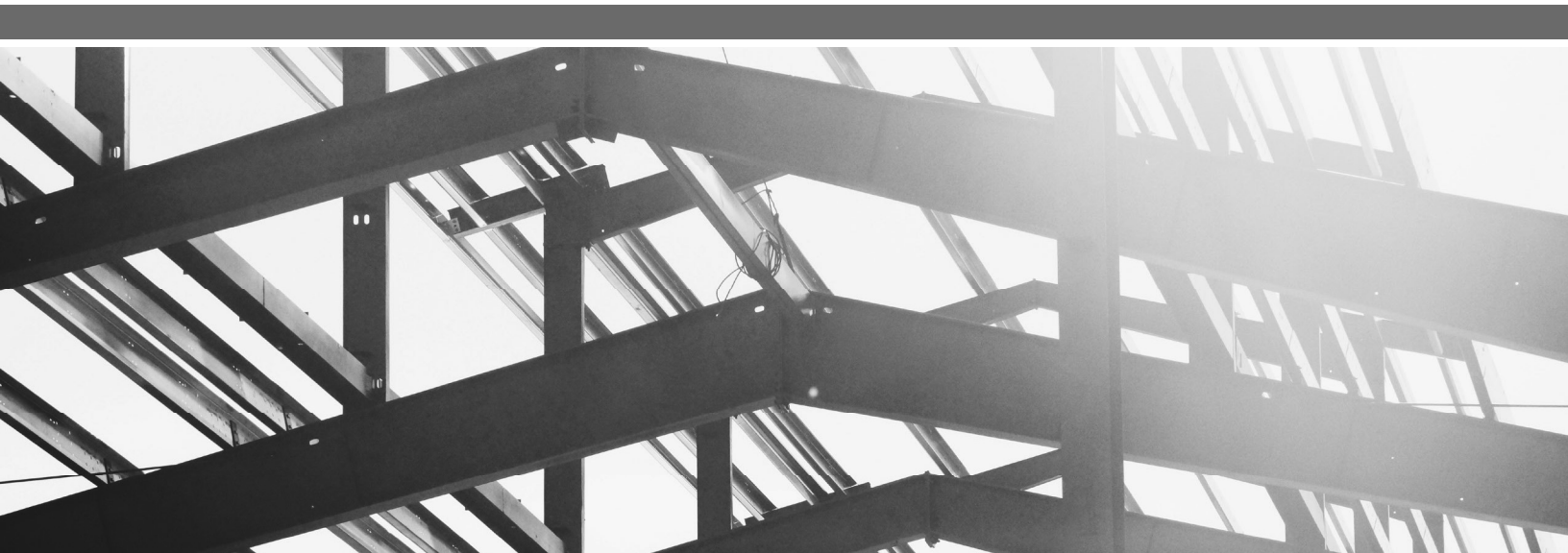
Bond issues of the Bond Bank are typically reviewed by at least two of the national rating agencies. The 2005 general obligation bond resolution is currently the active program of the Bond Bank, and is rated by both Fitch Ratings (Fitch), and Standard & Poor's Global Ratings (S&P). Fitch and S&P have assigned ratings of "AA-" (outlook stable) and "AA-" (negative outlook), respectively. Both of these ratings are considered "investment grade," and are just three notches off the best possible credit ratings. Maintenance of these high-grade ratings is crucial to achieving the mission of the Bond Bank, as it directly correlates to the ability to borrow money at lower interest rates.

An important reason for the Bond Bank's favorable bond rating and lower borrowing costs is that it secures its bonds with limited pledges of the State of Alaska. The Bond Bank's reserve funds are supported by the "moral obligation" of the State of Alaska. Then, starting in fiscal year 2010, the State has demonstrated the depth of this pledge by annually appropriating an unlimited amount in the operating budget to replenish Bond Bank reserves if there is a default. This appropriation is included in the Fiscal Year 2018 operating budget, as well as the Governor's proposed Fiscal Year 2019 budget.

The reserve funds are available to cure defaults, should they occur, and sized to an amount equal to 125% of average debt service over the life of all bond issues in the specific program. For the 2005 loan program there is flexibility to use any combination of bond bank assets, bond proceeds, or surety policies to satisfy reserve requirements. The balance in the pooled reserve is equivalent to many years of debt payments on even the largest of borrower loans.

### General Obligation Bonds

The majority of the Bond Bank's bonds have been issued to fund general obligation loans. Communities typically issue general obligation bonds to finance facilities that do not generate revenue, such as schools, roads, public safety and municipal buildings. Such bonds must be approved by the municipal voters in their respective communities.



## Revenue Bonds

The Bond Bank also funds loans for revenue bonds that are used to finance revenue-producing capital improvements such as utility or port facilities. Because they are not secured by a municipality's taxing power, such bonds do not normally require voter approval.

### 2005 Bond Indenture

In fiscal year 2006, the Bond Bank created the 2005 lending program that allows both general obligation and revenue bond loans, through the Bond Bank's issuance of general obligation bonds in the public marketplace. The ability to pool all general obligation and revenue bonds provides greater operational efficiency for the Bond Bank and provides additional flexibility and savings to communities. Other than certain lease backed and regional health organization obligations, all future lending is anticipated to flow through the 2005 program.

General obligation bonds issued by the Bond Bank, to purchase municipal general obligation and revenue bonds from communities issued through the 2005 bond indenture are secured by:

- ▶ For general obligation loans the full faith and credit of each respective community with no taxing limitation
- ▶ For revenue bond loans the revenues for the facility or enterprise being financed
- ▶ The Bond Bank's general obligation debt service reserve fund
- ▶ All unobligated Bond Bank assets
- ▶ The statutory right of the Bond Bank, in the event of default, to demand and receive any funds held by a state agency which are payable to the defaulting municipality
- ▶ The moral obligation of the State of Alaska to maintain the debt service reserves at their required levels
- ▶ The commitment to seek current-year State funding for reserve replenishment. This is currently funded in the State's FY2018 operating budget, and is included in the Governor's proposed operating budget for FY2019.

### 2010 Bond Indenture

During fiscal year 2011 the Bond Bank created the 2010 lending program. Currently, the only outstanding issues under the 2010 Bond Indenture are Series 2010 A-1 and Series 2010 A-2. The 2010 lending program has been reserved for certain lease backed obligations.

## CURRENT FINANCING SUMMARY

### AMBBA - FY2017 GENERAL OBLIGATION BOND ISSUES

*Saving Alaskans Over \$41.2 million in Financing Costs*

### \$109,835,000 – 2016 SERIES THREE & FOUR

*Generating \$123,134,425 of funding*

- **City & Borough of Juneau** – Renovations to the Capital Transit Maintenance Shop, and to refund bonds previously issued
- **City of Ketchikan** – Improvements to Harbor Facilities
- **Refinanced Bonds for Savings** - Aleutians East Borough, City of Bethel, City of Dillingham, Kenai Peninsula Borough, City of Kodiak, Kodiak Island Borough, City of Nome, Northwest Arctic Borough, City of Petersburg, City of Seward, City & Borough of Sitka, Municipality of Skagway, and the City of Wasilla

20 years (Varies by individual community); Overall Issuance True Interest Cost 2.82%

### \$100,715,000 – SERIES 2017A

- **Yukon-Kuskokwim Health Corporation (Regional Health Organization)** – Partially funded the Yukon-Kuskokwim Health Corporation's Dr. Paul John Calricaraq Project (hospital renovation and a new primary care clinic in Bethel, Alaska)

30 years; True Interest Cost 4.21%

### \$44,450,000 – 2017 SERIES ONE & TWO

*Generating \$47,110,339 of funding*

- **Kenai Peninsula Borough** – Improvements to the Central Peninsula Landfill, and Improvements to South Peninsula Hospital and Homer Medical Center
- **City of Seward** – Road Improvements
- **City of Unalaska** – Improvements to Port
- **City of Whittier** – Improvements to Harbor Facilities
- **2017 Series One** - 20 years (Varies by individual community); True Interest Cost 2.86%
- **2017 Series Two (AMT)** – 25 years (Varies by individual community) True Interest Cost 3.95%

## 2016 General Obligation Bond Indenture

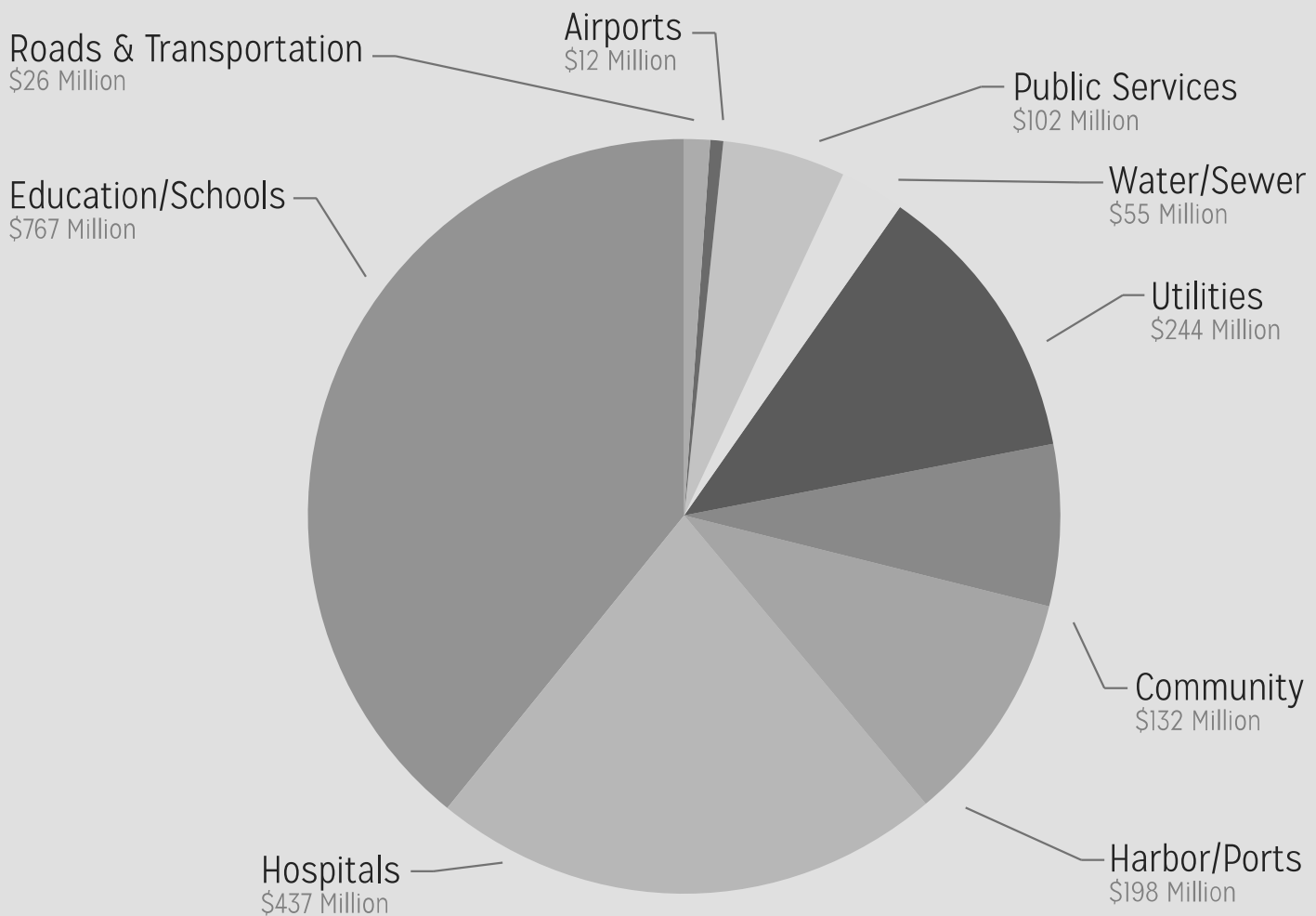
With the expansion of authority provided to the Bond Bank to lend to regional health organizations (RHO), the 2016 Bond Indenture was created in fiscal year 2016, and two loans have been completed to date. For RHOs to participate in a Bond Bank loan, there needs to be an anticipated financial benefit to the State of Alaska, and an increase in the regional quality of healthcare.

## Leveraging Alaska's Strong Credit Rating

Since 1975 the Bond Bank has relied on the State's strong credit rating to borrow at lower interest rates. During these 42 years all Bond Bank debt service has been paid by borrowers, but the amount of interest they paid was significantly reduced. This includes approximately \$41.2 million in savings in Fiscal Year 2017.

# USES OF BOND PROCEEDS—INCEPTION TO DATE

DOES NOT INCLUDE REFUNDINGS



# THE BOARD OF DIRECTORS

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The Bond Bank has five directors consisting of three public members appointed by the governor, the Commissioner of Revenue, and the Commissioner of Commerce, Community and Economic Development.

The Commissioners may appoint delegates to serve in their place.

## **Luke Welles**

### **Chairperson**

Mr. Welles was originally appointed to the Board on May 16, 2008. Mr. Welles became Vice President of Finance of the Arctic Slope Native Association, Ltd. in March 2011. Prior to this position, Mr. Welles served as Chief Financial Officer of LifeMed Alaska, LLC which provides medevac services in Alaska. Previously, Mr. Welles was the Chief Financial Officer for the Yukon-Kuskokwim Healthcare Corporation. He has management experience in healthcare, civil construction, and commercial real estate. He has served on several economic development commissions in the State, a city council in Homer, Alaska and multiple boards. Mr. Welles received a Bachelor of Arts in Foreign Service and International Business from Baylor University.

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## **Gregory Gurse**

### **Vice Chair**

Mr. Gurse was originally appointed to the Board on June 22, 2009. Mr. Gurse became President of Benefit Brokers, Inc. in 2001, after working as Vice President of Investments for Wedbush Morgan Securities for 11 years. Mr. Gurse also serves as a FINRA industry arbitrator in both civil and industry arbitration cases. After graduating from the University of Alaska Anchorage with a degree in finance, Mr. Gurse became involved with the University of Alaska Foundation. He served as the first Chairman of the UAA College of Fellows, served as a Trustee to the UA Foundation, and was a member of the Investment Committee to the UA Foundation. Mr. Gurse has served on both the State of Alaska Dental Examiner's Board and the United States Treasury Department's Taxpayer Advocacy Panel. He has served on the Investment Commission for the Municipality of Anchorage and several other local boards.

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## **Mike Navarre**

### **Department of Commerce, Community, and Economic Development**

The Governor recently announced the appointment of Mike Navarre as the Commissioner of the Department of Commerce, Community, and Economic Development. Commissioner Navarre was most recently in his second consecutive term as mayor of the Kenai Peninsula Borough, and third term overall; he has also twice been president of the Alaska Conference of Mayors. Previously, he served in the Alaska House of Representatives for six terms (1985-1996) where he held multiple leadership positions, including Majority Leader, and chair of the Finance and Rules Committees. Commissioner Navarre has over 30 years of business experience in restaurant and retail operations throughout Alaska. He holds a Bachelor's degree in Government with a minor in Economics from Eastern Washington University.

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## **Pamela Leary**

### **Delegate for the Department of Revenue**

Ms. Leary is the first delegate for Sheldon Fisher, Commissioner of the Department of Revenue. She is the Director of Treasury Division in the Department of Revenue and serves as the State Treasurer. She previously served in the Department of Revenue as State Comptroller from 2007 through 2013. Ms. Leary began her career as an auditor with Price Waterhouse and became a partner in the firm PricewaterhouseCoopers, LLP. After moving to Alaska, Ms. Leary owned and operated a business before reentering the accounting profession with the Alaska Permanent Fund Corporation. She holds a bachelor's degree in economics from the Wharton School, University of Pennsylvania, and is a certified public accountant in the State of Alaska.

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## **Craig Chapman**

### **Member**

Mr. Chapman was appointed to the board on July 21, 2017. Mr. Chapman is a lifelong Alaskan. He graduated from Gonzaga University with a Bachelor of Business Administration with an emphasis in accounting. He has been a licensed Certified Public Accountant in the State of Alaska since 1983. In addition to spending six years in public accounting, Mr. Chapman has over 30 years of experience in private and governmental financial management positions including 20 years at the Kenai Peninsula Borough with almost 12 years as Finance Director. He previously served on the State of Alaska, Board of Public Accountancy.

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The State's Department of Revenue, Treasury Division, fulfills management and administrative responsibilities for the Bond Bank.

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## **Deven Mitchell**

### **Executive Director & Treasurer**

Mr. Mitchell also serves as the State Debt Manager and Investment officer in the Department of Revenue, Treasury Division, with responsibility for the management of all debt of the State, was appointed Executive Director of the Bond Bank in 1999. Mr. Mitchell has worked for the State of Alaska Department of Revenue since 1992. He previously held several positions in Alaskan financial institutions. Mr. Mitchell holds a Bachelor of Science in Business Administration from Northern Arizona University. He has served as board member and chairman of the Wildflower Court Nursing Home and as board member and president of the Alaska Government Finance Officers Association, and currently is serving on the boards of the Alaska Municipal League and the Alaska Municipal League Joint Insurance Association.

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## **Ryan Williams**

### **Finance Director & Deputy Treasurer**

Mr. Williams, who also serves as Operations Research Analyst in the Department of Revenue, Treasury Division, was appointed Finance Director of the Bond Bank in 2014. Mr. Williams has worked for the Department of Revenue since 2009. Mr. Williams holds a Bachelor of Science Degree in Business Administration from the University of Southern California, with a concentration in International Business. He has served as a board member and currently is president of the Alaska Government Finance Officers Association.

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**Rather than employ staff, the Bond Bank contracts in the private sector for a wide range of professional services. The Executive Director and Finance Director coordinate the activities of these professionals, which include bond counsel, municipal advisor, accountants, auditors, fund trustees, bond trustees, arbitrage rebate consultants and investment managers.**

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# City of Homer

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

## Planning

491 East Pioneer Avenue  
Homer, Alaska 99603

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

(p) 907-235-3106

(f) 907-235-3118

TO: Katie Koester, City Manager  
THROUGH: Parks Art Recreation and Culture Advisory Commission  
FROM: Julie Engebretsen, Deputy City Planner  
DATE: July 12, 2018  
SUBJECT: Proposed Public Parks in Barnett South Slope Subdivision, Quiet Creek Park Addition

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### Introduction

Mr. Tony Neal is in the process of developing a 37 acres subdivision in central Homer, just north of the Homer High School. The development includes four “park” tracts. During the platting process, these were stated to be public parks. After the preliminary plat approval, Mr. Neal contacted planning staff to discuss the future use and ownership of these parks. Understandably, the buyers of lots within the new subdivision would want some idea of how the land could change. Similarly, the City needs to know what the development expectations are, and who would pay for any improvements.

### Properties

The proposed park lots range in size from just under ¼ acre to 1.6 acres. All contain wetlands and either creeks with running water, or drainage ways which may have seasonal flows. None of the lands are developable without an Army Corps of Engineers permit, and some contain ravines. These properties are not particularly useful as ball fields or other park uses that require large flat areas. Development of a small area for swing sets or a pocket park could be possible, such as can be found currently at Jeffery Park. With proper permits and good design work, trails could be constructed.

### Ownership

Staff and Mr. Neal discussed the idea of a homeowners association owning these parcels, Mr. Neal retaining ownership, and City ownership. Planning discussed the issue with Public Works, since all four properties have creeks/drainage areas that could affect downhill landowners. The staff consensus was that these should be in city ownership because of the potential drainage impacts on downhill landowners and the natural drainage system. The creek that runs next to the high school and the creek that flows adjacent to Mattox Ave both traverse a portion of the subdivision. Due to the location of the parks within their watersheds, a drainage easement is not the ideal tool. These lots are likely to be critical for long-term drainage management in Homer.

### Conveyance

Under HCC 18.06.030(a)5, and HCC 18.06.030(d), lands can be conveyed to the city in the plat process without action by the City Council or City Manager. In practice, the City Manager does sign the final plat, which constitutes City acceptance of easements, rights of way, and any real property. No Council acceptance of the properties is required.

### Park Plan

Once there was consensus from City staff and Mr. Neal that city ownership was preferred, planning staff discussed what land management tools are available. One tool the city uses is to adopt a park plan by resolution. Mr. Neal was amenable to this solution, as it provides an understanding of what the near term land use will be. In the long-term future if the neighborhood and city want to develop the parks in another way, there is a public process to amend the park plan.

Mr. Neal worked with staff to draft a park plan. Mr. Neal would like the lands to remain in their natural state, for wildlife and for people to enjoy and to allow non-motorized trails. Some trails may already be in existence informally. Mr. Neal made a presentation to the Parks, Art Recreation and Culture Advisory Commission on May 17, 2018. At that meeting, the Commission recommended the City accept the parks and shown on the preliminary plat.

### Next Steps

When the subdivision improvements are complete or a bond has been provided, the City Manager is authorized to sign the final plat. The final plat is anticipated in the next several months. In conjunction with the plat or thereafter, the City Council could adopt the park plan by resolution.

A park plan has been drafted and is attached. When the parks are flagged, staff will take pictures of the properties to include with the park plans. A draft resolution will be presented to the PARCAC Commission for their recommendation to the City Council.

### **Attachments**

1. Minutes Except, PARCAC meeting of May 17, 2019
2. Draft Park Plan

Session 18-05 A Regular Meeting of the Parks, Art, Recreation and Culture Advisory Commission was called to order on May 17, 2018 at 5:30 pm by Chair Deb Lowney at the Cowles Council Chambers City Hall located at 491 E. Pioneer Avenue, Homer, Alaska.

**PRESENT:** COMMISSIONERS LOWNEY, HARRALD, ARCHIBALD, ROEDL, ASHMUN, LEWIS, WALLS  
AND SALZMANN

**ABSENT:** COMMISSIONER FAIR, SHARP (EXCUSED)

**STAFF:** DEPUTY CITY PLANNER ENGBRETSSEN  
DEPUTY CITY CLERK KRAUSE  
RECREATION MANAGER ILLG  
PARKS COORDINATOR STEFFY

**APPROVAL OF THE AGENDA**

Chair Lowney called for a motion to approve the agenda.

LEWIS/ARCHIBALD – MOVED TO APPROVE THE AGENDA.

There was a no discussion.

VOTE. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

**PUBLIC COMMENT ON ITEMS ALREADY ON THE AGENDA**

**VISITORS**

A. Tony Neal, Quiet Creek Subdivision Parks

Mr. Neal provided an overview of the plan for the new subdivision that he was building and pointed out various sections that would be conservation areas/parks that were natural areas in comparison to a traditional groomed parkland area with playground and picnic tables.

Mr. Neal answered a few questions from the Commission regarding trails through these natural areas and noted that the topography and wetlands would prohibit some trails or require additional steps before use.

B. Billy Day, Diamond Creek Trail

Mr. Day presented a proposal to develop a portion of the city owned property that will eventually connect the Rogers Loop Trailhead, and tie in the “Cloud Streets” along Diamond Ridge.

He provided some information on the work that the State is doing on a proposed redesign of the Sterling Highway from Anchor Point to Homer, points of trailheads throughout the area and within city limits. Mr. Day provided the funding information that he had so far and was hoping to have the support of the Commission so that he could receive additional needed funding from the City to assist in leveraging other sources of funding. Mr. Day explained that this would be a non-motorized trail system that would be

ASHMUN/HARRALD MOVED TO APPROVE THE MEMORANDUM AS AMENDED, DELETING PARAGRAPH FIVE, CHANGING THE VERBIAGE AND FORWARD TO COUNCIL.

There was a brief discussion to provide clarification on the amendments.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

### **NEW BUSINESS**

#### A. Welcome New Commissioner

The Commission welcomed David Lewis and thanked him for signing up.

#### B. Quiet Creek Subdivision Park Plan

Chair Lowney read the title into the record.

ASHMUN/HARRALD MOVED TO RECOMMEND THE CITY ACCEPT THE PARKLANDS AS DELINEATED IN THE PRELIMINARY PLAT.

A brief discussion ensued regarding the intent to leave open natural areas in the planned subdivision, potential revenue loss to the city if these lots were buildable with information from Staff that they were not hence leaving them as natural landscape.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

#### C. Karen Hornaday Park Road and Safety Improvements

Chair Lowney read the title into the record acknowledged the laydown materials provided regarding the various scenarios on reconfiguring the parking and road and a brief overview of the worksession held up at the park.

The commission reviewed the proposed options that included a main parking design to delineate parking spaces with logs on each side of the road but putting a curve in the road at the northern edge of the east side parking lot with boulders delineating where the road is through the parking areas, a speed bump before and after the parking areas. A new gravel path from the gravel access road to the existing restroom that provides a culvert over the ditch will allow easier access to the facilities from the upper and lower fields this is estimated to cost \$40,000

The commissioners liked the proposed parking plan but still expressed some concerns with pedestrians having to cross the road if parking in the east side parking lot and the second trail alternate was good but alternate three was more aesthetically pleasing.

## DRAFT City of Homer Quiet Creek Park Subdivision Park Plan

### Introduction

The Quiet Creek Park Subdivision is centrally located in town, north of the Homer High School. The subdivision covers 37 acres, and includes approximately 64 residential lots. The subdivision also include four park tracts, which are dedicated as public park space and owned by the City of Homer.

Parks within the City of Homer may have a formally adopted park plan, which outlines how the park will be developed. Plans are adopted by Resolution of the Homer City Council, and maybe be amended in the future, as community needs and desire change.

### The parks

These public parks are intended to remain in their natural state as “nature reserves” where the native plants and native animals might find a small oasis in the middle of the growing urban territory of Homer. As the City grows, preservation of some natural areas will provide some balance to the neighborhoods. It is planned that no “improvements” will be done and the spaces will remain in their natural state. Work may be required to maintain drainage but will be done with the natural setting in mind. There is no plan to develop these properties into more formal parks such as playgrounds, lawn areas or sports fields.

The public may walk through the spaces and over time, trails may evolve. Foot trails may be part of the part plan but not motorized trails. Foot trails may be maintained and minimally improved by the City, always keeping in mind the nature reserve aspect.

Attachments – Plat map, aerial photo, topo map, probably some photographs of the property when road construction is further along

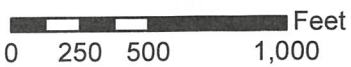






New Subdivision

## Vicinity Map



*Disclaimer:  
It is expressly understood the City of  
Homer, its council, board,  
departments, employees and agents are  
not responsible for any errors or omissions  
contained herein, or deductions, interpretations  
or conclusions drawn therefrom.*



Quarterly General Fund  
Expenditure Report  
For Quarter Ended June 30, 2018

	<b>Adopted FY18 Budget</b>	<b>Actual As of 6/30/18</b>	<b>Budget Remaining</b>	<b>% Budget Used</b>
<b><u>Revenues</u></b>				
Property Taxes	\$ 3,264,974	\$ 111,155	\$ (3,153,819)	3.40%
Sales and Use Taxes	6,474,133	2,206,294	(4,267,839)	34.08%
Permits and Licenses	28,588	24,834	(3,754)	86.87%
Fines and Forfeitures	22,154	5,795	(16,359)	26.16%
Use of Money	36,851	2,750	(34,101)	7.46%
Intergovernmental	697,355	267,080	(430,276)	38.30%
Charges for Services	594,808	304,438	(290,370)	51.18%
Other Revenues	-	19,260	19,260	100%
Airport	146,869	97,489	(49,380)	66.38%
Operating Transfers	1,189,764	1,178,264	(11,500)	99.03%
<b>Total Revenues</b>	<b>\$ 12,455,495</b>	<b>\$ 4,217,358</b>	<b>\$ (8,238,137)</b>	<b>33.86%</b>
<b><u>Expenditures &amp; Transfers</u></b>				
Administration	\$ 1,040,613	\$ 505,542	535,071	48.58%
Clerks	710,241	274,819	435,422	38.69%
Planning	364,987	174,882	190,104	47.91%
Library	887,710	406,214	481,496	45.76%
Finance	668,649	306,429	362,220	45.83%
Fire	1,061,339	455,920	605,419	42.96%
Police	3,267,428	1,548,934	1,718,494	47.41%
Public Works	2,558,787	1,136,792	1,421,995	44.43%
Airport	211,494	100,324	111,170	47.44%
City Hall, HERC	179,019	77,681	101,337	43.39%
Non-Departmental	94,000	94,000	-	100.00%
<b>Total Operating Expenditures</b>	<b>\$ 11,043,364</b>	<b>\$ 5,081,536</b>	<b>\$ 5,962,728</b>	<b>46.01%</b>
Transfer to Other Funds				
Leave Cash Out	\$ 161,373	\$ 161,373	\$ -	100%
Debt Repayment	-	-	-	-
Other	10,703	10,703	-	100%
<b>Total Transfer to Other Funds</b>	<b>\$ 172,076</b>	<b>\$ 172,076</b>	<b>\$ -</b>	<b>100%</b>
<b>Total Transfer to Reserves</b>	<b>\$ 1,240,055</b>	<b>\$ 1,240,055</b>	<b>\$ -</b>	<b>100%</b>
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 12,455,495</b>	<b>\$ 6,493,667</b>	<b>\$ 5,962,728</b>	<b>52.13%</b>
<b>Net Revenues Over(Under) Expenditures</b>	<b>\$ 0</b>	<b>\$ (2,276,309)</b>		

Quarterly Water and Sewer Fund  
Expenditure Report  
For Quarter Ended June 30, 2018

	<b>Adopted FY18 Budget</b>	<b>Actual As of 6/30/18</b>	<b>Budget Remaining</b>	<b>% Budget Used</b>
<b><u>Revenues</u></b>				
Water Fund	\$ 2,037,962	\$ 969,696	\$ (1,068,266)	47.58%
Sewer Fund	1,797,681	812,188	(985,493)	45.18%
<b>Total Revenues</b>	<b>\$ 3,835,643</b>	<b>\$ 1,781,884</b>	<b>\$ (2,053,759)</b>	<b>46.46%</b>
<b><u>Expenditures &amp; Transfers</u></b>				
<b><u>Water</u></b>				
Administration	\$ 181,131	\$ 78,504	\$ 102,627	43.34%
Treatment Plant	533,568	213,304	320,265	39.98%
System Testing	55,803	23,272	32,531	41.70%
Pump Stations	112,329	47,349	64,981	42.15%
Distribution System	286,169	138,974	147,195	48.56%
Reservoir	45,944	24,325	21,619	52.95%
Meters	184,333	117,613	66,720	63.80%
Hydrants	184,290	87,456	96,834	47.46%
<b><u>Sewer</u></b>				
Administration	\$ 161,679	\$ 65,771	95,909	40.68%
Plant Operations	572,039	258,325	313,714	45.16%
System Testing	66,006	34,556	31,450	52.35%
Lift Stations	186,021	83,087	102,934	44.67%
Collection System	238,471	109,310	129,161	45.84%
<b>Total Operating Expenditures</b>	<b>\$ 2,807,784</b>	<b>\$ 1,281,846</b>	<b>\$ 1,070,516</b>	<b>45.65%</b>
<b>Transfer to Other Funds</b>				
Leave Cash Out	\$ 19,960	\$ 19,960	-	100%
GF Admin Fees	484,119	484,119	-	100%
Other	43,398	44,410	(1,012)	102.33%
<b>Total Transfer to Other Funds</b>	<b>\$ 547,476</b>	<b>\$ 548,489</b>	<b>\$ (1,012)</b>	<b>100.18%</b>
<b>Total Transfer to Reserves</b>	<b>\$ 480,382</b>	<b>\$ 480,382</b>	<b>\$ -</b>	<b>100%</b>
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 3,835,643</b>	<b>\$ 2,310,717</b>	<b>\$ 1,069,504</b>	<b>60.24%</b>
<b>Net Revenues Over(Under) Expendi</b>	<b>\$ 0</b>	<b>\$ (528,833)</b>		

Quarterly Port and Harbor Fund  
Expenditure Report  
For Quarter Ended June 30, 2018

	Adopted FY18 Budget	Acutal As of 6/30/18	Budget Remaining	% Budget Used
<b>Revenues</b>				
Administration	\$ 527,240	\$ 234,718	\$ (292,522)	44.52%
Harbor	2,753,486	814,271	(1,939,214)	29.57%
Pioneer Dock	364,326	152,038	(212,289)	41.73%
Fish Dock	549,740	228,189	(321,551)	41.51%
Deep Water Dock	258,000	90,637	(167,363)	35.13%
Outfall Line	4,800	4,800	-	100.00%
Fish Grinder	12,000	998	(11,003)	8.31%
Load and Launch Ramp	135,000	69,633	(65,367)	51.58%
<b>Total Revenues</b>	<b>\$ 4,604,592</b>	<b>\$ 1,595,283</b>	<b>\$ (3,009,309)</b>	<b>34.65%</b>
<b>Expenditures &amp; Transfers</b>				
Administration	\$ 640,498	\$ 389,078	\$ 251,420	60.75%
Harbor	1,275,184	634,351	640,832	49.75%
Pioneer Dock	63,635	25,147	38,488	39.52%
Fish Dock	568,602	266,785	301,817	46.92%
Deep Water Dock	75,341	36,575	38,766	48.55%
Outfall Line	3,000	2,475	525	82.50%
Fish Grinder	22,000	19,419	2,581	88.27%
Harbor Maintenance	406,102	173,486	232,617	42.72%
Main Dock Maintenance	39,589	16,664	22,924	42.09%
Deep Water Dock Maintenance	50,089	21,145	28,943	42.22%
Load and Launch Ramp	85,482	28,908	56,574	33.82%
<b>Total Operating Expenditures</b>	<b>\$ 3,229,520</b>	<b>\$ 1,614,033</b>	<b>\$ 1,615,487</b>	<b>49.98%</b>
Transfer to Other Funds				
Leave Cash Out	\$ 57,636	\$ 57,636	\$ 0	100%
Debt Service	-	-	-	0%
GF Admin Fees	556,836	556,836	-	100%
Other	402,628	402,628	-	100%
<b>Total Transfer to Other Funds</b>	<b>\$ 1,017,100</b>	<b>\$ 1,017,100</b>	<b>\$ 0</b>	<b>100.00%</b>
<b>Total Transfer to Reserves</b>	<b>\$ 356,471</b>	<b>\$ 356,471</b>	<b>\$ -</b>	<b>100%</b>
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 4,604,592</b>	<b>\$ 2,987,604</b>	<b>\$ 1,615,488</b>	<b>64.88%</b>
<b>Net Revenues Over(Under) Expenditures</b>	<b>\$ 0</b>	<b>\$ (1,392,321)</b>		



# CITY ATTORNEY REPORT





# COMMITTEE REPORTS



PENDING BUSINESS



# NEW BUSINESS



# RESOLUTIONS





COMMENTS OF THE AUDIENCE  
COMMENTS OF THE CITY ATTORNEY  
COMMENTS OF THE CITY CLERK  
COMMENTS OF THE CITY MANAGER  
COMMENTS OF THE MAYOR  
COMMENTS OF THE CITY COUNCIL  
ADJOURNMENT

