

# City Council

Monday, August 13, 2018

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



# August 2018

- Monday 13<sup>th</sup>:**                   **CITY COUNCIL**  
Committee of the Whole 5:00 p.m. Regular Meeting 6:00 p.m.
- Tuesday 14<sup>th</sup>:**                   **HERC TASK FORCE**  
Regular Meeting 2:30 p.m.
- ECONOMIC DEVELOPMENT ADVISORY COMMISSION**  
Regular Meeting 6:00 p.m.
- Thursday 16<sup>th</sup>:**                   **ADA COMPLIANCE COMMITTEE**  
Regular Meeting 4:00 p.m.
- PARKS, ART, RECREATION AND CULTURE ADVISORY COMMISSION**  
Regular Meeting 5:30 p.m.
- Monday 20<sup>th</sup>:**                   **HERC BROWN BAG LUNCH**  
12:00 – 1:00 p.m. at the Homer Public Library
- Tuesday 21<sup>st</sup>:**                   **STATE OF ALASKA PRIMARY ELECTION**  
7:00 a.m. to 8:00 p.m.
- Wednesday 22<sup>nd</sup>:**               **PORT AND HARBOR ADVISORY COMMISSION**  
Regular Meeting 6:00 p.m.
- Monday 27<sup>th</sup>:**                   **CITY COUNCIL**  
Worksession 4:00 p.m. Committee of the Whole 5:00 p.m. 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





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.**

Mayor Zak has requested excusal.

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

**3. 2019 BUDGET PRIORITIES**

**Memorandum 18-092** from City Manager re: 2019 Budget Priorities

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**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 27, 2018 at 6:00 p.m., Worksession at 4:00 p.m. and 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 Manager

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## Memorandum 18-092

TO: Mayor Zak and Homer City Council  
FROM: Katie Koester, Homer City Manager  
DATE: August 8, 2018  
SUBJECT: 2019 Budget Priorities

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The purpose of this memo is to stimulate Council discussion on Budget Priorities for the 2019 proposed budget. According to the budget schedule adopted by Council, the first meeting in August the City Council directs the Manager on budget priorities for the following year during Committee of the Whole and the public provides direction under Public Hearing. Some of the things I am thinking about as I work on the 2019 draft budget include:

### **New police station coming online:**

The 2019 draft budget needs to take into consideration the fact that the City will be bringing on the new police station by late fall. This means we will need to be prepared with increased demands on building maintenance and janitorial services. I also would like to have some idea of what we are doing with the old police station to limit the time we are supporting the operational expense of the old facility (see City Manager report for more discussion on next steps).

### **First year without the suspension of Homer Accelerated Roads and Trails (HART):**

2019 will be the first budget year in 3 years that the City of Homer has approximately 60% of the Homer Accelerated Roads and Trails dollars to offset general fund dollars through the maintenance of roads and trails instead of the full 100%. The remaining 40%, or \$550,000, is dedicated to replenishing HART for capital improvement projects. Council has been prudent in their spending and spent the last few years building reserves to prepare for this, nevertheless the City will be contributing less to reserves in 2019 than in previous years.

### **Tight budget fatigue:**

I know my staff is tired of hearing no and years of living on tight operating budgets is taking their toll. I don't have a single department that has not expressed some need for staffing. The inevitable life emergencies that take employees out of work for long periods of time leaves the rest of the department scrambling and just getting by to cover, which means important long term projects get pushed to the side, overtime hours rack up, and staff get burnt out. Homer is busy and with that comes increased demand for services, whether it be signs, trails, parks, speeding tickets or public meetings and task forces. It all adds up. And I know you are all feeling the pressure too as constituents ask for more thoughtful (and time consuming) brush cutting, more recreational services, and a greater police presence in certain neighborhoods. There is reason to be hopeful though; both property taxes and sales taxes have remained stable. I am hopeful that after a couple years of living with the new HART structure and figuring out some of the unknowns on the horizon (like the

state budget and what the City will do with the HERC) will help with uncertainty and allow the Council to plan for the future.



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**  
**AUGUST 13, 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

## **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**

Mayor Zak has requested 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 Special and Regular Meeting Minutes from July 23, 2018. Recommend adoption.

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- B. **Memorandum 18-087** from Mayor Re: Reappointment of Roberta Highland to the Advisory Planning Commission. Recommend approval. Page 37
- C. **Memorandum 18-088** from City Clerk Re: Liquor License Amendment for Light House Grill. Recommend approval. Page 41
- D. **Memorandum 18-089** from City Clerk Re: Marijuana Retail Store License Renewal for Uncle Herbs. Recommend approval. Page 55
- E. **Memorandum 18-090** from City Council Re: Council Guidance to the HERC Task Force on HERC 2. Recommend approval. Page 65
- F. **Ordinance 18-37**, An Ordinance of the City Council of Homer, Alaska, Amending the 2018 Capital Budget by Appropriating up to \$48,590 from the Homer Accelerated Roads and Trails Program (HART) for Traffic Calming and Safety Improvements on Karen Hornaday Park Road. Stroozas. Recommended dates, Introduction August 13, 2018, Public Hearing and Second Reading August 27, 2018. Page 69
- G. **Ordinance 18-38**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code Title 2 to Repeal Homer City Code 2.32.020, and Enact Chapter 2.58 Entitled “Commissions and Boards” to Consolidate all General Provisions Regarding Boards and Commissions and to Provide for General Policies and Procedures for Boards and Commissions. Recommended dates, Introduction August 13, 2018, Public Hearing and Second Reading August 27, 2018. Page 85
- Memorandum 18-091 from City Clerk as backup Page 91
- H. **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. Recommend adoption. Page 93
- Memorandum 18-077 from Port Director as backup Page 95
- H. **Resolution 18-067**, A Resolution of the City Council of Homer, Alaska Expressing Support for a Homer Wilderness Leader’s (HoWL) Application to the Recreational Trail Grant Program of the State of Alaska Division of Parks and Outdoor Recreation to re-Establish Trail Corridors, Improve Tread, Repair Facilities and Assist Alaska State Parks with Needed Trail Project Work. Aderhold. Recommend adoption. Page 97

**7. VISITORS**

**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
5. Port and Harbor Advisory Commission

**9. PUBLIC HEARING(S)**

A. **2019 Budget Priorities**

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. Introduction July 23, 2018, Public Hearing and Second Reading August 13, 2018. Page 109

C. **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. Public Hearing August 13, 2018. Page 111

Memorandum 18-080 from Finance Director as backup Page 117

D. **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. Public Hearing August 13, 2018. Page 131

Memorandum 18-086 from City Manager as backup

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**10. ORDINANCE(S)**

- A. **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 July 23, 2018 and Postponed for Second Reading August 13, 2018. Page 141

**Ordinance 18-35(S)**, 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. Smith. Page 145

**11. CITY MANAGER’S REPORT**

- A. City Manager’s Report Page 171
- B. Bid Report Page 181

**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 27, 2018 at 6:00 p.m., Worksession at 4:00 p.m. and 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 18-18 a Special Meeting of the Homer City Council was called to order on July 23, 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

**ABSENT:** ADERHOLD (excused)

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

### **AGENDA APPROVAL**

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

Mayor Zak asked for a motion to approve the agenda.

ERICKSON/VENUTI SO MOVED

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

### **PUBLIC COMMENT ON MATTERS ALREADY ON THE AGENDA**

None

### **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)

Mayor Zak asked a motion for the approval of the recommendation of Memorandum 18-079 to adjourn into executive session to discuss Lease compliance regarding parcel numbers 18103444 and 18103452. He noted for the record that the City Attorney, City Manager, and

Harbormaster will participate.

VENUTI/STROOZAS MOVED TO GO INTO EXECUTIVE SESSION FOR MEMORANDUM 18-079

There was brief discussion.

VOTE: YES: VENUTI, SMITH, LORD, STROOZAS, ERICKSON

Motion carried.

Council adjourned into executive session at 4:06 p.m. and the Special Meeting reconvened at 4:54 p.m.

Councilmember Smith reported the Council met in executive session and discussed lease compliance for parcel numbers 18103444 and 18103452.

#### **COMMENTS OF THE AUDIENCE**

#### **ADJOURN**

There being no further business to come before the Council Mayor Zak adjourned the meeting at 4:55 p.m. The 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.

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MELISSA JACOBSEN, MMC, CITY CLERK

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

Session 18-19 a Regular Meeting of the Homer City Council was called to order on July 23, 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

**ABSENT:** ADERHOLD (excused)

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

Council met for a Special Meeting 4:00 p.m. for an Executive Session and Committee of the Whole 5:00 p.m. to discuss water and sewer rates in Homer City Hall Cowles Council Chambers.

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

#### **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 change was made: **CONSENT AGENDA 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. Water Sewer Yearly Comparison.

Mayor Zak asked for a motion to approve the agenda as amended.

ERICKSON/LORD SO MOVED

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

#### **MAYORAL PROCLAMATIONS AND RECOGNITIONS**

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

## 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 Regular Meeting Minutes of June 25, 2018 and Special Meetings of July 2, 2018. City Clerk. Recommend adoption.
  
- 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.
  
- 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.

Memorandum 18-081 from Public Works Director as backup

- 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.

Memorandum 18-082 from Public Works Director as backup

- 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.

Memorandum 18-083 from Public Works Director as backup

- 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.

Memorandum 18-084 from Deputy City Clerk as backup

- 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.

Memorandum 18-080 from Finance Director as backup

- 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.

Memorandum 18-086 from City Manager as backup

- 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.

Memorandum 18-085 from City Manager as backup

City Clerk Jacobsen read the consent agenda and its recommendations.

Mayor Zak asked for a motion for the adoption of the consent agenda as read.

ERICKSON/VENUTI SO MOVED

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

## **VISITORS**

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

Deputy Harbormaster Clarke, Employee Committee Chair, read the memo included in the packet that expressed the committee's support of Ordinance 18-35.

**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

Karin Marks, Economic Development Advisory Commission Chair, reported they have two new Commissioners who have been settling in and there is one vacant seat that needs to be filled. She and Special Projects and Communication Coordinator Carroll attended the Rotary Club of Soldotna's Kenai Peninsula Borough Community Forum. The subject was Revitalizing Rural Communities Building a 21<sup>st</sup> Century Economy and it was run by the Western Rural Development Center from Utah State University. It was quite informative and they hope to find something to work with, including doing something jointly with Soldotna and Kenai. She noted the Pioneer Revitalization Task Force and how good Pioneer Avenue is looking. She expressed appreciation for all who keep the gardens going.

Mayor Zak commented regarding Mrs. Marks' work on the Kenai Peninsula Economic Development District Board and noted the upcoming Outlook Forum is anticipated to be held in Homer this winter.

- 4. Parks Art Recreation and Culture Advisory Commission
  - A. Memorandum from Deputy City Planner Re: Karen Hornaday Park Road Alternatives
- 5. Port and Harbor Advisory Commission

**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.

Memorandum 18-072 from Public Works Director as backup

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

Mayor Zak asked for a motion for the adoption of Ordinance 18-30 by reading of title only for second and final reading.

ERICKSON/VENUTI SO MOVED

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

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.

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

Mayor Zak asked for a motion for the adoption of Ordinance 18-31 by reading of title only for second and final reading.

ERICKSON/LORD SO MOVED

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

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.

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

Mayor Zak asked for a motion for the adoption of Ordinance 18-32 by reading of title only for second and final reading.

ERICKSON/VENUTI SO MOVED

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

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.

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

Mayor Zak asked for a motion for the adoption of Ordinance 18-33 by reading of title only for second and final reading.

ERICKSON/LORD SO MOVED

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

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.



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

Mayor Zak asked for a motion for the adoption of Ordinance 18-34 by reading of title only for second and final reading.

ERICKSON/STROOZAS SO MOVED

Councilmember Lord commented there has been public input about cars driving fast along Ben Walters, about it being a scary place for pedestrians, and concern about the park there. In discussion with the City Manager and Police Chief, complaints come in from around the city periodically and all speed abatement efforts cost money. This device will provide data to back up future expenditures that may be needed in problem areas.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- 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.

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

Mayor Zak asked for a motion for the adoption of Ordinance 18-35 by reading of title only for second and final reading.

ERICKSON/VENUTI SO MOVED

Councilmember Lord noted the discussion during Committee of the Whole an interest in potentially postponing this until the next meeting when there is a full council to discuss it.

LORD/VENUTI MOVED TO POSTPONE ORDINANCE 18-35 TO THE NEXT MEETING.

VOTE (postponement): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

**ORDINANCE(S)**

## **CITY MANAGER'S REPORT**

### **A. City Manager's Report**

City Manager Koester noted her written report. She added that a few Councilmembers have expressed the desire to put up signage at the new Police Station site and staff is working on that and the cost will be around \$1500. Also, the City is moving forward with advertising for a Project Manager for the Police Station project and it will be posted on the City's website.

City Manager Koester acknowledged Council has received correspondence from neighbors near Jack Gist Park with concerns about the City being a good neighbor. She and the City's Parks Coordinator have met with those concerned with the noise near the park and the City will be working, in cooperation with the Disk Golf Association, on installing some signage and closing a section of the Disk Golf Park.

Councilmembers Lord and Stroozas thanked City Manager Koester for the information on financing for the new Police Station project, they think going with the Bond Bank is the best option for this project. Both felt other financing could be considered for smaller projects in the future.

## **CITY ATTORNEY REPORT**

City Attorney Wells commented there are projects pending currently and she'll have a quarterly report for Council in September.

## **COMMITTEE REPORT**

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

### **B. HERC Task Force**

Karin Marks, Task Force Member, commented the group has requested Council clarify if the Task Force should be addressing both buildings on the lot or only the large building.

There was brief discussion regarding the need to assess the site overall and also regarding the focus being on the main building. City Manager Koester said she will prepare a memo for the August 13<sup>th</sup> council meeting for Council to give direction to the Task Force.

## **PENDING BUSINESS**

## **NEW BUSINESS**

## **RESOLUTIONS**

### **COMMENTS OF THE AUDIENCE**

Robert Archibald, city resident and Parks Art Recreation and Culture Advisory Commissioner, apologized for missing the report earlier in the agenda. He commented on the memo included in the packet regarding Karen Hornaday Park Road Alternatives. The Commission and staff looked at several different designs and the one before the Council is probably the safest and the cheapest they could do without re-routing the road. There's a little S turn that will probably slow the traffic down coming from the camp ground and adding some summer time speed bumps could be incorporated. The road could be delineated with the rocks that are up there and a pedestrian area identified. He also commented about the successful Highland Games event recently held at Karen Hornaday Park, it was a good community effort.

Tom Zitzmann, city resident, thanked Council for the time and effort put into the development of the second iteration of the Police Department, specifically reducing the bond proposition from \$12 million to \$5 million. As someone who works with numbers and looking at the population of Homer it's easily \$1,500 to \$2,000 per person. Council deserves a big thank you, it's a lot of money and we to lose sight of that. It's easy for him to come and complain and voice his opinion on a topic that's not all that happy to talk about, but this is one that's very happy.

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

City Attorney Wells had no comment.

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

City Clerk Jacobsen commented that Absentee in Person Voting begins on August 6<sup>th</sup> for the August 21<sup>st</sup> Primary Election.

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

City Manager Koester had no comment.

### **COMMENTS OF THE MAYOR**

Mayor Zak expressed his appreciation for the community and the great job everyone is doing.

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

Councilmember Stroozas announced that on Saturday morning July 28<sup>th</sup> the Homer Elks Lodge will be doing a facelift at the Skateboard Park. Volunteers who wish to help scrape and repaint are welcome to join them. He noted this is weather dependent. This is being done through a grant from the Elks National Foundation under the Community Investments Grant Program that enables Elks Lodges to do worthwhile projects for their local communities.

Councilmember Venuti encouraged people to be very careful with their fires, it's very dry now. The Fire Department and Police Department have been very busy, she appreciates them and they keep us safe, but we have also have a responsibility to report flames and keep fires under control.

Councilmember Smith expressed his appreciation for our country after traveling to Peru. He's grateful for the experience to travel abroad and is grateful to be home.

Councilmember Lord commented about a Floral Designers retreat she's participating in, that the peonies are blooming, and the blooms are being sent out all over the world. She expressed her appreciation for the community and highlighted some of the events she and her family are participating in at the library, and for the swim club's efforts providing swimming lessons this summer. She also encouraged people to check out the Alaska Food Hub if they aren't able to make it to the Farmer's Market.

Councilmember Erickson commented there are a lot of fun things happening. She noted an upcoming softball tournament, Salmonfest, and Pier One Theater. She encouraged everyone to be safe on the roads and wished her grandson Niko a Happy Birthday.

**ADJOURN**

There being no further business to come before the Council Mayor Zak adjourned the meeting at 6:58 p.m. The 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.

---

MELISSA JACOBSEN, MMC, CITY CLERK

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



# City of Homer

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

## Office of the Mayor

491 East Pioneer Avenue  
Homer, Alaska 99603

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

(p) 907-235-3130

(f) 907-235-3143

## Memorandum 18-087

TO: HOMER CITY COUNCIL  
FROM: BRYAN ZAK, MAYOR  
DATE: AUGUST 7, 2018  
SUBJECT: REAPPOINTMENT OF ROBERTA HIGHLAND TO THE ADVISORY PLANNING COMMISSION

---

Roberta Highland is reappointed to the Advisory Planning Commission for a three-year term to expire July 1, 2021

### RECOMMENDATION:

Confirm the reappointment of Roberta Highland to the Advisory Planning Commission

Fiscal Note: N/A



To Melissa Jacobsen  
City Clerk  
City of Homer, AK.

July 27, 18



Filed Electronically  
[mjacobson@ci.homer.ak.us](mailto:mjacobsen@ci.homer.ak.us)

Dear Melissa,

Please accept this letter as a official request to be reappointed to the Homer  
Advisory Planning Commission.

Regards,

A handwritten signature in black ink that reads "Roberta Highland". The signature is written in a cursive style.

PO Box 246  
Homer, AK. 99603







# City of Homer

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

Office of the City Clerk

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Homer, Alaska 99603

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

(p) 907-235-3130

(f) 907-235-3143

## Memorandum 18-088

TO: MAYOR ZAK AND HOMER CITY COUNCIL

FROM: MELISSA JACOBSEN, MMC, CITY CLERK

DATE: AUGUST 7, 2018

SUBJECT: LIQUOR LICENSE RESTAURANT DESIGNATION AMENDMENT ADDING DESIGNATIONS FOR BLUFF POINT LIGHTHOUSE DRIVE-THRU GRILL, LLC

---

We have been notified by the Alcohol Marijuana Control Office of a liquor license restaurant designation amendment (adding designations) in the City of Homer for the following:

Lic. #	Doing Business As	License Type	Licensee	Premises Address
5528	Bluff Point Lighthouse Drive-Thru Grill, Inc.	Restaurant/Eating Place Public Convenience	Jane Pascall	725 Sterling Highway

RECOMMENDATION: Voice non objection and approval for the liquor license restaurant designation amendment.

Fiscal Note: Revenues.





# CITY OF HOMER

## POLICE DEPARTMENT

4060 HEATH STREET HOMER, AK 99603-7609

EMERGENCY 911  
TELEPHONE (907) 235-3150  
FAX (907) 235-3151

### MEMORANDUM

DATE: July 30, 2018  
TO: Rachel Tussey, Deputy City Clerk  
FROM: Mark Robl, Chief of Police  
SUBJECT: Liquor License Amendment

---

The Homer Police Department has no objection to the liquor license amendment for the following business:

License Type: Restaurant/Eating Place Public Convenience  
License #: 5528  
DBA Name: Bluff Point Lighthouse Grill  
Service Location: 725 Sterling Hwy., Homer, AK 99603  
Licensee: Bluff Point Lighthouse Drive-Thru Grill, Inc.  
Contact Person : Jane Pascall (907)299-2174



## City of Homer

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

## Office of the City Clerk

491 East Pioneer Avenue  
Homer, Alaska 99603

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

(p) 907-235-3130

(f) 907-235-3143

## Memorandum

TO: MARK ROBL, POLICE CHIEF

FROM: RACHEL TUSSEY, DEPUTY CITY CLERK

DATE: JULY 27, 2018

SUBJECT: LIQUOR LICENSE AMENDMENT APPLICATION FOR BLUFF POINT LIGHTHOUSE GRILL

---

The City Clerk's Office has been notified by the ABC Board of a Restaurant Designation Permit Application within the City of Homer, amending the liquor license currently held by the following business:

License Type:	Restaurant/Eating Place Public Convenience
License #:	5528
DBA Name:	Bluff Point Lighthouse Grill
Service Location:	725 Sterling Hwy., Homer, AK 99603
Licensee:	Bluff Point Lighthouse Drive-Thru Grill, Inc.
Contact Person:	Jane Pascall (907) 299-2174

This matter is scheduled for the August 13, 2018 City Council Regular Meeting. Please respond in a memorandum to the City Clerk's Office with objections/non-objections to this liquor license amendment no later than **Tuesday, August 7, 2018**.

Thank you for your assistance.



Alaska Alcoholic Beverage Control Board

**Form AB-03: Restaurant Designation Permit Application**

**What is this form?**

A restaurant designation permit application is required for a licensee desiring designation under 3 AAC 304.715 – 3 AAC 304.795 as a bona fide restaurant, hotel, or eating place for purposes of AS 04.16.010(c) or AS 04.16.049. Designation will be granted only to a holder of a beverage dispensary, club, recreational site, golf course, or restaurant or eating place license, and only if the requirements of 3 AAC 304.305, 3 AAC 304.725, and 3 AAC 304.745, as applicable, are met. A **detailed floor plan** of the proposed designated and undesignated areas of the licensed business and a **menu** or expected menu listing the meals to be offered to patrons must accompany this form. Applicants should review AS 04.16.049 – AS 04.16.052 and 3 AAC 304.715 – 3 AAC 304.795. All fields of this form must be completed. The required \$50 permit fee may be made by credit card, check, or money order.

**Section 1 – Establishment Information**

Enter information for licensed establishment.

<b>Licensee:</b>	Bluff Point Lighthouse Drive-Thru Grill, Inc.				
<b>License Type:</b>	Restaurant/Eating Place Public Convenience	<b>License Number:</b>	5528		
<b>Doing Business As:</b>	Bluff Point Lighthouse Grill				
<b>Premises Address:</b>	725 Sterling Hiway				
<b>City:</b>	Homer	<b>State:</b>	AK	<b>ZIP:</b>	99603
<b>Contact Name:</b>	Jane Pascall	<b>Contact Phone:</b>	(907) 299-2174		

**Section 2 – Type of Designation Requested**

This application is for the request of designation as a bona fide restaurant, hotel, or eating place for purposes of AS 04.16.010(c) or AS 04.16.049, and for the request of the following designation(s) (check all that apply):

- Dining after standard closing hours: AS 04.16.010(c)
- Dining by persons 16 – 20 years of age: AS 04.16.049(a)(2)
- Dining by persons under the age of 16 years, accompanied by a person over the age of 21: AS 04.16.049(a)(3)
- Employment for persons 16 or 17 years of age: AS 04.16.049(c)

NOTE: Under AS 04.16.049(d), this permit is not required to employ a person 18 - 20 years of age.

OFFICE USE ONLY				
<b>Issue Date:</b>		<b>Transaction #:</b>		<b>BRE:</b>





Alaska Alcoholic Beverage Control Board

**Form AB-03: Restaurant Designation Permit Application**

**Section 3 – Additional Information**

Enter all hours that your establishment intends to be open. Include variances in weekend/weekday hours, and indicate am/pm:

Mon.-Sunday 11 AM-10PM

Are any forms of entertainment offered or available within the licensed business or on the proposed designated portions of the premises?

Yes  No

If "Yes", describe the entertainment offered or available:

Guitar Music

Food and beverage service offered or anticipated is:

table service     buffet service     counter service     other

If "other", describe the manner of food and beverage service offered or anticipated:

Drive-Thru

Is an owner, manager, or assistant manager 21 years of age or older always present on the premises during business hours?

Yes  No

Blueprints, CAD drawings, or other clearly drawn and marked diagrams may be submitted in lieu of the third page of this form.

I have attached blueprints, CAD drawings, or other supporting documents in addition to, or in lieu of, the third page of this form that meet the requirements of this form.

Yes  No





Alcohol and Marijuana Control Office

550 W 7<sup>th</sup> Avenue, Suite 1600

Anchorage, AK 99501

[alcohol.licensing@alaska.gov](mailto:alcohol.licensing@alaska.gov)

<https://www.commerce.alaska.gov/web/amco>

Phone: 907.269.0350

Alaska Alcoholic Beverage Control Board

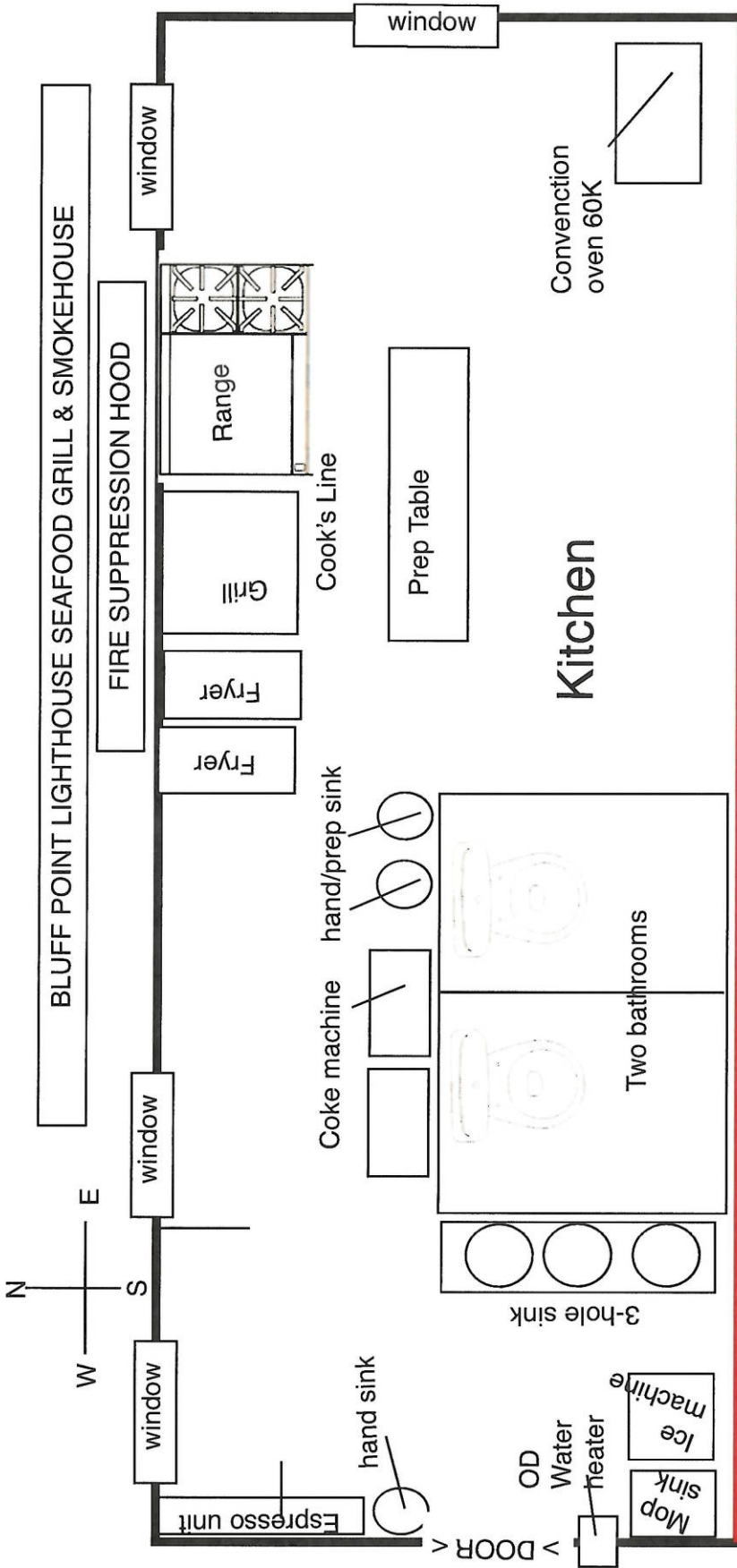
## Form AB-03: Restaurant Designation Permit Application

### Section 4 – Detailed Floor Plan

Provide a detailed floor plan that meets the requirements listed in Form AB-02 and clearly indicates the proposed designated and undesignated areas of the licensed business for purposes of this permit application.

See Attached

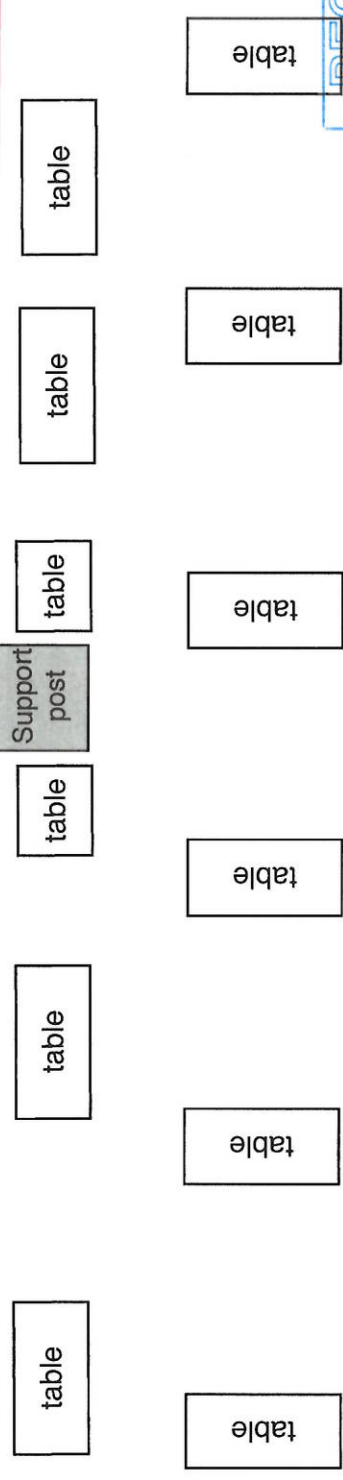




Dining Room: Area of Consumption  
 Service: Served from kitchen directly to table

Beer Wine storage area

Cash Register



RECEIVED  
 JUL 11 2018  
 ALCOHOL MARIJUANA CONTROL OFFICE  
 STATE OF ALASKA



Forest Glen Dr

Homer Independent Baptist Church



Thomas St

Sterling Hwy

St. Augustine's Episcopal Church



Lighthouse Seafood Grill



Car



Alcohol and Marijuana Control Office  
 550 W 7<sup>th</sup> Avenue, Suite 1600  
 Anchorage, AK 99501  
[alcohol.licensing@alaska.gov](mailto:alcohol.licensing@alaska.gov)  
<https://www.commerce.alaska.gov/web/amco>  
 Phone: 907.269.0350

Alaska Alcoholic Beverage Control Board

**Form AB-03: Restaurant Designation Permit Application**

**Section 5 – Certifications and Approvals**

Read each line below, and then sign your initials in the box to the right of each statement:

Initials

I have included with this form a detailed floor plan of the proposed designated and undesignated areas of the licensed business for purposes of this application. I understand that this diagram is different than my licensed premises diagram.



I have included with this form a menu, or an expected menu, listing the meals to be offered to patrons.



I certify that the license for which I am requesting designation is either a beverage dispensary, club, recreational site, golf course, or restaurant or eating place license.



I declare under penalty of perjury that this form, including all attachments and accompanying schedules and statements, is true, correct, and complete.

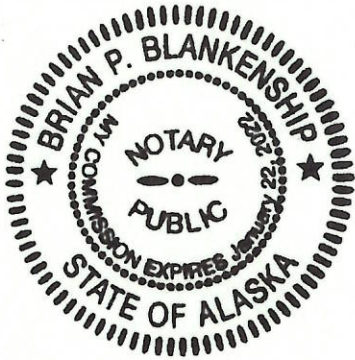
Jane Pascall  
 Signature of licensee

[Signature]  
 Signature of Notary Public

JANE PASCALL  
 Printed name of licensee

Notary Public in and for the State of Alaska

My commission expires: 01/22/2022



Subscribed and sworn to before me this 11<sup>th</sup> day of July, 2018.

Local Government Review (to be completed by an appropriate local government official):

Approved      Disapproved



\_\_\_\_\_  
 Signature of local government official

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Printed name of local government official

\_\_\_\_\_  
 Title





Alaska Alcoholic Beverage Control Board

**Form AB-03: Restaurant Designation Permit Application**

**AMCO Enforcement Review:**

\_\_\_\_\_  
Signature of AMCO Enforcement Supervisor

\_\_\_\_\_  
Printed name of AMCO Enforcement Supervisor

**Enforcement Recommendations:**

**AMCO Director Review:**

Approved      Disapproved

\_\_\_\_\_  
Signature of AMCO Director

\_\_\_\_\_  
Printed name of AMCO Director

\_\_\_\_\_  
Date

**Limitations:**



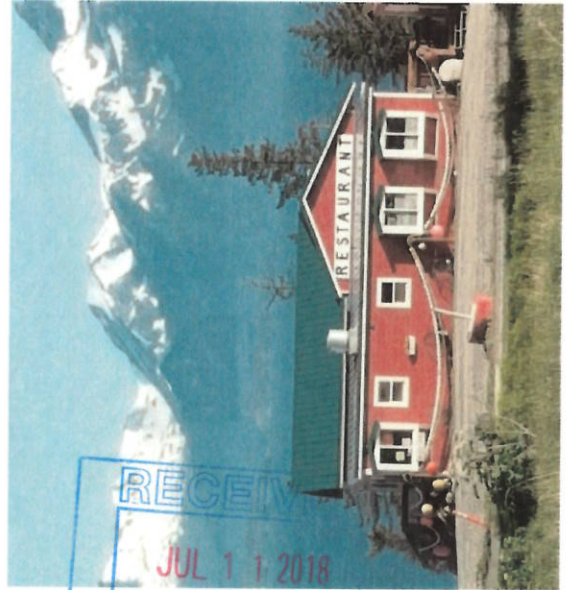


Juicy Hamburgers, Smoked Brisket,  
Delicious Sandwiches,  
Fresh Salads & Clam Chowder  
Seafood in Season

Dine in or Drive Thru  
Call in for Take Out

Located just west of town

725 Sterling Hwy | (907) 226-2003



## Burgers

Most burgers served with "The Works" lettuce, tomato, onion, mayo, ketchup & mustard on a Brioche bun with French fries

**Lighthouse "SIGNATURE" Burger 15**  
A tower of two patties, double cheese, onion ring, bacon, BBQ sauce, grilled onions, lettuce, tomato

**Smoked Brisket Burger 14.95**  
Succulent, house-smoked brisket, BBQ sauce, 2 slices of bacon a top a juicy patty served on a Brioche bun

**Bacon Cheeseburger 12.95**  
Thick slices of bacon, choice of cheese on Brioche bun

**Blue Cheese Bacon burger 12.95**  
Blue cheese, crisp bacon on a Brioche bun

**Mushroom & Swiss Burger 12.95**  
Sautéed mushrooms covering a juicy burger topped with melted swiss cheese

**Classic Burger 9.95**  
Lettuce, tomato, onion, ketchup, mustard, mayo on a Brioche bun

**Cheeseburger 10.95**  
Includes "the works" with your choice of cheese

**Chili Burger 9.95**  
Lighthouse chili topped with cheddar cheese, onions  
Gluten Free Bun \$1.50 extra

Most burgers come with American cheese or your choice of Cheddar | Swiss Pepper Jack Provolone | Blue Cheese | Mozzarella

Additional Ranch, BBQ Sauce, Tarter Sauce, Hollandaise, Cocktail Sauce .50 each

**Milkshakes, Malts, Root Beer Float**

Milkshakes   20 oz	\$5.75
Root Beer Floats (or soda choice)	\$4.50
Chocolate   Vanilla ice cream	
Rainbow sherbert	\$3.95
Ice Cream Sundae	\$6.75

Sweets de Jour: Triple fudge brownies, chocolate chip cookies, pumpkin roll



from the  
**Lil' Red  
Smokin'  
Shed**

We smoke our brisket and pork  
in house using only the finest cuts of meat  
in our Lil' Red Smokin' Shed

**Smoked Brisket Platter 17.95**  
A 1/2 pound of succulent, tender, tasty smoked brisket complemented by your choice of two sides: coleslaw, chili beans or macaroni salad (sub green salad \$2)

**BBQ Brisket Sandwich 14.95**  
A perfect balance of succulent, tender, tasty smoked brisket, french fries and choice of two sides

**Philly Cheese Smoked Brisket Sandwich 14.95**  
Our take on the Philly Cheese, smoked brisket served with french fries and choice of two sides

**French Dip Brisket Sandwich 14.95**  
A heaping portion of tender, aromatic smoked brisket, tasty au jus served with french fries and choice of two sides

**Pulled Pork Sandwich 11.95**  
Smoky sweet pulled pork and housemade slightly spicy coleslaw, served on a Brioche bun, french fries

**Smoked Brisket Burger 14.95**  
Succulent, house-smoked brisket, BBQ sauce, thick-cut bacon a top a juicy patty on Brioche bun, french fries

**Reuben Sandwich 12.95**  
Served on marble rye bread with sauerkraut and homemade Russian Dressing, Swiss cheese includes fries

## Sandwiches

All sandwiches include our Signature french fries

### Reuben Sandwich 12.95

Our house-cured corned beef served hot between grilled marble rye bread topped with sauerkraut and homemade Russian Dressing, melted Swiss cheese

### Meatball Sandwich 12.95

Tender, juicy meatballs smothered in a savory red sauce served atop a hoagie roll with mealated mozzarella cheese

### Savory Chicken Mozzarella Hoagie 12.95

Crispy Chicken breast, thick-cut bacon, mozzarella cheese, fresh tomato, crisp lettuce, chipotle mayo

### Classic BLT 9.95

Thick-sliced bacon, fresh tomato, crisp lettuce, mayo

### Patty Melt 9.95

Served on Marble Rye with melted Swiss cheese, grilled onions, 1000 Island dressing

## Wraps

Bacon Ranch Wrap with grilled or crispy chicken 10.95  
tomato, crisp lettuce, on a 12" spinach or flour tortilla

Caesar Wrap with grilled or crispy chicken 10.95  
tomato, crisp lettuce, Caesar salad dressing on a 12"

Add Fries \$2

## For the Kids

Mini Cheeseburger (ketchup & pickles) with fries ..... \$8

Mini Classic burger (ketchup & pickles) with fries ..... \$7

Add extras .50 each

Grilled Cheese Sandwich with fries ..... \$7

Chicken Fingers with fries ..... \$8

Cheese Quesadilla with fries ..... \$7

Consuming raw or uncooked meat, seafood or egg products can increase your risk of foodborne illness

## Breakfast all Day

## Omelets

Omelets come with your choice of hash browns or homefries and toast

Smoked Brisket Omelet 12.95

Denver Omelet 11.95

Southwestern 11.95

Meat lovers Omelet 12.95

Vegetarian Omelet 9.95

Eggs Benedict 12

Corned Beef Hash

Our flavorful House-made corned beef mixed with potatoes, two eggs, toast 12.95

Chicken Fried Steak 12.95

Lighthouse Breakfast Burrito 4.95

Carnivore Burrito 9.95

Biscuits & Gravy (1/2 or full order) 5 | 7.95

Breakfast Sandwich (bacon, sausage or ham) 6.50

Classic Breakfast 9.95

Two Eggs any style choice of bacon or sausage hash browns or homefries, toast

Combo breakfast 12.95

Pancake Combo 7.95

French Toast combo 7.95

A la carte:  
One Egg, \$1.95; toast, biscuit or muffin \$2.95, sausage, bacon, hashbrowns or homefries \$3.50 each. Short Stack pancakes, \$5.95; full stack, \$7.95. French toast \$5.95

## Starters

### Classic Grilled Quesadilla 9.95

Add Smoked Brisket, Pulled Pork or Bacon \$3  
Chicken grilled or crispy \$2

Basket of French Fries 6 | Basket of Onion Rings 8

Cheesy Fries 7 | Chili Cheesy Fries 9

Calamari fillet strips with cocktail sauce \$10

Mozzarella Sticks 5.95 | Jalapenos Poppers 5.95

House Garden Salad with choice of dressing \$4.95

## Salads

### Blackened Chicken 13.95

Tender chicken breast, pan seared and served on a bed of fresh greens your choice of salad dressing

### Lighthouse "Farmers Market" Salad 10.95

Fresh market greens may include: Romaine and/or mesclun greens tomatoes, carrots, onions, mushrooms, bell peppers. Add, ham or grilled or crispy chicken \$3 each

Choice of dressing: Blue Cheese, Honey Mustard, Ranch, Balsamic Vinaigrette, Caesar or French

### Caesar Salad 10.95

Romaine lettuce, tomatoes, and croutons dressed with parmesan cheese, Add grilled or crispy chicken add \$3

## Soups

### Lighthouse Clam Chowder

Creamy housemade chowder Cup 5.95 | Bowl 9.95

Clam Chowder and Salad 9.95

## Fountain Drinks

Coke, Diet Coke, Sprite, Root Beer, Dr. Pepper, Lemonade,

Sweet Tea and Unsweetened Tea, bottled water 2.00







# City of Homer

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

Office of the City Clerk

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Homer, Alaska 99603

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

(p) 907-235-3130

(f) 907-235-3143

## Memorandum 18-089

TO: MAYOR ZAK AND HOMER CITY COUNCIL  
FROM: MELISSA JACOBSEN, MMC, CITY CLERK  
DATE: AUGUST 7, 2018  
SUBJECT: RETAIL MARIJUANA STORE LICENSE RENEWAL FOR UNCLE HERB'S

---

We have been notified by the Alcohol Marijuana Control Office of a retail marijuana store renewal application in the City of Homer for the following:

Lic. #	Doing Business As	License Type	Licensee	Premises Address
12866	Uncle Herb's	Retail Marijuana Store	Eden Management Group, LLC	1213 Ocean Drive Unit 2

Per Homer City Code 21.62.040 the City Planner has reviewed the site and operation and finds Uncle Herb's is in compliance with Homer City Zoning Codes and recommends approval of the renewal of license 12866 for the marijuana retail store.

RECOMMENDATION: Confirm the approval of the retail marijuana store renewal application for Uncle Herb's.

Fiscal Note: Revenues.







## 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

August 6, 2018

State of Alaska  
Alcohol and Marijuana Control Board  
500 W 7<sup>th</sup> Avenue, Suite 1600  
Anchorage, AK 99501  
[marijuana.licensing@alaska.gov](mailto:marijuana.licensing@alaska.gov)

RE: 2018 Renewal License 12866, Uncle Herb's Retail Marijuana Store

Ericka McConnell,

As part of the City of Homer's application review process, I have been designated per Homer City Code (HCC) 21.62.040 to make recommendations on all proposed marijuana establishments within city limits.

I have reviewed the site and operation of the retail marijuana facility. I find that Uncle Herbs in compliance with Homer City Zoning Codes. I recommend approval of the renewal of License 12866 for the marijuana retail facility.

Sincerely,

Rick Abboud, AICP  
Homer City Planner





## City of Homer

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

Police Department

4060 Heath Street  
Homer, Alaska 99603

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

(p) 907-235-3150

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

### Memorandum

TO: RACHEL TUSSY, ADMINISTRATIVE ASSISTANT  
FROM: Ryan Browning, Lieutenant *RF02*  
DATE: July 16, 2018  
SUBJECT: retail Marijuana Store License Renewal

---

There is no objection to this renewal.

**License #:** 12866  
**Doing Business as:** Uncle Herb's  
**License Type:** Retail Marijuana Store  
**Licensee:** Eden Management Group. LLC  
**Designated Licensee:** Lloyd Stiassny  
**Business Address:** 1213 Ocean Drive, Unit #2 Homer, AK 99603  
PO Box 9017 Anchorage, AK 99509



## City of Homer

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

## Office of the City Clerk

491 East Pioneer Avenue

Homer, Alaska 99603

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

(p) 907-235-3130

(f) 907-235-3143

## Memorandum

TO: MARK ROBL, POLICE CHIEF  
CC: JONA FOCHT, COMMUNICATIONS SUPERVISOR  
FROM: RACHEL TUSSEY, ADMINISTRATIVE ASSISTANT  
DATE: JULY 16, 2018  
SUBJECT: RETAIL MARIJUANA STORE LICENSE RENEWAL FOR UNCLE HERB'S

---

We have been notified by the Alcohol and Marijuana Control Office of a renewal application for a retail marijuana license in the City of Homer for the following:

Type: Retail Marijuana Store  
Lic #: 12866  
DBA Name: Uncle Herb's  
Service Location: 1213 Ocean Drive, Unit 2, Homer, AK 99603  
Licensee: Eden Management Group, LLC  
Designated Licensee: Lloyd Stiassny  
Mailing Address: P.O. Box 90171 Anchorage, AK 99509

This matter is scheduled for the July 23, 2018 City Council meeting. Please respond with objections/non-objections to this retail marijuana license renewal by **10:00 am. Wednesday, July 18, 2017.**

Thank you for your assistance.

Attached: AMCB Renewal Application  
Uncle Herb's License Info/Status



Alcohol and Marijuana Control Office  
 550 W 7<sup>th</sup> Avenue, Suite 1600  
 Anchorage, AK 99501  
[marijuana.licensing@alaska.gov](mailto:marijuana.licensing@alaska.gov)  
<https://www.commerce.alaska.gov/web/amco>  
 Phone: 907.269.0350

Alaska Marijuana Control Board

## Form MJ-20: Renewal Application Certifications

### What is this form?

This renewal application certifications form is required for all marijuana establishment license renewal applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306. A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

**This form must be completed and submitted to AMCO's main office by each licensee (as defined in 3 AAC 306.020(b)(2)) before any license renewal application will be considered complete.**

### Section 1 – Establishment Information

Enter information for the licensed establishment, as identified on the license application.

Licensee:	Eden Management Group, LLC	License Number:	12866		
License Type:	Retail Marijuana Store				
Doing Business As:	UNCLE HERB'S				
Premises Address:	1213 Ocean Drive Unit 2				
City:	Homer	State:	AK	ZIP:	99603

### Section 2 – Individual Information

Enter information for the individual licensee who is completing this form.

Name:	Lloyd Stiasny
Title:	Member

### Section 3 – Changes to Licensed Marijuana Establishment

Read each line below, and then sign your initials in the box to the right of only the applicable statement:

Initials

I certify that **no changes have been made**, except for those that have been previously reported or requested on a form prescribed by the Board, to this licensed establishment's business name, ownership, licensed premises diagram, or operating plan, and (for marijuana product manufacturers) that I do not wish to request Board approval for production of any new proposed marijuana products.

I certify that **a change has been or will be made** to one or more of the items listed above for this establishment, and I understand that an additional form(s) and fee(s) must be submitted to AMCO before any renewal application for this license can be considered complete.

*If you have selected the second certification, please list any and all of the types of changes that need to be reported/requested:*



Alaska Marijuana Control Board  
**Form MJ-20: Renewal Application Certifications**

**Section 4 – Certifications**

Read each line below, and then sign your initials in the box to the right of any applicable statements: Initials

- I certify that I have **not** been convicted of any criminal charge in the previous two calendar years.
- I certify that I have **not** committed any civil violation of AS 04, AS 17.38, or 3 AAC 306 in the previous two calendar years.
- I certify that a notice of violation has **not** been issued for this license.

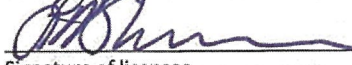
Sign your initials to the following statement **only if you are unable to certify one or more of the above statements:** Initials

I have attached a written explanation for why I cannot certify one or more of the above statements, which includes the type of violation or offense, as required under 3 AAC 306.035(b).

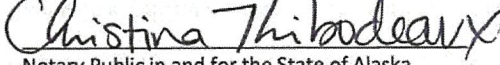
Read each line below, and then sign your initials in the box to the right of each statement: Initials

- I certify that no person other than a licensee listed on my marijuana establishment license renewal application has a direct or indirect financial interest, as defined in 3 AAC 306.015(e)(1), in the business for which the marijuana establishment license has been issued.
- I certify that I meet the residency requirement under AS 43.23 for a permanent fund dividend in the 2018 calendar year.
- I certify that this establishment complies with any applicable health, fire, safety, or tax statute, ordinance, regulation, or other law in the state.
- I certify that I am operating in compliance with the Alaska Department of Labor and Workforce Development's laws and requirements pertaining to employees.
- I certify that I have not violated any restrictions pertaining to this particular license type, and that this license has not been operated in violation of a condition or restriction imposed by the Marijuana Control Board.
- I certify that I understand that providing a false statement on this form, the online application, or any other form provided by or to AMCO is grounds for rejection or denial of this application or revocation of any license issued.

As an applicant for a marijuana establishment license renewal, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Marijuana Control Board in support of this application and understand that failure to do so by any deadline given to me by AMCO staff may result in additional fees or expiration of this license.

  
 Signature of licensee  
**Lloyd Stiasny**  
 Printed name of licensee

CHRISTINA THIBODEAUX  
 Notary Public  
 State of Alaska  
 My Commission Expires Mar 31, 2021

  
 Notary Public in and for the State of Alaska  
 My commission expires: March 31, 2021

Subscribed and sworn to before me this 18 day of May, 2018.

AMCO Received 6/18/2018

**From:** Blankenship, Johni  
**To:** [Melissa Jacobsen](mailto:Melissa.Jacobsen@amco.localgovernmentonly.alaska.gov); [AMCO Local Government Only \(CED sponsored\) \(amco.localgovernmentonly@alaska.gov\)](mailto:AMCO Local Government Only (CED sponsored) (amco.localgovernmentonly@alaska.gov))  
**Subject:** Uncle Herb's renewal 12866 Retail Marijuana Store  
**Date:** Monday, June 25, 2018 11:33:31 AM  
**Attachments:** [image001.png](#)

---

Melissa, the KPB Finance department has reviewed the renewal application for Uncle Herb's Retail Marijuana Store and has no objection to the 2018 Renewal application.

Thank you,

**Johni Blankenship, MMC**  
Borough Clerk  
(907) 714-2162 direct

KENAI PENINSULA BOROUGH  
144 North Binkley Street  
Soldotna, Alaska 99669



PUBLIC RECORDS LAW DISCLOSURE: This email and responses to this email may be subject to provisions of Alaska Statutes and may be made available to the public upon request.







# City of Homer

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

Office of the City Manager

491 East Pioneer Avenue  
Homer, Alaska 99603

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

(p) 907-235-8121 x2222

(f) 907-235-3148

## Memorandum 18-090

TO: HERC Task Force  
FROM: Homer City Council  
DATE: August 8, 2018  
SUBJECT: City Council Guidance on HERC 2

---

The purpose of this memo is to respond to the Task Force's request for additional guidance on HERC 2, or what is currently the Building Maintenance Shop. HERC 2 has not been studied to the extent of HERC 1, the larger building has to determine structural integrity and potential life span. Both were built at same time, of the same material (concrete) and are showing their age, albeit HERC 2 more so. It is unlikely there will be a new use that is cost effective to bring HERC 2 up to code. Continuing to use it in the way it is being used as a shop is consistent with Fire Marshall's approval and Building Maintenance should be able to operate out HERC 2 in the foreseeable future in a safe manner.

After reviewing the four scenarios City Council tasked the HERC Task force with in Resolution 18-036(A), the only scenario where relocating Building Maintenance could be necessary is item four, demoing HERC 1. Under item four it would be prudent to develop a cost estimate for removing both structures. The remaining three scenarios, and to some extent the fourth depending on the proposed location of a new facility on site, all allow for the continued existing use of HERC 2 as a Building Maintenance shop.

1. Can the upstairs of the HERC be safely used with no capital improvements?
2. What are the minimum improvements that would be needed to safely use the entire HERC facility and cost associated with those improvements?
3. What are the desirable improvements that need to be made to the entire HERC facility to allow it to be used to its full potential for the next 10 years?
4. What would it cost to demo the HERC and build a new facility that meets the recreation needs of the community on the existing site?

In conclusion, consideration by the HERC task force of the future for HERC 2 should be limited to an estimate on the cost to demo the facility. The 'entire HERC facility' in Resolution 18-036(A) should be interpreted to mean upstairs, downstairs, and parking and outdoor spaces associated with HERC 1 only.



**ORDINANCE REFERENCE SHEET**  
**2018 ORDINANCE**  
**ORDINANCE 18-37**

An Ordinance of the City Council of Homer, Alaska, Amending the 2018 Capital Budget by Appropriating up to \$48,590 from the Homer Accelerated Roads and Trails Program (HART) for Traffic Calming and Safety Improvements on Karen Hornaday Park Road.

Sponsor: Stroozas.

1. Council Regular Meeting August 13, 2018 Introduction



**CITY OF HOMER  
HOMER, ALASKA**

Stroozas

**ORDINANCE 18-37**

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA, AMENDING THE 2018 CAPITAL BUDGET BY APPROPRIATING UP TO \$48,590 FROM THE HOMER ACCELERATED ROADS/TRAILS PROGRAM (HART) FOR TRAFFIC CALMING AND SAFETY IMPROVEMENTS ON KAREN HORNADAY PARK ROAD.

WHEREAS, Karen Hornaday Park Improvements, Phase 2 is a project on the Capital Improvements Plan that focuses on safe access to the Park by relocating the access road; and

WHEREAS, In 2012 the cost of relocating the access road was estimated at \$726,000; and

WHEREAS, Safety improvements such as traffic calming, parking lot improvements and dedicated pedestrian corridors will greatly increase safety at a much lower cost without prohibiting a future project that moves the road when funding becomes available; and

WHEREAS, Memorandum 18-041 from the Homer City Council requests the Parks Art Recreation and Culture Advisory Commission (PARCAC) to generate recommendations for safety access improvements at Karen Hornaday Park; and

WHEREAS, Recommended safety improvements from PARCAC included shifting the road slightly east at the upper portion of the existing parking lot, defining the edges of the parking lots with boulders, installing speed bumps and organizing parking; and

WHEREAS, The project should install permanent concrete stops and landscaping shrubbery whenever possible to prolong the life span of the improvement and visual appeal; and

WHEREAS, PARCAC also recommended improving the trail on the west side of the access road to ADA standards which is not addressed in this ordinance.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The FY 2018 Capital Budget is hereby amended by appropriating up to \$48,590 from the Homer Accelerated Roads/Trails Fund (HART) for Karen Hornaday Park Traffic Calming and Safety Improvements.

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
620-0375 (HART)	KHP Traffic Calming and Safety Improvements	\$48,590

44 Section 2. This is a budget amendment ordinance, is not permanent in nature, and shall  
45 not be codified.

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

48  
49 CITY OF HOMER

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

54  
55 ATTEST:

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

60  
61 YES:

62 NO:

63 ABSTAIN:

64 ABSENT:

65

66 First Reading:

67 Public Hearing:

68 Second Reading:

69 Effective Date:

70

71 Reviewed and approved as to form:

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73

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

76

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

\_\_\_\_\_

Holly Wells, City Attorney

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

Cost Estimate  
 Karen Hornaday Park Traffic Calming Improvements

Contractor Work Item	Quantity	Unit	Unit Price	Contractor Work Cost	City Material Cost
Mob/Demob	LS	-	\$2,500	\$2,500	\$0
Furnish and Install City-Provided 3' Dia. Boulders	54	EA	\$75	\$4,050	\$10,200
Install City-Provided Seasonal Speed Bumps	5	EA	\$1,400	\$7,000	\$6,000
Install City-Provided Speed Limit Signs	4	EA	\$95	\$380	\$800
Install City-Provided Crosswalk Signs	8	EA	\$95	\$760	\$1,600
Place City-Provided Parking Delimitation Logs	18	EA	\$450	\$8,100	\$7,200
				\$22,790	\$25,800
				Total Project Cost =	\$48,590







# 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.)

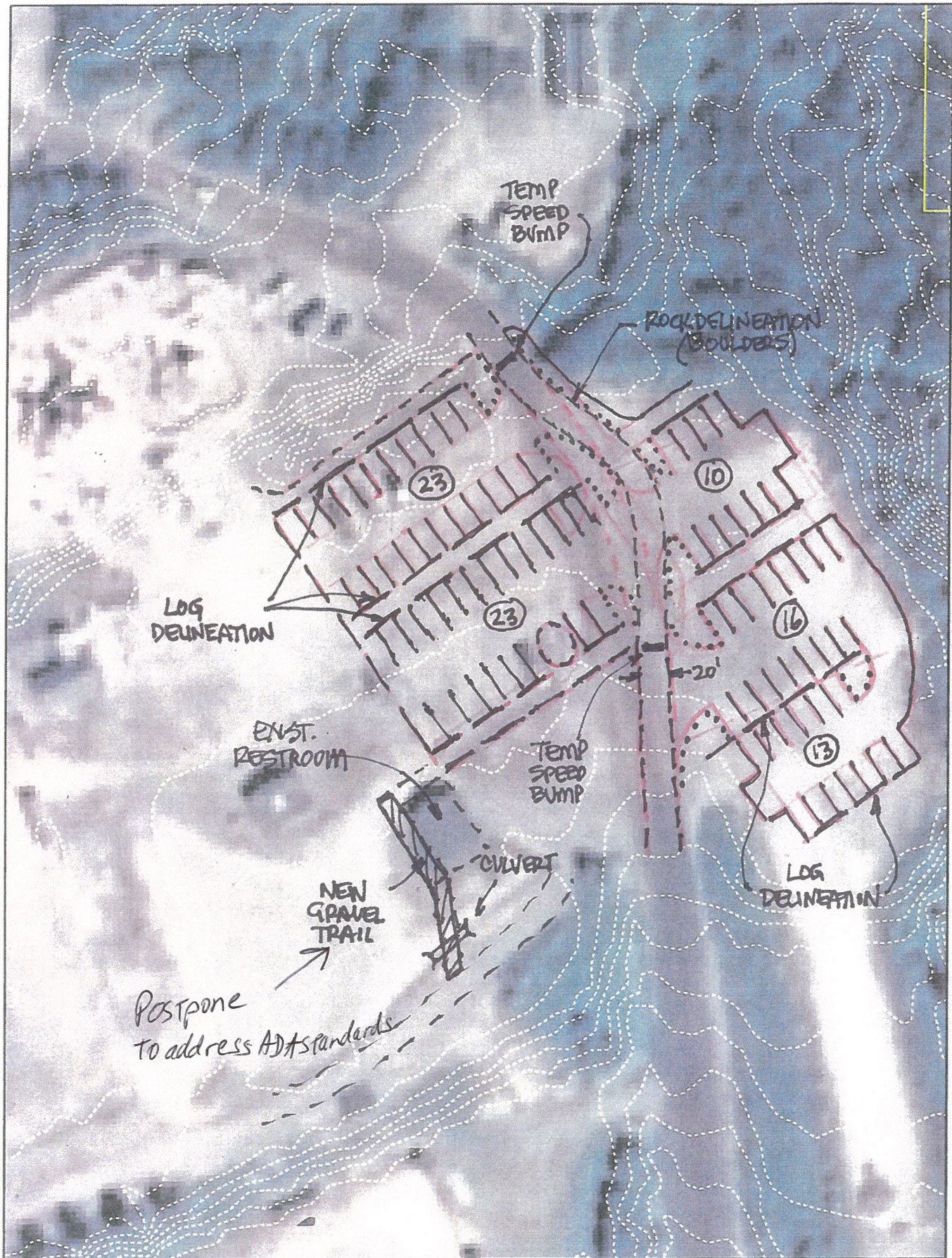
The Commission reached consensus that two of the proposals would increase safety for park users. First, the "Parking Improvements" consisting of shifting the road slightly east at the upper portion of the existing parking lot, defining the edges of the parking lots with the boulders already at the park, 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

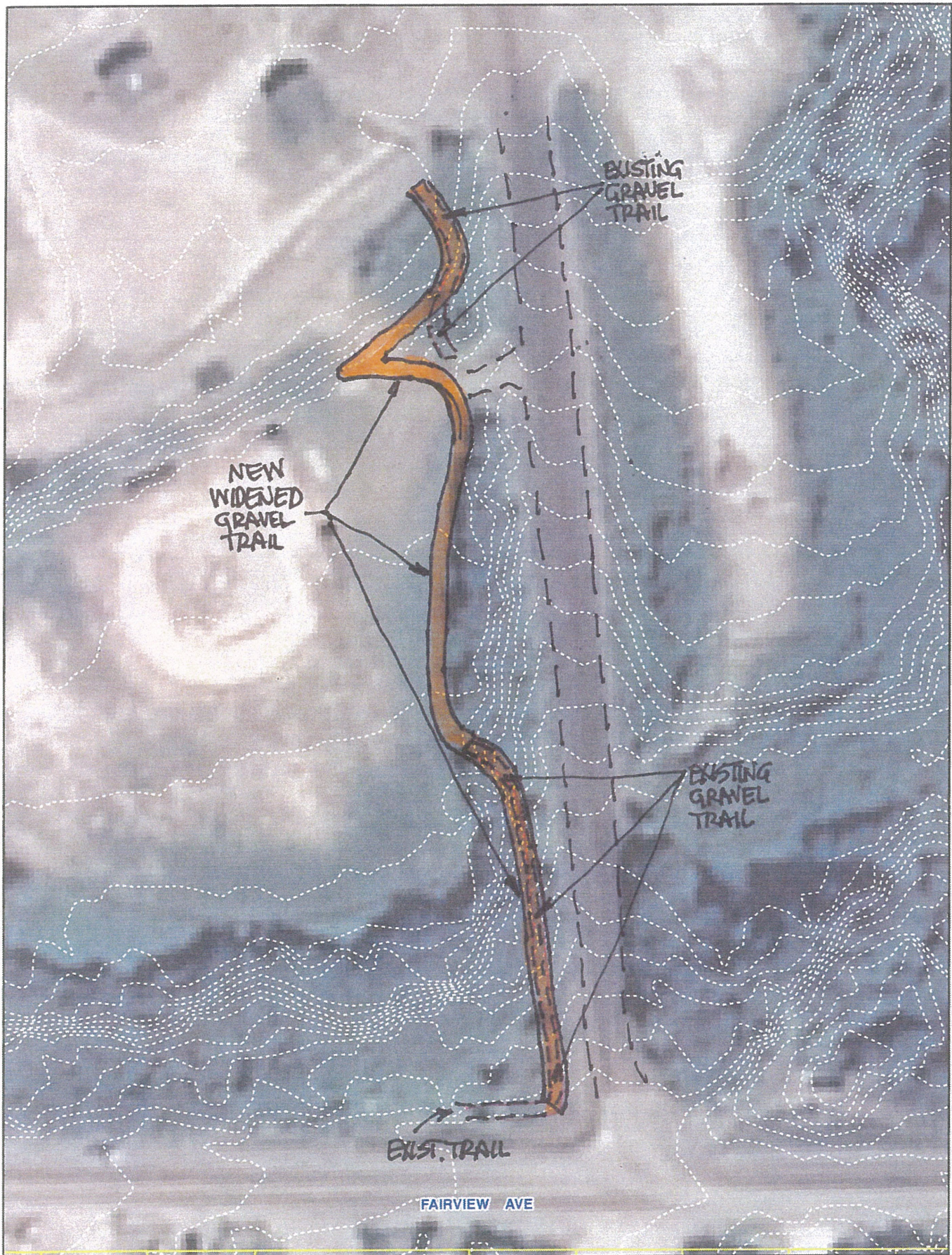
1. Parking Improvements
2. Meandering Trail improvements ("Alternative 3")
3. Memorandum 18-041
4. PARCAC minutes excerpts from June 21 and May 17





1 inch = 60 feet

KHP - PARKING IMPROVEMENTS  
75



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

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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

**ORDINANCE REFERENCE SHEET**  
**2018 ORDINANCE**  
**ORDINANCE 18-38**

An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code Title 2 to Repeal Homer City Code 2.32.020, and Enact Chapter 2.58 Entitled “Commissions and Boards” to Consolidate all General Provisions Regarding Boards and Commissions and to Provide for General Policies and Procedures for Boards and Commissions.

Sponsor: City Clerk.

1. Council Regular Meeting August 13, 2018 Introduction

Memorandum 18-91 from City Clerk as backup



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

City Clerk

3  
4 **ORDINANCE 18-38**

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6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA  
7 AMENDING HOMER CITY CODE TITLE 2 TO REPEAL HOMER CITY  
8 CODE 2.32.020, AND ENACT CHAPTER 2.58 ENTITLED  
9 “COMMISSIONS AND BOARDS” TO CONSOLIDATE ALL GENERAL  
10 PROVISIONS REGARDING BOARDS AND COMMISSIONS AND TO  
11 PROVIDE FOR GENERAL POLICIES AND PROCEDURES FOR  
12 BOARDS AND COMMISSIONS  
13

14 WHEREAS, It is in the City of Homer’s best interest to provide guidance regarding the  
15 existence, purpose, and uniform procedures for boards and commissions created by Homer  
16 City Council and the members appointed to serve upon them; and  
17

18 WHEREAS, Currently, the Code has chapters procedures for the Parks, Art, Recreation,  
19 and Culture Advisory Commission, the Port and Harbor Advisory Commission, Economic  
20 Development Advisory Commission, and the Advisory Planning Commission, and the Library  
21 Advisory Board is found in a separate section under 2.48 Public Library.  
22

23 NOW, THEREFORE, The City of Homer Ordains:  
24

25 Section 1. HCC 2.23 is amended to repeal HCC Section 2.32.020 as follows:  
26

27 Chapter.2.32  
28

29 DEPARTMENTS AND ~~DIRECTORS~~ ~~BOARDS~~  
30

31 Sections:  
32

33 2.32.010 Departments-Directors  
34 ~~2.32.020~~ ~~Boards and commissions.~~  
35 2.32.030 Designation and function of departments.  
36 2.32.040 Departmental administrative fee schedule.  
37

38 Section 2. Homer City Code is amended to enact Chapter 2.58 entitled “Commissions  
39 and Boards” to read as follows:  
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41 Chapter.2.58  
42 BOARDS AND COMMISSIONS

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Sections:

- 2.58.010 Boards and commissions.
- 2.58.020 Creation of City boards and commissions.
- 2.58.030 Applicability.
- 2.58.035 Commission and board member terms.
- 2.58.040 Commission and board bylaws.
- 2.58.050 Required procedures.

2.58.010 Boards and commissions.

City Council may create or abolish boards and commissions. Council shall create or abolish boards and commissions via ordinance. Council shall establish the number of members of each board or commission, their terms of office, and the purpose for which the board or commission is created via ordinance.

2.58.020 Creation of City boards and commissions.

The following commissions and boards have been created by City Council and are subject to this chapter unless otherwise provided in this title:

1. Library Advisory Board
2. Parks, Art, Recreation, and Culture Advisory Commission
3. Port and Harbor Advisory Commission
4. Advisory Planning Commission
5. Economic Development Advisory Commission

2.58.030 Applicability.

Except as otherwise provided within this Title, this chapter applies to all boards and commissions created by City Council which exercise powers vested in the City of Homer or which serve as an advisory body of the City. This chapter does not apply to standing committees, special committees, work groups or task forces which are created jointly with other governing bodies, City staff or which do not exercise powers vested in the City.

2.58.035 Commission and board member terms.

Appointment and removal of the members of boards and commissions shall be by recommendation of the Mayor and confirmation of such action by the Council,

84 except as may otherwise be specifically provided for in the statutes of the State of  
85 Alaska and/or under other provisions of the Code. In addition to the voting members of  
86 the board or commission the Mayor may appoint honorary members of the board or  
87 commission, subject to confirmation by the Council. The honorary members' terms are  
88 to be determined at the time of appointment. Honorary members of the board or  
89 commission may participate in the deliberations of the board or commission, but may  
90 not vote, nor shall they be counted in determining whether a quorum is present.

91  
92 2.58.040 Commission and board bylaws.

93  
94 (a) Except as otherwise provided in this Title, all boards and commissions  
95 created by City Council shall draft and approve proposed bylaws governing  
96 the operations of their respective areas of authority, subject to city attorney  
97 review. Once approved by the board or commission, the proposed bylaws  
98 shall be submitted to the Council for approval via resolution.

99  
100 (b) Except as otherwise provided in this Title, the City Clerk shall file the bylaws  
101 and the resolution approving them. The City Clerk shall make the bylaws  
102 available to the public upon request.

103  
104 (c) Except as otherwise provided in this Title, a commission or board may  
105 amend its bylaws or City Council may amend a board's or commission's  
106 bylaws as follows:

107  
108 1. A commission or board may amend its bylaws with approval a majority  
109 of voting members so long as notice of said proposed amendment is  
110 given to each member in writing.

111  
112 2. The proposed amendment shall be introduced at one meeting and  
113 action shall be taken at the next Commission meeting.

114  
115 3. The amendment shall be presented in the form of a Resolution by the  
116 City Council and shall be forwarded to the City Council through the City  
117 Clerk at the earliest possible date.

118  
119 2.58.050 Required procedures.

120  
121 Except as otherwise provided in this Title, bylaws for boards and commissions shall  
122 contain:

- 124 (a) *Presiding officer.* The presiding officer of the board or commission shall be the  
125 chairperson. In the chairperson's absence, the vice-chairperson shall be the  
126 presiding officer. In all other circumstances, the most senior member shall preside.  
127 The presiding officer shall preserve order and decorum at all meetings of the board  
128 or commission, while promoting discussion by all members in deliberations.  
129
- 130 (b) *Staff liaison.* The City Manager shall designate an employee to serve as a staff liaison  
131 to each board or commission. The staff liaison shall assist the chairperson in setting  
132 meetings, preparing agendas, and other documentary material, and coordinating  
133 the acquisition of needed materials and training.  
134
- 135 (c) *Recording clerk.* The city clerk shall designate a recording clerk to take minutes for  
136 each board and commission and that designee shall serve as the board's or  
137 commission's parliamentary advisory pursuant to AS 29.20.380(10) and assist the  
138 chairperson with compliance with the commission's or board's bylaws.  
139
- 140 (d) *Quorum.* Four commission or board members shall constitute a quorum of seven  
141 members; and five commission or board members shall constitute a quorum of  
142 eight members.  
143
- 144 (e) *Voting.* Each member, including the chairperson, shall vote, and shall not abstain  
145 from voting, unless such member claims a conflict of interest, in which event the  
146 member shall be excused from voting. The member shall then state for the record  
147 the basis for the abstention and complete a statement of potential conflict of  
148 interest form.  
149
- 150 1. Four affirmative vote of seven members and five affirmative votes of  
151 eight members, are required to pass a motion.  
152
  - 153 2. Voting will be by a roll call vote, the order to be rotated; or by unanimous  
154 consent if no objection is expressed.  
155
  - 156 3. Voting by proxy or absentee is prohibited.  
157
- 158 (f) *Staff reports and recommendations.* The staff liaison shall submit reports and  
159 recommendations for those agenda items requiring decisions or recommendations  
160 by the board, commission or committee. Other staff having experience, education  
161 and professional training in the subject matter may provide input into the reports  
162 and recommendations, or may provide supplemental ones. The material submitted  
163 may be oral, written or graphic, or some combination of all. The reports and  
164 recommendations shall be accepted as evidence of record to the same extent as



165 oral testimony and exhibits accepted from applicants, opponents, persons who are  
166 subjects of an inquiry, expert and lay witnesses, and members of the public who  
167 provide information for the record of the proceedings.  
168

169 (g) *Attendance.* Any commission or board member who misses three consecutive  
170 regular meetings without being excused, or 30 percent of all meetings within a  
171 calendar year, shall be removed from the board or commission. Any member, who  
172 is unable to attend a meeting, whether regular or special, shall contact the City  
173 Clerk, staff liaison, or chairperson as soon as possible for excusal.  
174

175 (h) *Vacancies.* A commission or board member's appointment is vacated under the  
176 following conditions:  
177

- 178 1. A member fails to qualify to take office within 30 days after their appointment;
- 179
- 180 2. A member resigns;
- 181
- 182 3. A member is physically or mentally unable to perform the duties of the office;
- 183
- 184 4. A member is convicted of a felony or of an offence involving a violation of their  
185 oath of office;
- 186
- 187 5. A member misses three consecutive regular meetings without being excused, or  
188 30 percent of all meetings within a calendar year.  
189

190 (i) *Rules of order.* Boards and Commissions shall abide by the current edition of  
191 Robert's Rules of Order. If Robert's Rules of Order conflict with the board or  
192 commission bylaws or other provisions of this Code, the bylaws and/or Code  
193 provisions shall apply.  
194

195 (j) *Training and model procedures.*  
196

197 (1) Training sessions developed or arranged by the City Clerk and approved by the  
198 City Manager shall be mandatory unless a member's absence is excused by the  
199 chairperson.  
200

201 (2) The City Manager and/or City Clerk, in their discretion and in consultation with  
202 the City Attorney as needed, may develop model procedures to be used as a  
203 guide for boards and commissions.  
204

205 Section 3. This ordinance shall take effect upon its adoption by the Homer City Council.





# City of Homer

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

Office of the City Clerk

491 East Pioneer Avenue  
Homer, Alaska 99603

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

(p) 907-235-3130

(f) 907-235-3143

## Memorandum 18-091

TO: MAYOR ZAK AND HOMER CITY COUNCIL

THROUGH: KATIE KOESTER, CITY MANAGER

FROM: MELISSA JACOBSEN, MMC, CITY CLERK

DATE: AUGUST 7, 2018

SUBJECT: ORDINANCE 18-38 UNIFORM PROCEDURES FOR BOARDS AND COMMISSIONS

---

In May I was fortunate to be able to attend the International Institute of Municipal Clerks Annual Conference and participate in a session on Boards and Commissions. It sparked some interest in reviewing current processes related to the City's advisory bodies, addressing challenges related to recruiting new members, training, and consistency with the overall process for the groups.

Currently the boards and commissions have some rules established, but they aren't consistent among the groups, for example the attendance requirements differ, and there isn't clear instruction on the role of the staff member assigned to the groups.

This new code language outlines a basic uniform process for boards and commissions, it outlines the roles and responsibilities of staff members assigned to the groups, and addresses annual board and commission training.

Each Board and Commission will continue to have their own bylaws specific to their roles and responsibilities. Each group's bylaws will have to be amended and approved by resolution after the adoption of this ordinance.

### **Next Steps**

While working with the City Manager and City Attorney on Ordinance 18-38 we discussed:

- Changing term expirations for boards and commissions to fall on the same date (still maintaining the staggered three year term where two to three terms expire each year). The goal of this change is to allow an opportunity to open and better advertise a filing period for board and commission seats in an effort to reduce the number of vacancies, and increase the opportunity for more people to become involved.
- Moving board and commission sections and chapters so they are included under one heading.

Due to the complexity in making these particular changes, that will come forward in a future ordinance unless Council chooses to postpone Ordinance 18-38 to a date certain to bring back a substitute ordinance to incorporate all the changes at one time.



**CITY OF HOMER  
HOMER, ALASKA**

City Clerk/  
Port Director

**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.

WHEREAS, In accordance with the Procurement Policy the Request for Proposals was advertised in the Homer News on May 3 and 10, 2018, sent to two in-state plans rooms, and posted on the City of Homer website; and

WHEREAS, Proposals were due Thursday, June 7, 2018 and two proposals were received; and

WHEREAS, The Peninsula Plumbing and Heating, Inc. of Soldotna was found to be responsive; 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 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 authorizes the City Manager to execute the appropriate documents.

PASSED AND ADOPTED by the Homer City Council this 25<sup>th</sup> day of June, 2018.

CITY OF HOMER

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

ATTEST:

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

Fiscal note: Port and Harbor Depreciation Reserves – \$92,290





## City of Homer

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

Port and Harbor

4311 Freight Dock Road  
Homer, AK 99603

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

(p) 907-235-3160

(f) 907-235-3152

### Memorandum 18-077

TO: Homer City Council through Katie Koester, City Manager

FROM: Bryan Hawkins, Port Director

DATE: June 19, 2018

SUBJECT: RFP for the Fish Dock Waterline Replacement

Re: Results of the city of Homer's request for proposals for the Fish Dock waterline replacement advertisement.

The waterline under the fish dock is a potable water source original to the structure and has been requiring increasing amounts of maintenance to keep the aging galvanized pipe and heat trace elements from failure.

In November of 2017 the City issued a request for proposals as a qualifications based bid request with cost being secondary, seeking solutions to address the replacement of the aging waterline on the City's Fish Dock with the advertisement. None of the proposals were within the project estimate approved by the City council of \$30,000. State requirements that all those who work on the project be Journeymen and the required Davis/Bacon wage scale for all projects over \$25,000 effected estimated costs significantly, as well as higher than expected traditional material costs. Because the review committee did not find a complete proposal that was within the estimate listed by Ordinance 17-34(A) it was recommended that all proposed bids be rejected. Staff revised the scope of the project incorporating the information learned from the contractor's proposals with the intention of putting it back out to RFP with the new scope.

The RFP was re-advertised on May 3<sup>rd</sup> 2018 with this revised scope of work. The City received one complete proposal and one incomplete proposal. The complete proposal was submitted by Peninsula Plumbing and Heating, Inc. for a total of \$92,290.00

It is staff's recommendation that Peninsula Plumbing & Heating, Inc. be awarded the bid for this RFP.

The time line for this project's work phase will begin in August 15 of 2018 and be completed by December 31, 2018 in order not to interfere with early spring fisheries startup on the fish dock.





**CITY OF HOMER  
HOMER, ALASKA**

Aderhold

**RESOLUTION 18-067**

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA EXPRESSING SUPPORT FOR A HOMER WILDERNESS LEADERS (HOWL) APPLICATION TO THE RECREATIONAL TRAIL GRANT PROGRAM OF THE STATE OF ALASKA DIVISION OF PARKS AND OUTDOOR RECREATION TO RE-ESTABLISH TRAIL CORRIDORS, IMPROVE TREAD, REPAIR FACILITIES AND ASSIST ALASKA STATE PARKS WITH NEEDED TRAIL PROJECT WORK

WHEREAS, The Homer Wilderness Leaders (HoWL) mission is to empower young leaders aged 9-16 by providing outdoor, experiential education through fun and dynamic adventures in Alaska; and

WHEREAS, HoWL has been a growing and valuable part of the greater Homer community since 2009, offering opportunities for youth to connect with each other while learning wilderness and leadership skills, environmental stewardship, and teamwork; and

WHEREAS, HoWL offers outdoor educational programming to youth that is unique in its curriculum and impact on the local community; and

WHEREAS, HoWL programming includes participating in trail improvement projects within Kachemak Bay State Park, which assists park staff with maintaining trails and facilities that otherwise would not have been maintained or improved; and

WHEREAS, HoWL intends to take on new Kachemak Bay State Park projects at five locations over the next two years that are designed to re-establish trail corridors, improve tread, repair facilities and assist Alaska State Parks with needed trail project work; and

WHEREAS, Local trail networks that attract visitors to our community and the educational programs offered by HoWL are beneficial to the citizens of Kachemak Bay; and

WHEREAS, Trail and facility improvements will enhance the value of these trail systems, be designed for maximum sustainability, and will allow greater access to and appreciation of the natural environment in Kachemak Bay.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby expresses its strong support for HoWL's grant application to the Recreational Trail Grant Program to re-

42 establish trail corridors, improve tread, repair facilities and assist Alaska State Parks with  
43 needed trail project work.

44

45 PASSED AND ADOPTED by the Homer City Council on this 13th day of August, 2018.

46

47

48

CITY OF HOMER

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\_\_\_\_\_  
DONNA ADERHOLD, MAYOR PRO TEMPORE

53

54 ATTEST:

55

56

57

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

59

60 Fiscal Note: N/A

# VISITORS



ANNOUNCEMENTS  
PRESENTATIONS  
BOROUGH REPORT  
COMMISSION REPORTS



# PUBLIC HEARING(S)





CITY OF HOMER  
PUBLIC HEARING NOTICE  
CITY COUNCIL MEETING

Ordinance 18-36  
Resolutions 18-064 and 18-065  
2019 Budget Priorities

A public hearing is scheduled for Monday, August 13, 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.

2019 Budget Priorities

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.

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.

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.

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 August 9, 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:

**2019 Budget Priorities**

**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.

**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.

**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.

...was distributed to the City of Homer kiosks located at City Clerk's Office, and the Homer Public Library on Friday, August 3, 2018 and posted on the City website on Friday, August 3, 2018.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal of said City of Homer this 3<sup>rd</sup> day of August 2018.



*Rachel Tussey*  
Rachel Tussey, Deputy Clerk I

**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
2. Council Regular Meeting August 13, 2018 Public Hearing and Second Reading



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:

30  
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.

39  
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: \_\_\_\_\_

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.

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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

177

CITY OF HOMER

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179

180

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

181

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

491 East Pioneer Avenue  
Homer, Alaska 99603

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

(p) 907-235-8121

(f) 907-235-3140

## Memorandum 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:**

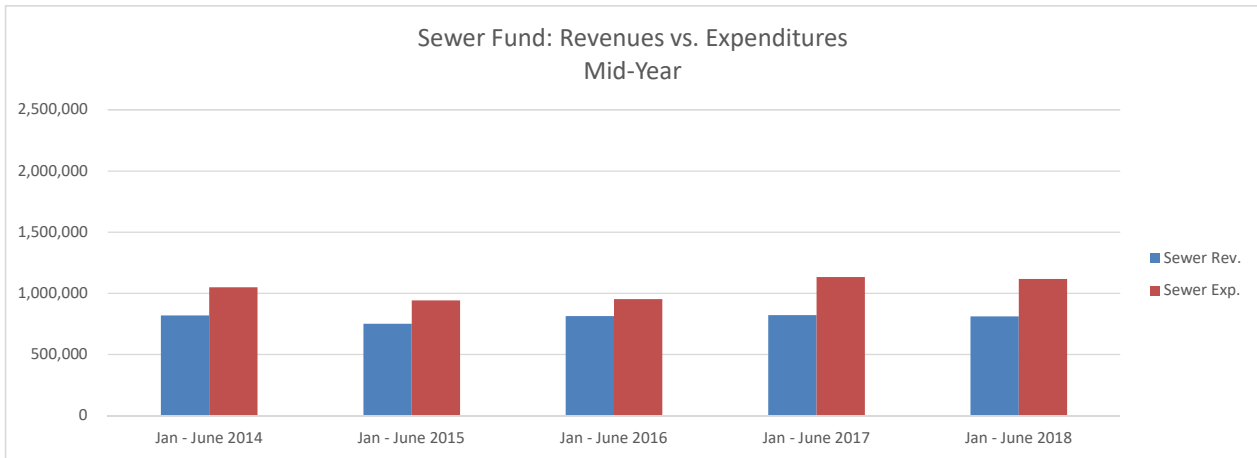
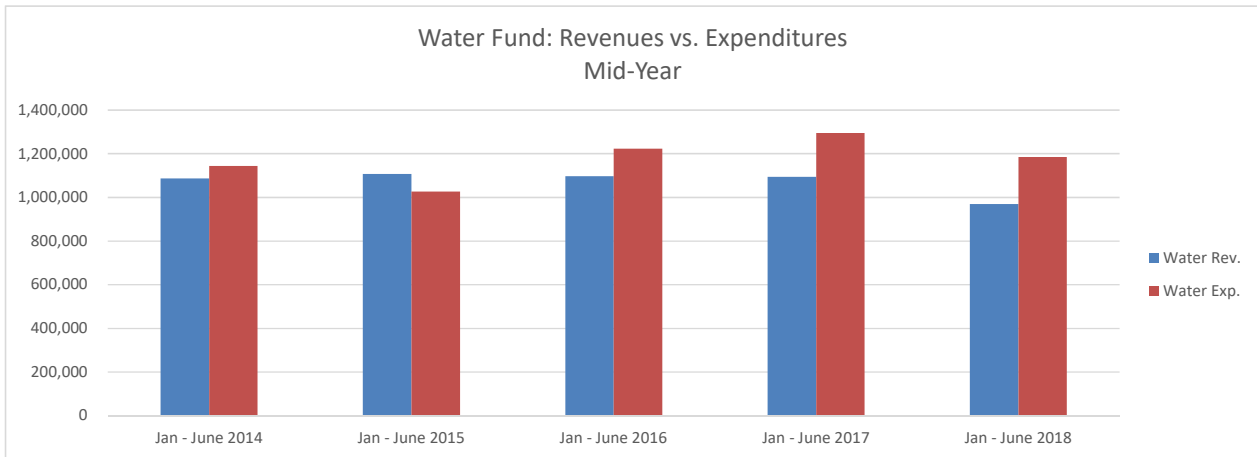
Review the model and approve the rates set forth in Resolution 18-064.





### 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>

Low Volume Residential		
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)

High Volume Residential		
Library		
Existing	New Rate	
Consumption	6400	6400
Water Rate	0.0109	0.0132
Sewer Rate	0.0157	0.0145
<b>Charges:</b>		
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>

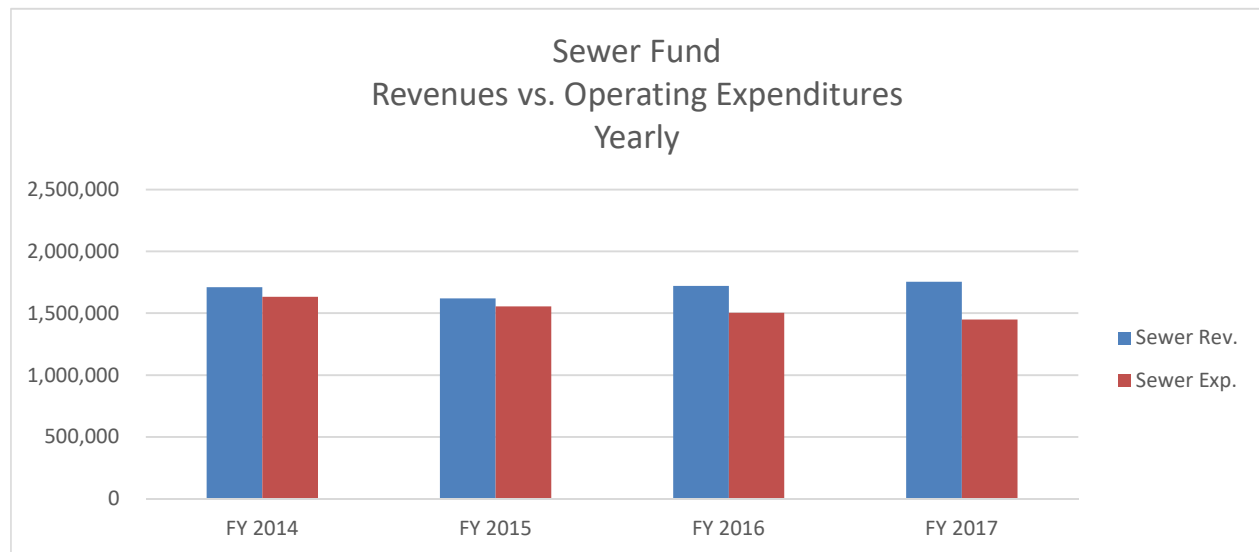
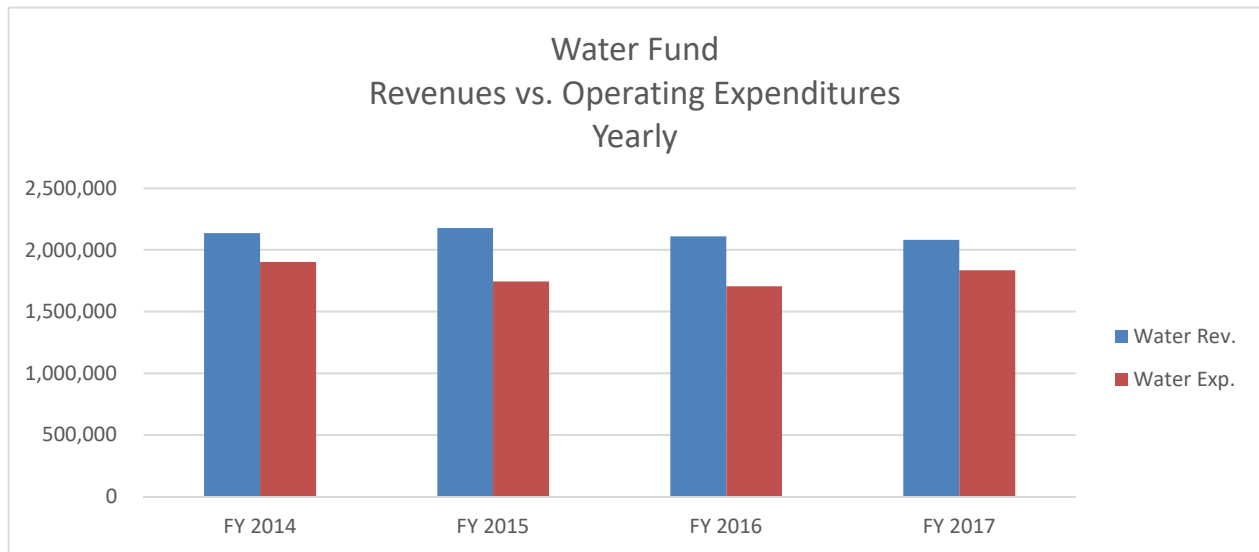
Impact \$ 1.04

Lift-Station (Year-Round)		
Port & Harbor - Maintenance		
Existing	New Rate	
Consumption	5000	5000
Water Rate	0.0109	0.0132
Sewer Rate	0.0232	0.0224
<b>Charges:</b>		
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

## Yearly Comparison: Revenues vs. Expenditures (Unaudited)

	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
Water Fund Revenues	2,135,861	2,178,018	2,108,835	2,081,823
Water Fund Expenditures (excluding transfer to reserves)	1,901,902	1,744,744	1,704,623	1,835,757
<b>Water: Revenues over (Under) Expenditures</b>	<b>233,958</b>	<b>433,273</b>	<b>404,212</b>	<b>246,067</b>
Sewer Fund Revenues	1,709,323	1,618,595	1,719,555	1,753,457
Sewer Fund Expenditures (excluding transfer to reserves)	1,633,833	1,555,044	1,503,397	1,447,921
<b>Sewer: Revenues over (Under) Expenditures</b>	<b>75,490</b>	<b>63,550</b>	<b>216,158</b>	<b>305,536</b>
<b>Water &amp; Sewer: Total Revenues Over (Under) Expenditures</b>	<b>309,448</b>	<b>496,824</b>	<b>620,370</b>	<b>551,602</b>







August 8, 2018

Mayor & City Council Members  
City of Homer  
491 Pioneer Avenue  
Homer, AK 99603

Dear Mayor and City Council Members,

This letter is in regards to Resolution 18-064 which discusses new water and sewer rates. My comments are specifically about Sewer Only customers, and the inequitable treatment these customers receive when rates are determined.

Currently, as well as in the proposed resolution, Sewer Only customers are charged a per gallon rate assuming 3,000 gallons of discharge per month. Not only is this number not justified in any of the resolution, I believe it is inaccurate for the majority of customers in this category.

Consider the types of users and buildings that use the City sewer, but are not provided reasonable access to City water. While some of these buildings may be hooked up to a private well or spring, due to the quality of groundwater in the area, it is most likely that these customers are getting water hauled. Water obtained this way is generally conserved, due to the expense and hassle of arranging and paying for water deliveries. Quantities are further limited by the size of the water tank, which is usually in the 1000 – 2000 gallon range. These buildings and uses must be relatively small when compared to an average City water customer use – you aren't going to find many laundromats, hotels, or other heavy water use industries relying on water delivery in Homer.

Water usage at my cabin fluctuates between 600 – 1200 gallons (1/2 - 1 full tank) per month. Based on this average of 900 gallons per month, my sewer bill is roughly 3 times higher than is justified, or what would be charged to a similar customer that had the benefit of a water meter on the other end.

I would like to ask that the Council consider amendments to the resolution that will address this inequity, such as:

- Utilize sewer discharge meters (or water meters at the main structure intake) so that accurate measurements of sewer discharge can be taken and so that customers are only charged for their actual use of the system.
- Allow Sewer Only customers to provide evidence of average annual or monthly usage for use in calculating bills that correspond with actual use of the system. This could be provided monthly, or annually to reduce the administrative burden.

- Distinguish between different types of Sewer Only customers and offer graduated fixed rates accordingly. For example, the Borough already classifies buildings as Cabins, Cottages, Residences, and Commercial....can the City use these classifications to better gauge average sewer use?
- Allow Sewer Only customers to 'turn off' bills when usage is zero, such as during winter months when structures are unoccupied.
- Conduct a survey or other analysis to determine if the assumed use of 3,000 gallons per month is reasonable. Provide this evidence to Sewer Only customers for review and comment.

Thank you,

Dorothy Duncan

PO Box 2253, Homer, AK 99603

(907) 299-2265

**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, and amending administrative fees deleting reference to credit card acceptance and minimums .

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

491 East Pioneer Avenue  
Homer, Alaska 99603

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

(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

---

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).

Fees and variables associated with processing credit card payments:
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 **company’s** 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.



## ORDINANCE(S)



**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
3. Council Regular Meeting August 13, 2018 Second Reading  
(postponed from July 25, 2018)



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  
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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  
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65 CITY OF HOMER

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69 \_\_\_\_\_  
70 BRYAN ZAK, MAYOR

71 ATTEST:

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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  
88

89 Reviewed and approved as to form:

90  
91

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

93

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

95

\_\_\_\_\_

Holly Wells, Attorney

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





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

3 Smith

4 **ORDINANCE 18-35(S)**

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69 BRYAN ZAK, MAYOR

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Katie Koester, City Manager

93

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

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\_\_\_\_\_

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

To sign up for a free electronic subscription, read past issues online, or purchase a print subscription, visit [labor.alaska.gov/trends](http://labor.alaska.gov/trends). Contact the editor at (907) 465-6561 or [sara.whitney@alaska.gov](mailto:sara.whitney@alaska.gov).

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.

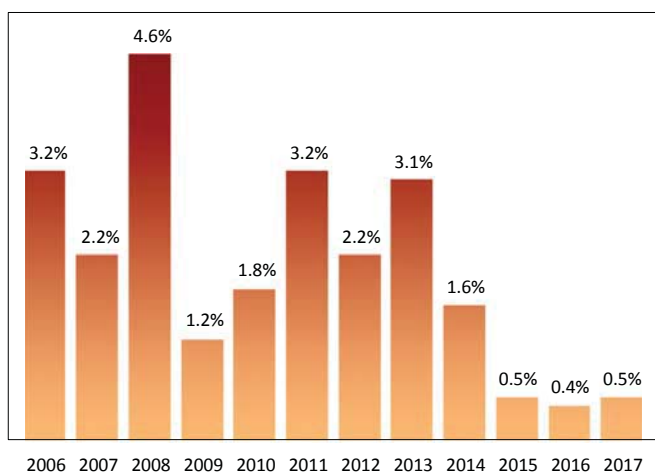


Follow the Alaska Department of Labor and Workforce Development on Facebook ([facebook.com/alaskalabor](https://www.facebook.com/alaskalabor)) and Twitter ([twitter.com/alaskalabor](https://twitter.com/alaskalabor)) for the latest news about jobs, workplace safety, and workforce development.

# 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.

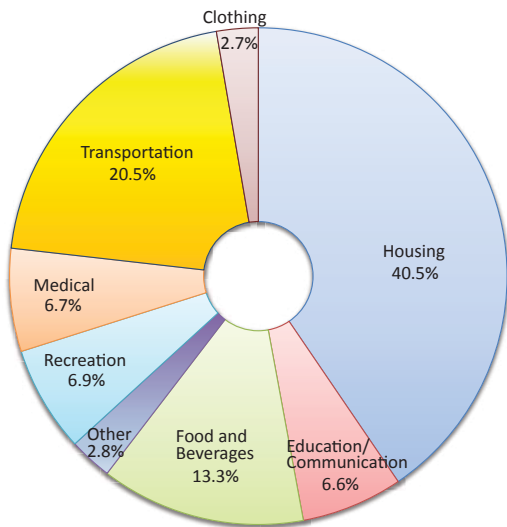
No other economic indicator has more daily ramifications for people than inflation. It's tied to bargaining agreements, wage negotiations, child support payments, real estate agreements, and — as of 2017 — minimum wage adjustments. Because inflation has been so low, Alaska raised its minimum wage by 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

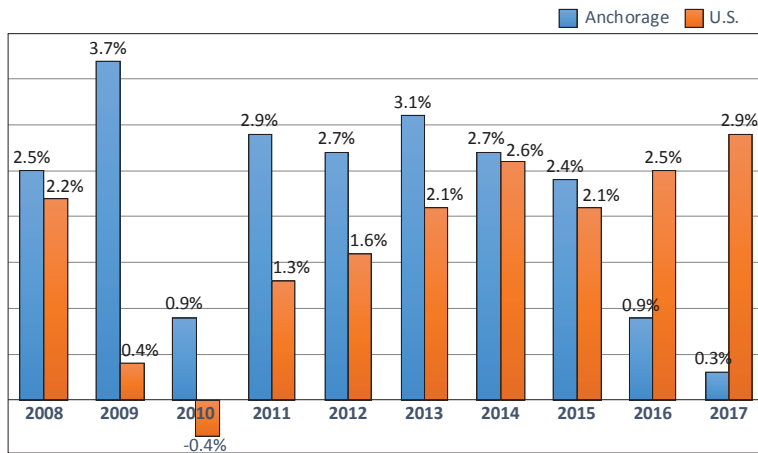
The other way to assess the cost of living is to look at cost differences between places. For example, is it more expensive to live in Nome or Delta Junction?

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.

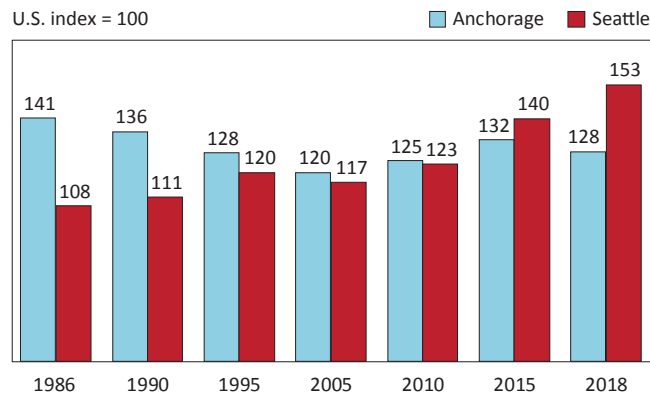
## Alaska cities not the most expensive

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

Anchorage \$1.79  
Fairbanks \$1.03  
Juneau \$1.48

## CAN TUNA



Thibodaux-Lafourche, LA: \$1.87  
**U.S. Average**  
**\$1.09**  
Hastings, NE: 76¢

## DOCTOR VISIT



Anchorage \$188.50  
Fairbanks \$190.00  
Juneau \$195.00

Juneau, AK: \$195.00  
**U.S. Average**  
**\$108.53**  
San Juan, PR: \$31.25

## TIRE BALANCING

Manhattan, NY: \$80.16

**U.S. Average**  
**\$46.98**

Thomasville/Lexington, NC: \$16.67



Anchorage \$38.00  
Fairbanks \$46.41  
Juneau \$61.70

## 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

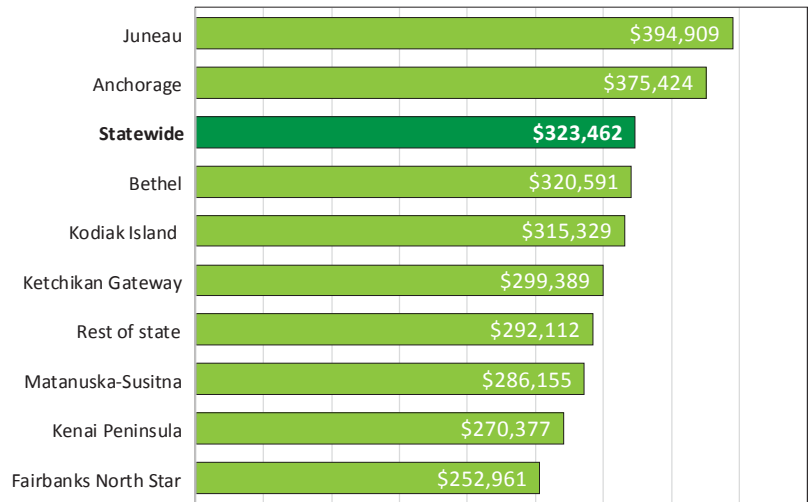
## Juneau has the highest average house price

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.

## 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

## Areas' earning differences affect home affordability

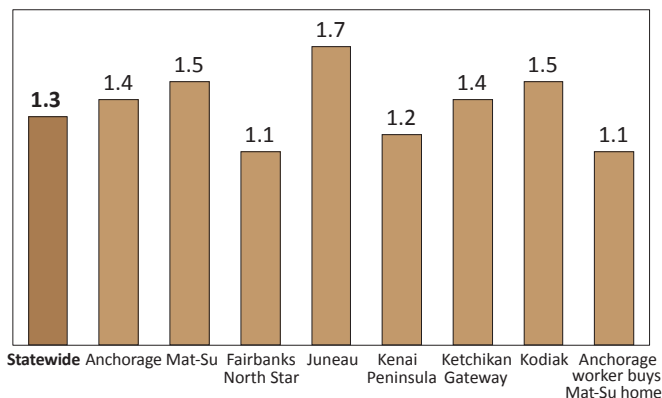
Affordability indexes take housing cost analysis a step further by figuring in an area's average earnings as well as housing prices. The resulting index value represents the number of average paychecks required to qualify for a 30-year mortgage, with an average interest rate and a 15 percent down payment.

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.

## 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

## Kodiak has highest rent

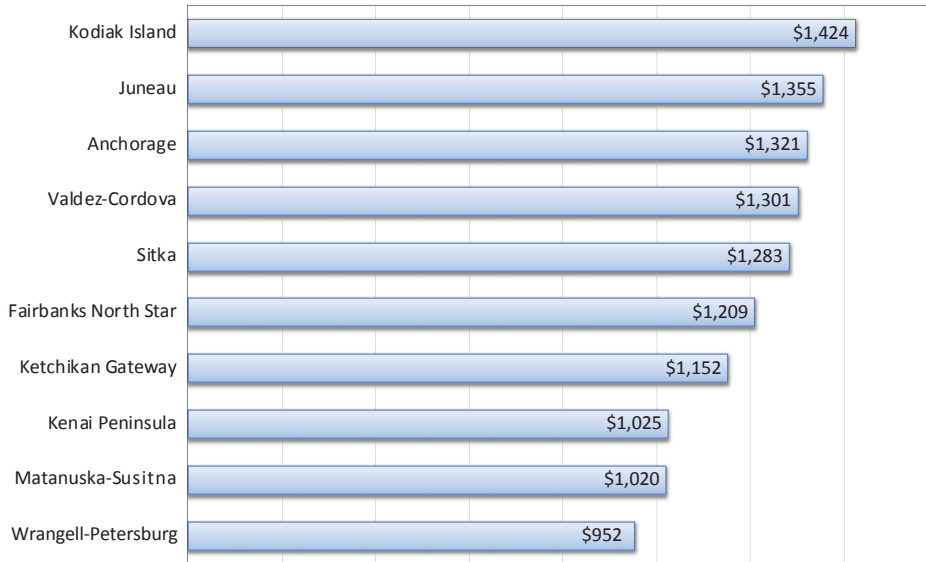
The cost of a home is usually related to an area's rental rates. As exhibits 9 and 11 show, areas with more expensive homes also tend to have higher rents.

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

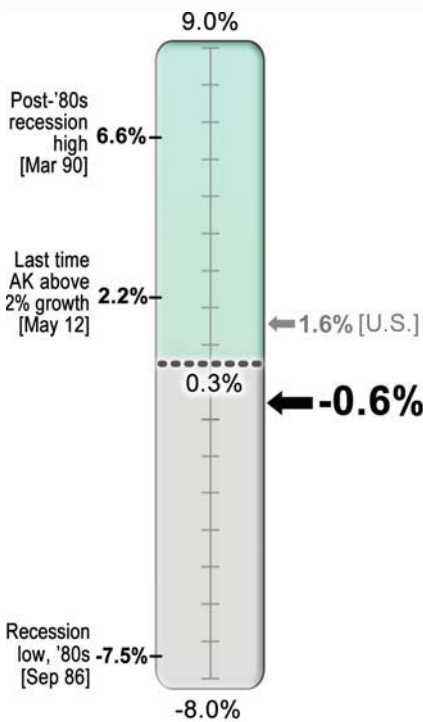
Source: U.S. Department of Defense

# Gauging Alaska's Economy



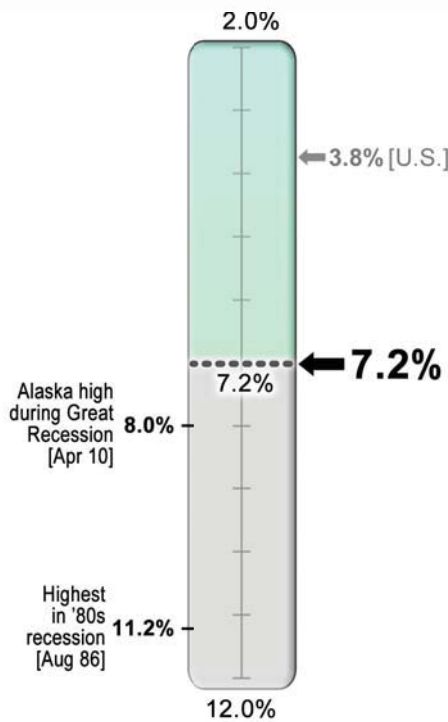
## Job Growth

May 2018  
Over-the-year percent change



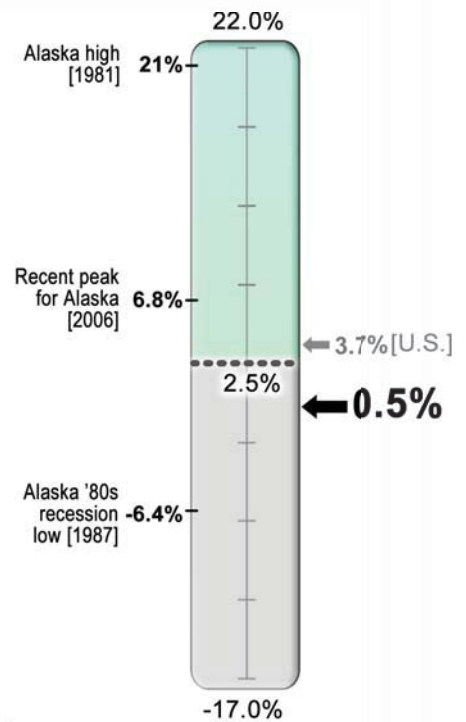
## Unemployment Rate

May 2018  
Seasonally adjusted



## Wage Growth

4th Quarter 2017  
Over-the-year percent change

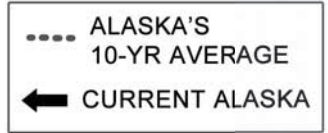


- May was the 32nd consecutive month Alaska has recorded job losses.
- Alaska had 25 consecutive months of job losses during the state's 1980s recession, although the magnitude of the losses in the '80s was much larger as a percentage of total jobs.
- Job losses during the current recession were at their 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).

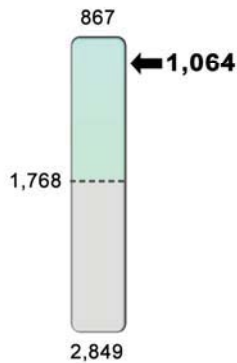
- Wage growth or decline is one of the most basic and useful measures of overall economic health.
- Resumed and sustained wage growth, when it occurs, will be one of the best indicators that Alaska's recession has ended.
- Alaska is still losing ground on wages, but the losses are getting smaller.

# Gauging Alaska's Economy



## Initial Claims

Unemployment, week ending June 2, 2018†

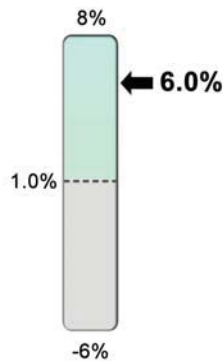


➤ For a variety of reasons, initial claims are well below the 10-year average despite job losses.

† Four-week moving average ending with the specified week

## GDP Growth

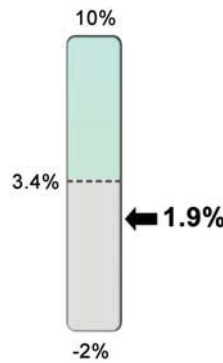
4th Quarter 2017  
Over-the-year percent change



➤ 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

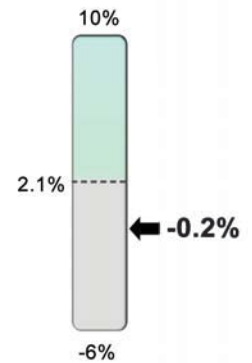
4th Quarter 2017  
Over-the-year percent change



➤ 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

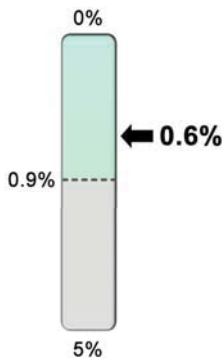
4th Quarter 2017  
Over-the-year percent change



➤ Home prices include only those for which a commercial loan is used. This indicator tends to be volatile from quarter to quarter.

## Foreclosure Rate

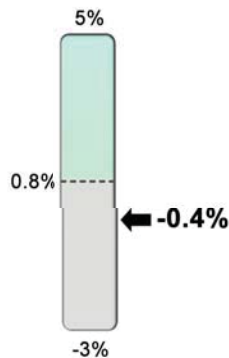
4th Quarter 2017



➤ Foreclosure rates remain very low, highlighting how different the current recession is from the '80s recession when foreclosure rates exceeded 10 percent.

## Population Growth

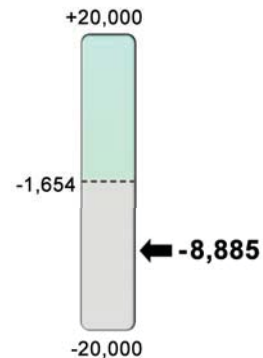
2016 to 2017



➤ 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

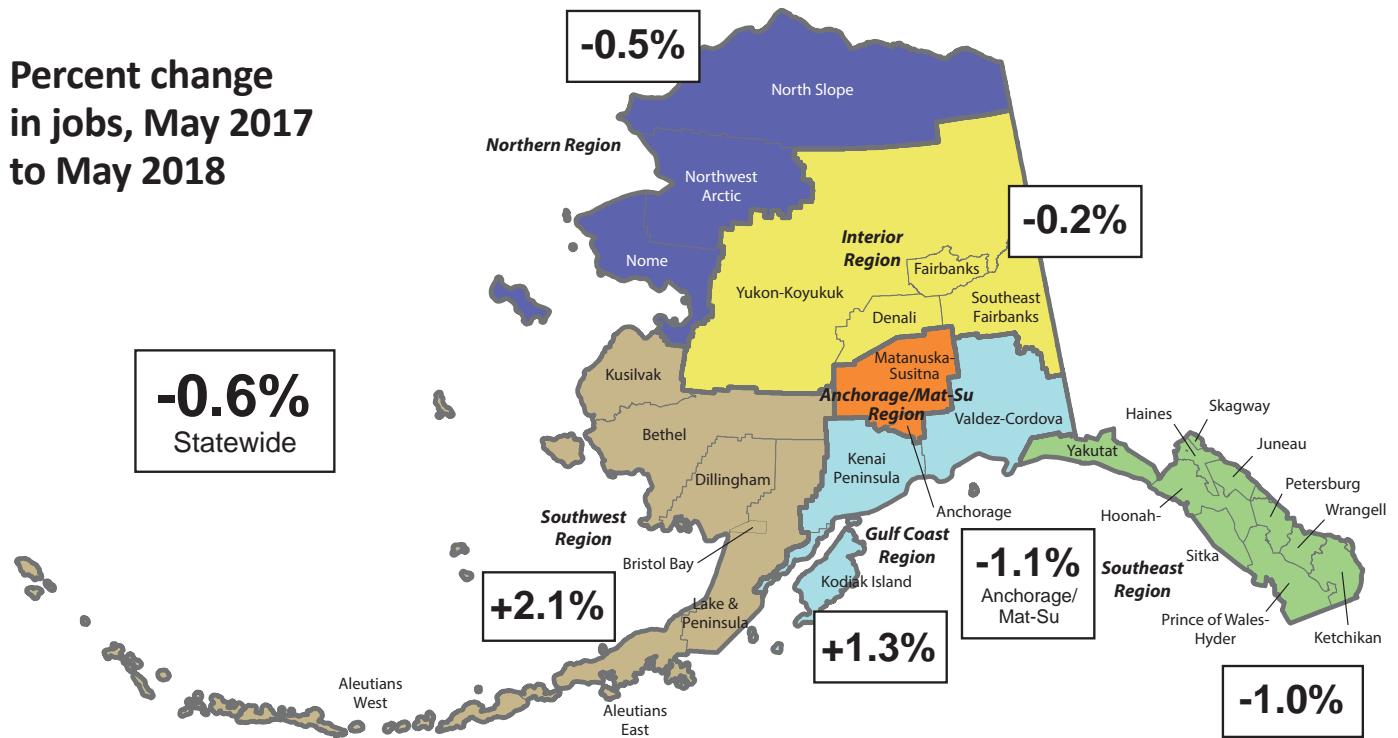
2016 to 2017



➤ 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

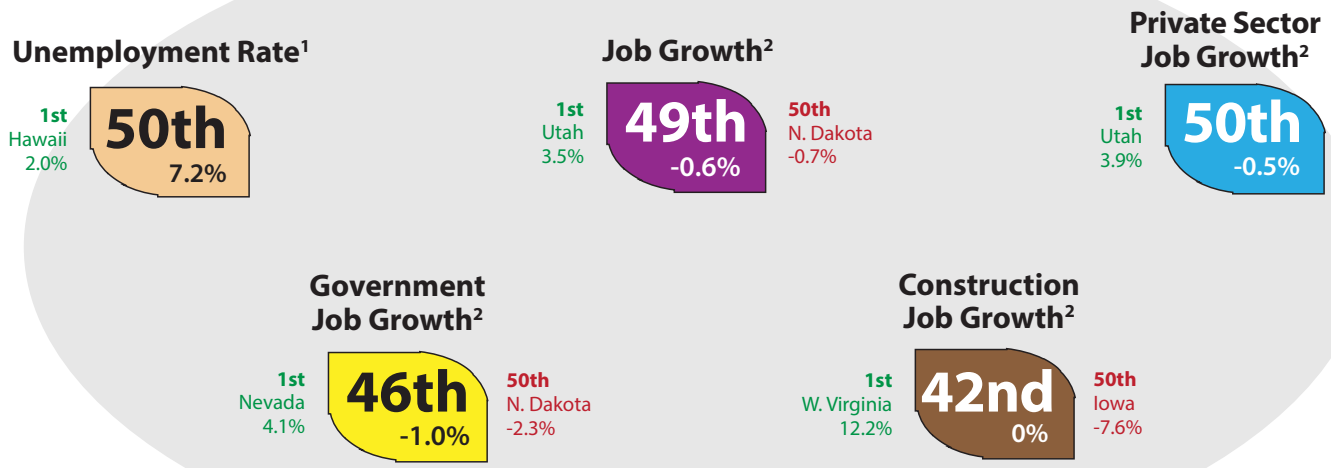
Not seasonally adjusted

	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.





# CITY MANAGER'S REPORT





## City of Homer

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

## Office of the City Manager

491 East Pioneer Avenue  
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[citymanager@cityofhomer-ak.gov](mailto:citymanager@cityofhomer-ak.gov)

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(f) 907-235-3148

## Memorandum

TO: Mayor Zak and Homer City Council  
FROM: Katie Koester, City Manager  
DATE: August 8, 2018  
SUBJECT: August 13<sup>th</sup> City Manager Report

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### Jack Gist Disk Golf Park

The City Council has been contacted by neighbors of the Jack Gist Disk Golf Park who have concerns about noise from people playing disk golf at all hours of the day and night. I have worked with a couple of you, Parks Coordinator Steffy, and the Disk Golf Association on developing a passive closure of a few of the holes nearest the neighborhood during City of Homer quiet hours, 11pm to 7am. Signs have been ordered and will be installed within the next few days. The Disk Golf Association has been very understanding and values being a good neighbor. I appreciate the noise could be coming from any number of user groups in the park, nevertheless, hopefully some clear signage will remind locals and visitors alike to respect City of Homer quiet hours.

### Refinancing Gasline Loan

In 2012 the City of Homer borrowed \$12 million dollars from the Kenai Peninsula Borough to finance the extension of the Natural Gas mainline. This was a unique project that did not qualify for traditional municipal financing which led the City Council to working collaboratively with the Borough on a 10 year loan at 4%. The City still owes around \$4 million. The Finance Department has spent an extensive amount of time evaluating the current Natural Gas Line loan with the Kenai Peninsula Borough. We internally discussed and explored refinancing options. Our initial thoughts were to find an option that presented the City of Homer with less hurdles and reporting requirements. However, the Borough has been very accommodating and easy to work with. Given where current rates are in the market, added costs associated with refinancing, and the current loan payoff amount, it would be more beneficial for the City to dedicate resources towards making larger loan payments, with the end goal of paying off the loan early.

### Alaska Municipal League Summer Meeting

As a reminder, I will be out of the office the week of August 20 for the Alaska Municipal League Summer meeting in Denali. The Alaska Municipal Management Association will be meeting the first part of the week and then the full group (elected officials and managers) will meet to discuss legislative priorities. Councilmembers Stroozas and Mayor Zak will also be attending. I will provide a full report, including how many different types of Alaskan wildlife we see, for the September meeting. I am looking forward to connecting with Alaskan managers and elected officials from around the state. It is always an energizing experience where ideas are shared unique to our Alaskan challenges. I encourage you so take advantage of attending when you can – next year it is in Soldotna, and in 2022 it is scheduled for Homer.

### **Price Reduction for Lot 2 (Old Library Lot)**

This 1.3 acre lot fronts Main Street and was formerly part of the old library site. The library building was subdivided onto its own lot, and sold. The City has had the remaining lot, Lot 2, on-and-off the market since 2007 with multiple appraisals ranging from \$225,000 to \$228,000. The 2018 Land Allocation Plan indicates to sell the property and for the last year, it has been on the market at \$295,000 (with no offers) with the City's real estate agent, Angie Newby, of Homer Real Estate (Resl. 16-053). The listing is up for renewal, and the agent recommends reducing the price to \$275,000 and renewing the listing through 7/31/2019. I will authorize this price reduction and renewing the listing unless I hear differently from Council.

### **Janitorial Services at the Library**

At the last Council meeting, I was asked for clarification on the janitorial services provided at the Homer Public Library. Cleaning is scheduled at the Library each of the 6 days a week it is open and varies from 1.5 to 3.5 hours depending on the scheduled tasks for a total of 14 hours weekly. This is a minimal amount of cleaning for a 17,200 square foot building that gets extensive public use. In 2015 the City issued a Request for Proposal for janitorial services in the hopes that privatizing the cleaning of at least some of the buildings would generate a cost savings, but did not receive any responses that were less expensive than in house janitorial. The 2019/2010 budget will have to include increased hours/positions for building maintenance and janitorial services with the new Police Station coming on line, a logistical and budgetary challenge I am currently working on in preparation for presenting the 2019 draft budget and welcome input and guidance from Council.

### **Tsunami Maps Final – Meeting Report and Next Steps**

On June 27, 2018, the Fire Department hosted a tsunami preparedness meeting that included Alaska Emergency Management specialists from the State, Tsumai warning center and NOAA. City Manager Katie Koester and department heads, Mark Robl, Terry Kadel, Carey Meyer, Rick Abboud, Bryan Hawkins, as well as former fire chief and FEMA manager, Robert Purcell, Officer Browning and fire fighter Schmutzler all attended the meeting.

We discussed and reviewed the new tsunami inundation zone draft maps which are scheduled to be released by the end of August as well as the needs of the city with regards to public education and means to effectively evacuate citizens to areas of safety.

Ideas to improve tsunami preparedness include additional signage to allow the city to better mark routes to safe zones, resources for our incident management teams to include up to date meteorology information and access to the Kenai Peninsula Borough's digital information system for sending out messages on both social media and "Nixle" style formats.

### **What to do with the Old Police Station?**

The 2019 proposed budget will need to include additional operational budget as we both bring the new police station on line and phase out the old police station. In an effort to minimize the time spent paying both bills, I would like to initiate the conversation on *what to do with the old police station*. The purpose of this report is to get the wheels turning and generate questions Council may have in anticipation of a worksession on the topic. After much conversation internally with staff, options for the property include:

### Sell the property

Pro	Con
Consistent with Resolution 13-091(A), Dedicating any Potential Future Sale of the Fire Hall and Police Station Property to a Special Fund Earmarked for Financing and Construction of the Proposed New Public Safety Building	Property is valuable for a public building given its central location
If sold to an organization that is not tax exempt, would put the property back on the property tax roles	Currently HVFD and HPD are on the same lot and share utilities. Any sale would require subdividing the lot and installing new utilities
City would not have to maintain and decide what to do with a derelict building	It could take years to sell the building, which would require budgeting to maintain it in warm status in the interim
\$\$\$\$\$\$\$\$\$\$	

### Convert the building into a home for PW Building Maintenance

Pro	Con
Solves a future problem of what to do with Building Maintenance, depending on what happens with the HERC property	There is more building there than Building Maintenance needs and retrofitting it to a maintenance shop would require significant expense
	A prefabricated metal shop structure would be a better fit for the needs of Building Maintenance and likely cost less than a retro fit
	It does not remove the expense of maintaining an old and inefficient building from the City operating budget

### Put the Building in 'Cold Status' and allow HVFD to use it

Pro	Con
Minimal expense is incurred if heat is turned off (or greatly reduced) and grounds maintenance is done by HVFD volunteers (which is the case at the current station)	Putting it in cold status means demolition is likely the only option in the future
HVFD could use the building for training. The lot could be used for much needed parking at the Fire Hall	There will be an eventual capital expense in the future to make the property useful to the City
Preserving the property in City ownership allows for the future expansion of HVFD facilities (an equipment bay for a ladder truck, for example) without the need for a new Fire Hall	Committing to keeping the space limits the future growth options of the Fire Hall to that particular lot, which may not be ideal
	Unless clearly designated for a specific future use with a plan to get there, will be open to lots of

	speculation about potential uses, which could complicate things
--	---

**Preserve for a community use**

<b>Pro</b>	<b>Con</b>
Ideas abound on how the building could meet a number of community needs including a homeless shelter, teen center, etc.	A Pandora's box of questions regarding operational costs, reasonability and programing would need to be ironed out

In conclusion, I welcome questions councilmembers have on any of these options, additional potential uses and pros and cons for a future worksession. It would be helpful for me to have an idea of where we are going in advance of presenting the 2019 draft budget so I know how far into the future I need to plan for operational expenses at the current police station and to what extent. The next available worksession date is September 10<sup>th</sup>.

**USCGC Hickory Changing of the Guard**

July 18 United States Coast Guard held a change of command ceremony for USCGC Hickory. Port and Harbor Director Hawkins, Service members, their families and the public thanked CDR C. Andrew Passic for his service and welcomed incoming command Adam G. Leggett to the Hickory and Homer. The ceremony was held at the new boat house pavilion at the top of Ramp 2. The sunshine and great company ensured a memorable event and although the crowd did not have to seek shelter from the elements, it was wonderful to have a public space large enough to do so comfortably should the need arise.

**Seafarers Memorial Parking Lot Expansion Update**

This project was first approved as a Capital Improvement Project on October 13 2014. Funding was approved for the engineering and design of the project. Engineering and design was completed to 95% on Jan 22<sup>nd</sup> 2016.

The need for parking in this area of the port is increasing every year. It has become extremely difficult for harbor patrons accessing their vessels to find parking during the peak use season. Also, many of the South side Bay residents using ramps 1 through 3 purchase long term parking passes but are unable to find parking in that area due to the lack of available space. Moreover, the additional parking will create more business opportunity for shop owners in the surrounding area, which will have the benefit of an increase in sales tax revenue for both the City and Borough.

Next steps include the City applying for a CUP this summer in hopes of being able to start moving dredged material to the area by fall. This allows the project to take advantage of mobilizing fill at no cost (currently the dredged materials from the Harbor are moved to the storage lot behind Bob Trophy Charters). The project will have to be done in phases. Port and Harbor Director Hawkins estimates that it will take approximately 3 years to build the lot up to the finished elevation. Additional funding will be needed to pave and stripe the parking lot, however it is possible that some additional gravel parking spaces will become available for parking by next summer.

Enc:

- August Employee Anniversaries
- Thank you letter from KHLT
- Seafarers Memorial Parking Lot Expansion CIP Project



# City of Homer

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

Office of the City Manager

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(f) 907-235-3148

## Memorandum

TO: MAYOR ZAK AND CITY COUNCIL  
FROM: Katie Koester  
DATE: August 13, 2018  
SUBJECT: August Employee Anniversaries

---

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

<b>Dan Gardner,</b>	<b>Public Works</b>	<b>27</b>	<b>Years</b>
<b>Carey Meyer,</b>	<b>Public Works</b>	<b>19</b>	<b>Years</b>
<b>Dotti Harness,</b>	<b>Admin</b>	<b>13</b>	<b>Years</b>
<b>Joe Inglis,</b>	<b>Public Works</b>	<b>7</b>	<b>Years</b>
<b>Eve Dickmann,</b>	<b>Police</b>	<b>6</b>	<b>Years</b>
<b>Staci LaPlante,</b>	<b>Public Works</b>	<b>4</b>	<b>Years</b>





We are all very excited about this project. Thank you!  
-Courtney

Thanks for the help  
Tom Means

*[Signature]*

Thanks Mayor Zick,  
and City Council!  
This is a great project!  
Jul

Wow! That's amazing!  
I trust so much.  
Thank you!  
I'm so grateful  
for your help!

So exciting!  
-Thanks!  
Mallory

Dear City Council,

Thank you very much for your recent approval of ordinance 18-29, appropriating up to \$5200 for the design of the Poopdeck Trail.

Sincerely,  
Kachemak Heritage Land Trust

Thank you!!  
So much!  
Marie

KH LT  
315 Klondike Ave ALASKAN FRONTIER  
Homer, AK 99603 995-997  
12 JUL 2015 PM 1 L



Homer City Council  
491 E. Pioneer  
Homer, AK 99603







## Seafarers Memorial Parking Expansion

FY 2020 - DRAFT Document

**Project Description & Benefit:** This project would use materials from dredging the harbor to build up a parking lot between Seafarers Memorial and the east end of the nearby boardwalk complex. The additional parking will be a welcome improvement as it is often hard to find parking during peak summer months on this section of the Spit. The project has the added benefit of replenishing the beaches on the east side of the Spit and protecting infrastructure from erosion. The material will be placed on the beaches as part of the Army Corps of Engineers' dredging/disposal operations. Funding is needed to supplement hauling costs, compact material, cap with gravel and pave the lot. A Corps permit will be needed to accomplish this work.

**Plans & Progress:** The City has appropriated \$15,000 for the Homer Area Roads and Trails (HART) fund for preliminary engineering design and permitting. 95% of engineering design work was completed in 2015. A phased approach to construction will be used.

**Total Project Cost:** \$635,000

**Schedule:**

2017: Design and Permitting at 95% complete: \$8,000

2019: Dredged Material Placement by Corps: In kind

2020: Install drainage, riprap protection, paving/stripping and all parking lot delineation: \$627,000

**Priority Level:** 1



This project would fill in, level and pave the grassy area pictured above between the Seafarer's Memorial and the nearby boardwalk.





# City of Homer

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(f) 907-235-3143

## Memorandum

TO: MAYOR ZAK AND CITY COUNCIL  
FROM: RENEE KRAUSE, CMC, DEPUTY CITY CLERK  
DATE: AUGUST 8, 2018  
SUBJECT: BID REPORT

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### **CITY OF HOMER REQUEST FOR PROPOSALS INCORPORATION OF ART INTO THE NEWLY RENOVATED AND EXPANDED CITY OF HOMER FIRE STATION A 1% FOR ART PROJECT**

Proposals to provide art or to incorporate art into the newly renovated Homer Fire will be received at the Office of the City Clerk, City Hall, City of Homer, 491 East Pioneer Avenue, Homer, Alaska, until **4:30 P.M., Thursday, September 13, 2018**. The intent of this proposal effort is to provide an opportunity for artists and other interested persons to present ideas on how and what art can be incorporated into/onto the building (interior and exterior), and/or the small park area at the southwestern corner of the property. The proposals will be evaluated by the Art Selection Committee utilizing the City's 1% for Art Funding designated for the project. All ideas and concepts will be considered. Expect that more than one art piece or idea will be funded with the available dollars.

A non-mandatory project site visit for the project will be held on **Thursday, August 23, 2018 at 10:00 a.m.** to physically view the location. Proposers interested in attending are directed to meet at the Fire Station located at Pioneer Avenue.

The time of receipt for submittals will be determined by the City Clerk's time stamp. Submittals received after the time fixed for the receipt of proposals shall not be considered. Respondents not on the plan holder's list shall be deemed unresponsive and shall not be considered. The City shall not accept faxed proposals. The Request for Proposals package and Plan Holder registration form is posted on the City website: <http://www.cityofhomer-ak.gov/rfps>. Paper copies of the Proposal Documents may be purchased at the Office of the City Clerk upon payment of \$10 per set (\$15 for overnight delivery). All fees are non-refundable.



# 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

