



City of Homer

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Office of the City Clerk

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Memorandum

Agenda Changes/Supplemental Packet

TO: MAYOR PRO TEM ADERHOLD AND HOMER CITY COUNCIL
FROM: MELISSA JACOBSEN, MMC, CITY CLERK
DATE: SEPTEMBER 10, 2018
SUBJECT: AGENDA CHANGES AND SUPPLEMENTAL PACKET

VISITORS

Cook Inlet Regional Citizens Advisory Council Report- Memorandum from Hilcorp Alaska, LLC

Page 3

PUBLIC HEARING

Ordinance 18-38(S), 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. City Clerk.

Copy showing strike outs and bold underlined additions

Page 11

CITY MANAGER'S REPORT

PERS Timeline from AML

Page 20

Memo

To: Cook Inlet Regional Citizens Advisory Council

From: Hilcorp Alaska, LLC

Date: September 7, 2018

Subject: Petition for Incidental Take Regulations and Associated Field Activity

Hilcorp Alaska (Hilcorp) currently operates both onshore and offshore oil and gas assets in the Cook Inlet region. Most of our activity in your area supports the energy needs of Alaskans by supplying local utilities with the natural gas that both generates electricity and heats your homes. In order for Hilcorp to continue to serve Alaska's energy needs, we are actively drilling, investing and planning future projects in the area.

Hilcorp is currently planning exploratory work, including seismic surveys, in the lower Cook Inlet region both onshore and offshore beginning 2019 and beyond. Therefore, we recently petitioned for Incidental Take Regulations (ITR) with the National Marine Fisheries Service (NMFS) and the US Fish and Wildlife Service (USFWS).

What are Incidental Take Regulations?

The Marine Mammal Protection Act of 1972 (MMPA), as amended, prohibits, with certain exceptions, the take of marine mammals in U.S. waters. Section 101(a)(5)(A) of the MMPA authorizes the Secretary of the Interior, through the U.S. Fish and Wildlife Service (FWS), and the Secretary of Commerce through the National Marine Fisheries Service (NMFS), to authorize the incidental, but not intentional, taking of small numbers of certain marine mammals species (including whales, walrus, and sea otters) associated with specified activities, provided that, the total of such taking will have no more than a negligible impact on these marine mammal species and does not have an unmitigable adverse impact on the availability of these species for subsistence uses. NMFS and FWS may issue ITRs for a period of up to five years.

What does "take" mean under the Marine Mammal Protection Act and what is "Incidental Take?"

Take as defined under the MMPA means "to harass, hunt, capture, or kill, or attempt to harass, hunt, capture, or kill any marine mammal" (16 U.S.C. 1362)

It is further defined by regulation (50 CFR 216.3) as "to harass, hunt, capture, collect, or kill, or attempt to harass, hunt, capture, collect, or kill any marine mammal. This includes, without limitation, any of the following:

- The collection of dead animals, or parts thereof.
- The restraint or detention of a marine mammal, no matter how temporary.
- Tagging a marine mammal.

- The negligent or intentional operation of an aircraft or vessel.
- The doing of any other negligent or intentional act which results in disturbing or molesting a marine mammal.
- Feeding or attempting to feed a marine mammal in the wild.

An **INCIDENTAL TAKE** is an unintentional, but not unexpected, taking.

Hilcorp recognizes the importance and sensitivities of the Cook Inlet region and our obligation to execute our work in a responsible manner. Our team will be doing all it can to minimize any potential for incidental take and disturbance in the areas of activity.

Included in this correspondence is an outline of all measures work crews may employ in order to avoid, eliminate or reduce potential impacts to marine mammals.

Hilcorp is working in full cooperation with both state and federal agencies during the planning process and will be seeking all the necessary permits and authorizations before taking any action.

While the NMFS petition for the ITR will be entered into the Federal Register September of 2018 and again submitted to the Register in December 2018 by the USFWS, our team is still in the planning stages for much of the proposed activity described in the Petition. The activity outlined in the Petition includes:

- Seismic Surveys
- Exploratory Drill Wells
- Iniskin Peninsula Exploration & Development
- Geo-Hazard Surveys
- North Cook Inlet Well Plugging & Abandonment
- Decommissioning of Drift River Terminal
- On-going routine maintenance of existing Cook Inlet off-shore platforms

As our plans take shape, we plan to provide the Council with further detail on field work, timelines, permitting and other related matters once the final plans have been approved and funded in each of those areas.

Seismic surveying offshore in the Lower Cook Inlet Region could begin as early as April 1, 2019. Based on the proposed location of our activity, it is important that you communicate any concerns regarding subsistence activity as soon as possible.

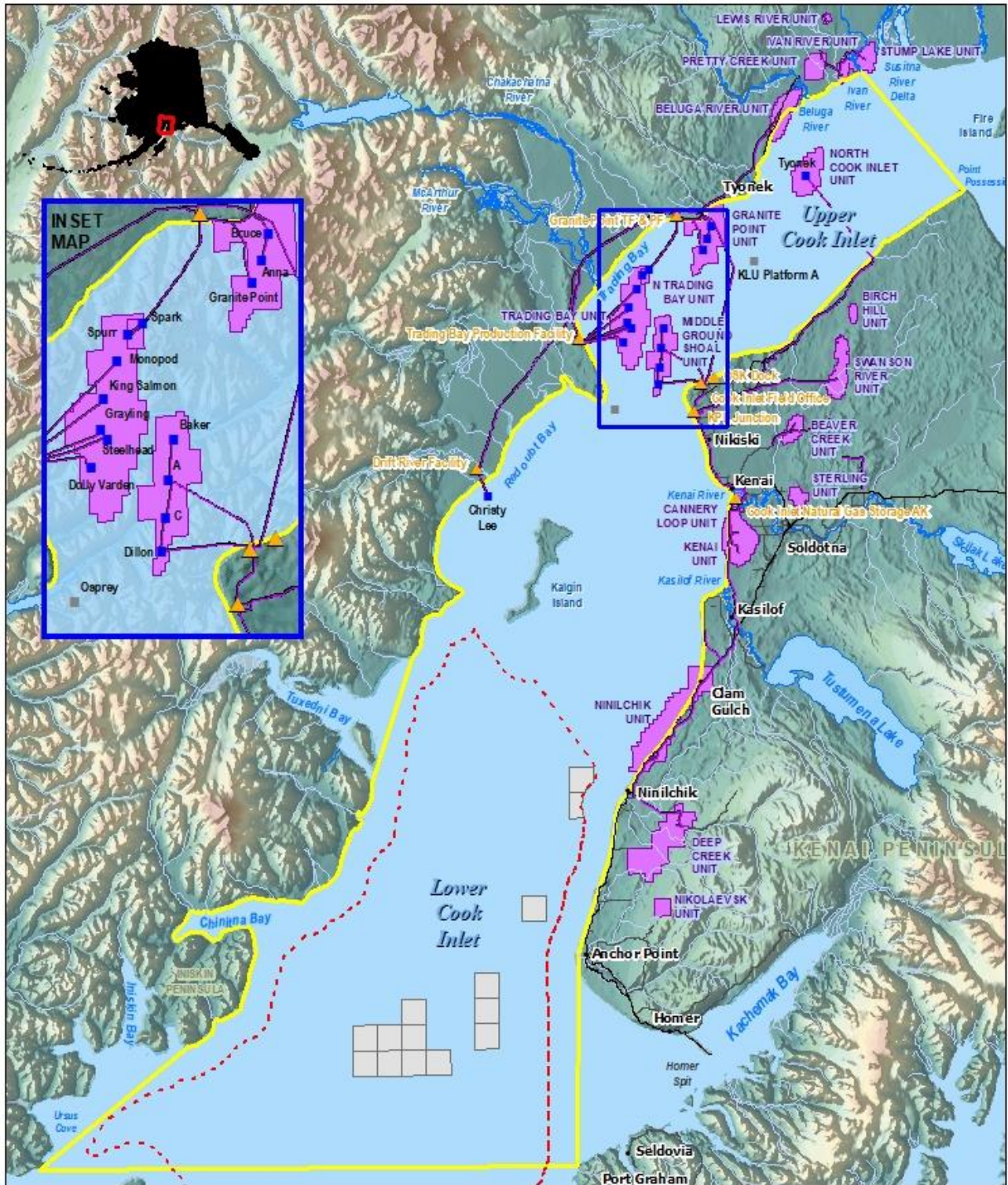
While few details are available at this time we do recognize the need for cooperation, communication and transparency in all that we do. Again, once our plans take shape, we will be providing more detailed information to CIRCAC and its members.



If you have any questions or concerns related to the proposed activity included in the ITR Petition, please contact:

Jill Schaefer

jcsconsultinginak@gmail.com

907-841-8185



| | | |
|---|---|--|
| <ul style="list-style-type: none"> ■ Hilcorp Platforms ■ Non-Hilcorp Platforms ▲ CI Onshore Facilities — Existing Hilcorp Pipelines | <ul style="list-style-type: none"> OCS Lower CI Hilcorp Leases 2017 CI Unit Boundaries HAK | <p>N</p>  |
| <p>0 5 10 20 Miles</p>  | | |



**FAIRWEATHER
SCIENCE**

Existing Hilcorp Assets

Excerpts of Hilcorp's mitigation measures as outlined in the ITR petitions to FWS and NMFS. The Applicants will implement a robust monitoring and mitigation program for marine mammals using NMFS and USFWS-approved Protected Species Observers (PSOs) for Petition activities that pose a risk of incidental take. PSOs are staffed by a third party consultant who observes the immediate environment for protected species while the Petition activity is occurring whose detection triggers the implementation of mitigation requirements, monitoring compliance with mitigation requirements, and collecting data by defined protocols. The PSO consultant then submits weekly and monthly reports directly to NMFS and USFWS. Also, within ninety days after the completion of the specific activity, a comprehensive summary report documenting all potential incidental takes that occurred during the Petition activity will be submitted to those agencies.

Marine mammal monitoring and mitigation methods have been designed to meet the requirements and objectives which will be specified in the ITRs promulgated by USFWS. The Applicants recognize some details of the monitoring and mitigation may change upon receipt of the individual LOAs issued by NMFS and USFWS under the ITRs each year. Specific mitigation measures will depend on the specific project.

HILCORP ALASKA AND HARVEST ALASKA MITIGATION MEASURES

Description of Exclusion and Safety Zones

The Exclusion Zone (EZ) is defined as the area in which all operations are **shut down** in the event a marine mammal enters or is about to enter this zone. If an animal enters the EZ and is exposed to the sound source, it is assumed that this event is a Level A take (i.e., a potentially harmful take). The Safety Zone (SZ) is an area larger than the EZ and is defined as the area within which operations may power down or, if not yet started, may be delayed in starting up in the event a marine mammal enters or is about to enter the zone. If an animal enters the SZ and is exposed to the sound source, it is assumed that this is a Level B take (i.e., a take that causes only a behavioral change in the animal). For activities included in this Petition, there are different EZs and SZs depending on the sensitivity of the species and the magnitude of the sound source.

The distances for the EZ and SZ for the activities are summarized in **Error! Reference source not found.** and described in the following text.

- 1) The distances to the Level A thresholds for the 2D/3D seismic activity were calculated using agency accepted methods described in Section 6 of the ITR Petition and the Level B is based on Apache field-verified distance (81 FR 47239). The EZ is rounded up to 50 m and the SZ is 7,300 m.
- 2) The distances to the thresholds for the sub-bottom profiler were calculated using agency-accepted methods described in Section 6 of the ITR petition. The EZ is rounded up to 50 m and the SZ is 3,000 m.
- 3) The distances to the Level A thresholds for the pipe driving were calculated using agency-accepted methods described in Section 6 of the ITR petition and the distance to the Level B is based on Illingworth & Rodkin (2014) measurements of 1,600 m to the 160 dB zone. The EZ is rounded up to 120 m and the SZ is 1,600 m.
- 4) The distances to the Level A thresholds for the water jet were calculated using agency-accepted methods described in Section 6 of the ITR petition and the distance to the Level B is based on Austin (2017) measurements of 860 m to the 120 dB zone. The EZ is rounded up to 15 m and the SZ is rounded up 50 m.

- 5) The distance to the Level A thresholds for the hydraulic grinder was calculated using agency-accepted methods described in Section 6 of the ITR Petition. The EZ is rounded up to 15 m and the SZ is rounded up 50 m.
- 6) The distance to the Level B threshold for the tugs towing the rig was calculated using agency-accepted methods described in Section 6 of the ITR Petition. There is no EZ and the SZ is rounded up to 25 m.

Table 1. Radii of exclusion zone and safety zone for Hilcorp Alaska and Harvest Alaska activities.

| Activity | Exclusion Zone Radius | Safety Zone Radius |
|-----------------------------------|-----------------------|--------------------|
| 2D/3D seismic survey ¹ | 50 m | 7,300 m |
| Sub-bottom profiler ² | 50 m | 3,000 m |
| Pipe driving ³ | 120 m | 1,600 m |
| Water jet ⁴ | 15 m | 50 m |
| Hydraulic grinder ⁴ | 15 m | 50 m |
| Tugs towing rig ⁶ | N/A | 25 |

Sound Source Verification Survey

When site-specific measurements are not available for noise sources of concern for acoustic exposure, NMFS and USFWS often require a sound source verification (SSV) to characterize the sound levels, propagation, and to verify the monitoring zones (EZ and SZ). Hilcorp Alaska plans to perform an SSV for the 3D seismic survey in lower Cook Inlet. Hilcorp Alaska will work with NMFS and USFWS to determine if an SSV is needed for other activities occurring in the Petition region.

Aircraft Mitigation Measures

To minimize the possibility of adverse effects from aircraft noise on marine mammals, Hilcorp Alaska will ensure that helicopters used to transport equipment and personnel will maintain an altitude of 304 m (1,000 ft) as practicable when transiting over Cook Inlet waters. Practicability is determined by the pilot in command. Conditions that would make it impracticable to maintain this altitude may include: adverse weather conditions, safety considerations, and reduced flight time (e.g., very short platform to platform flights do not have the time to reach 1,000 ft).

Seismic and Geohazard Survey Mitigation Measures

For the 2D survey, PSOs will be stationed on the source vessel during all seismic operations and geohazard surveys when the sub-bottom profilers are used. Because of the proximity to land, PSOs may also be stationed on land to augment the viewing area. For the 3D survey, PSOs will be stationed on at least two of the project vessels, the source vessel and the chase vessel. For geohazard surveys, PSOs will be stationed on the survey vessel. The viewing area may be augmented by placing PSOs on a vessel specifically for mitigation purposes or using UAS. PSOs will implement the following mitigation measures.

Clearing the Exclusion Zone

Prior to the start of daily seismic, geohazard surveys, or when activities have been stopped for longer than a 30 minute period, the PSOs will clear the EZ for a period of 30 minutes. Clearing the EZ means no marine mammals have been observed within the EZ for that 30 minute period. If any marine mammals

have been observed within the EZ, ramp up cannot start until the marine mammal has left the EZ or has not been observed for a 30-minute period.

Power Down Procedure

The power down procedure during seismic activities involves reducing the number of airguns in use, which reduces the EZ or SZ radius. In contrast, a shutdown procedure occurs when all airgun activity is suspended immediately. During a power down, a mitigation airgun is operated. Operation of the mitigation gun allows the size of the SZ to decrease to the size of the EZ for marine mammals. If a marine mammal is detected outside the safety radius but is likely to enter that zone, the airguns may be powered down before the animal is within the safety radius, as an alternative to a complete shutdown. Likewise, if a marine mammal is already within the SZ when first detected, the airguns will be powered down if this is a reasonable alternative to an immediate shutdown. If a marine mammal is already within the EZ when first detected, the airguns will be shut down immediately.

Following a power down, airgun activity will not resume until the marine mammal has cleared the SZ. The animal will be considered to have cleared the SZ if it:

- Is visually observed to have left the SZ, or
- Has not been seen within the SZ for 15 min in the case of pinnipeds, sea otters, and harbor porpoise, or
- Has not been seen within the SZ for 30 min in the case of cetaceans.

Power down procedures typically only apply to seismic activities as other sound generating activities and equipment do not have the ability to incrementally decrease the magnitude of sound generation.

Shut Down Procedure

The shut down procedure during seismic activities involves immediately suspending all airgun activity. The operating airguns will be shut down completely if a marine mammal approaches the EZ. The shutdown procedure will be accomplished within several seconds (of a “one shot” period) of the determination that a marine mammal is either in or about to enter the EZ.

Following a shutdown, airgun activity will not resume until the marine mammal has cleared the EZ. The animal will be considered to have cleared the EZ if it:

- Is visually observed to have left the EZ, or
- Has not been seen within the EZ for 15 min in the case of pinnipeds, sea otters, and harbor porpoise, or
- Has not been seen within the EZ for 30 min in the case of cetaceans.

Similar shut down procedures will be implemented during other Petition activities as appropriate.

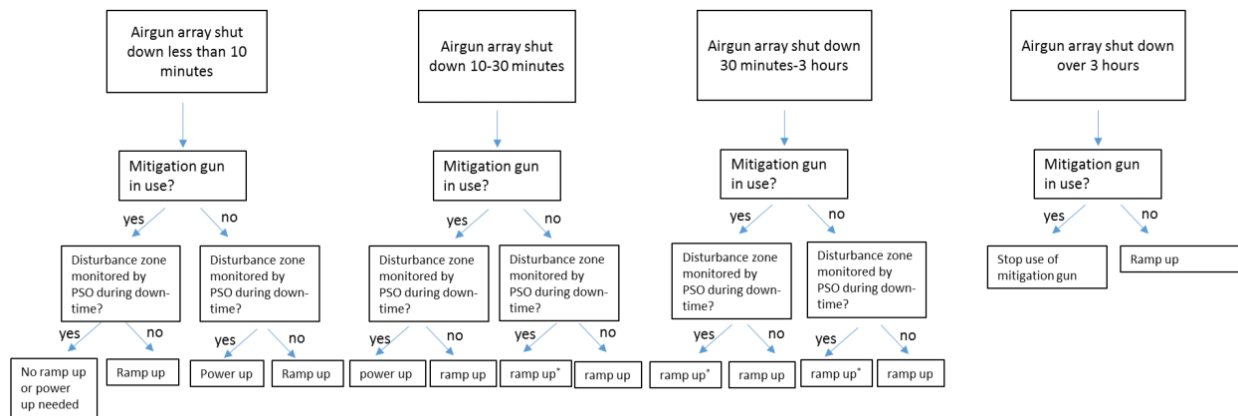
Ramp Up and Power Up Procedures

During seismic activities a ramp up procedure gradually increases airgun volume at a specified rate. Ramp up is used at the start of airgun operations, including after a power down, shut down, and after any period greater than 10 minutes in duration without airgun operations. NMFS and USFWS normally requires that the rate of ramp up be no more than 6 dB per 5-minute period. Ramp up will begin with the smallest gun in the array that is being used for all airgun array configurations. During the ramp up, the EZ for the full airgun array will be maintained.

If the complete EZ has not been visible for at least 30 minutes prior to the start of operations, ramp up will not commence unless the mitigation gun has been operating during the interruption of seismic survey operations. This means that it will not be permissible to ramp up the 24-gun source from a complete shut down in thick fog or at other times when the outer part of the EZ is not visible. Ramp up of the airguns will not be initiated if a marine mammal is sighted within or near the EZ at any time.

Ramp up and power up procedures typically only apply to seismic activities as other sound generating activities and equipment do not have the ability to incrementally increase the magnitude of sound generation.

The following information has been included from NMFS' Biological Opinion to Lease Sale 244. Below is a flow diagram indicating some seismic exploration mitigation measures under various scenarios described in mitigation measures 2c-2j in the NMFS Biological Opinion to Lease Sale 244.



* Under these conditions, the PSO's required 30-minute pre-airgun-use observation period would have already been met.

Speed or Course Alteration

During seismic activities, if a marine mammal is detected outside the EZ and, based on its position and relative motion, is likely to enter the EZ, the source vessel's speed and/or direct course may, when practical and safe, be changed. This technique also minimizes the effect on the seismic program. This technique can be used in coordination with a power down procedure. The marine mammal activities and movements relative to the seismic and support vessels will be closely monitored to ensure that the marine mammal does not approach within the EZ. If the mammal appears likely to enter the EZ, further mitigative actions will be taken, i.e., either further course alterations, power down, or shut down of the airguns.

Pipe Driving Mitigation Measures

As part of exploration well drilling, soon after the drill rig is positioned on the well head, a conductor pipe will be driven as the first stage of the drilling operation. Two PSOs (one operating at a time) will be stationed aboard the rig during this two to three day operation monitoring an EZ of 1.6-km (1-mi). The impact hammer operator will be notified to shutdown hammering operations at the approach of a marine mammal to the EZ. A ramp up of the hammering will begin at the start of each hammering session. The ramp-up procedure involves initially starting with three soft strikes, 30 seconds apart. This delayed-strike start alerts marine mammals of the pending hammering activity and provides them time to vacate the area. Monitoring will occur during all hammering sessions.

For impact hammering, "soft-start" technique shall be used at the beginning of each day's pipe/pile driving activities or if pipe/pile driving has ceased for more than one hour to allow any marine mammal that may be in the immediate area to leave before pile driving reaches full energy.

- The EZ will be cleared 30 minutes prior to a soft-start to ensure no marine mammals are within or entering the EZ.
- Begin impact hammering soft-start with an initial set of three strikes from the impact hammer at 40% energy, followed by a one minute waiting period, then two subsequent 3-strike sets.
- Immediately shut down all hammers at any time a marine mammal is detected entering or within the EZ. Hammering operations will not begin until the EZ has been visually inspected for at least 30 minutes to ensure the absence of marine mammals.
- Initial hammering starts will not begin during periods of poor visibility (e.g., night, fog, wind).
- Any shut-down due to a marine mammal sighting within the EZ must be followed by a 30-minute all-clear period and then a standard, full ramp-up.
- Any shut-down for other reasons resulting in the cessation of the sound source for a period greater than 30 minutes, must also be followed by full ramp-up procedures

Water Jet and Hydraulic Grinder Measures

A PSO will be present on the dive support vessel when divers are using the water jet or hydraulic grinder. Prior to in-water use of the water jet, an EZ of 860 m around the DSV will be established. During hydraulic grinder use, an EZ of 250 m will be established. The water jet or hydraulic grinder will be shut down if marine mammals are observed within the EZ.

Tugs Towing Rig Measures

Two PSOs will be stationed on one of the tugs when a drilling rig is being towed to an exploration site. The tugs are not able to shut down operations, but can reduce power to reduce sound levels if marine mammals are sighted within the EZ.

1 CITY OF HOMER
2 HOMER, ALASKA

3 City Clerk

4 ORDINANCE 18-38(S)

5
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~~ **It is in the City of Homer's best**
17 **interest to ensure that Homer City Code provisions governing City of Homer ("City")**
18 **boards and commissions are located in one title and, to the extent appropriate, the**
19 **policies and procedures governing these boards and commissions are consolidated**
20 **within the Homer City Code ("Code");** and
21

22 WHEREAS, ~~Currently, the Code has chapters procedures for the Parks, Art, Recreation,~~
23 ~~and Culture Advisory Commission, the Port and Harbor Advisory Commission, Economic~~
24 ~~Development Advisory Commission, and the Advisory Planning Commission, and the Library~~
25 ~~Advisory Board is found in a separate section under 2.48 Public Library~~ **The Code only**
26 **addresses procedures for the Parks, Art, Recreation, and Culture Advisory Commission,**
27 **the Port and Harbor Advisory Commission, Economic Development Advisory**
28 **Commission, the Advisory Planning Commission, and the Library Advisory Board, but**
29 **does not provide procedures for other existing or future commissions or boards.**
30

31 NOW, THEREFORE, The City of Homer Ordains:

32
33 Section 1. Homer City Code 2.23 is amended to repeal HCC Section 2.32.020 as follows:

34 Chapter.2.32

35 DEPARTMENTS AND ~~DIRECTORS~~ BOARDS

36
37 Sections:

38
39 2.32.010 Departments-Directors
40
41 2.32.020 ~~Boards and commissions.~~
42

- 43 2.32.030 Designation and function of departments.
- 44 2.32.040 Departmental administrative fee schedule.

45
46

47 Section 2. Homer City Code is amended to enact Chapter 2.58 entitled “Commissions
48 and Boards” to read as follows:

49
50

Chapter.2.58
BOARDS AND COMMISSIONS

53
54

Sections:

55
56

- 2.58.010 Boards and commissions.
- 57 2.58.020 Creation of City boards and commissions.
- 58 2.58.030 Applicability.
- 59 2.58.035 Commission and board member terms.
- 60 2.58.040 Commission and board bylaws.
- 61 2.58.050 Required procedures.

62
63

64 2.58.010 Boards and commissions.

65
66

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.

69
70

71 2.58.020 Creation of City boards and commissions.

72
73

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

74
75

- 76 1. Library Advisory Board
- 77 2. Parks, Art, Recreation, and Culture Advisory Commission
- 78 3. Port and Harbor Advisory Commission
- 79 4. Advisory Planning Commission
- 80 5. Economic Development Advisory Commission

81
82

2.58.030 Applicability.

83

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

90
91 2.58.035 Commission and board member terms.
92

93 Appointment and removal of the members of City boards and commissions shall
94 be by recommendation of the Mayor and confirmation of such action by the Council,
95 except as specifically provided otherwise in the Alaska Statutes and/or under other
96 provisions of the Code. In addition to the voting members of the board or commission,
97 the Mayor may appoint honorary members of a board or commission, subject to
98 confirmation by Council. The honorary members' terms are to be determined at the
99 time of appointment. Honorary members of ~~the a~~ board or commission may participate
100 in the deliberations of the board or commission, but may not vote, nor shall they be
101 counted in determining whether a quorum is present.

102
103 2.58.040 Commission and board bylaws.
104

105 (a) Except as otherwise provided in this Title, all boards and commissions
106 created by Council shall draft and approve proposed bylaws governing the
107 operations of their respective areas of authority, ~~subject to city attorney~~
108 ~~review~~ **subject to review by the City Attorney**. Once approved by the board
109 or commission, the proposed bylaws shall be submitted to Council for
110 approval via resolution.

111
112 (b) Except as otherwise provided in this Title, the City Clerk shall file the bylaws
113 and the resolution approving them. The City Clerk shall make the bylaws
114 available to the public upon request.

115
116 ~~(c) Except as otherwise provided in this Title, a commission or board may~~
117 ~~amend its bylaws or City Council may amend a board's or commission's~~
118 ~~bylaws as follows:~~

119
120 1. ~~A commission or board may amend its bylaws with approval a majority~~
121 ~~of voting members so long as notice of said proposed amendment is~~
122 ~~given to each member in writing.~~
123

124 2. ~~The proposed amendment shall be introduced at one meeting and~~
125 ~~action shall be taken at the next Commission meeting.~~

126
127 3. ~~The amendment shall be presented in the form of a Resolution by the~~
128 ~~City Council and shall be forwarded to the City Council through the City~~
129 ~~Clerk at the earliest possible date.~~

130
131 **(c) A commission or board may recommend an amendment to its bylaws to**
132 **Council after considering any amendments at two separate meetings.**
133 **Amendments to bylaws of any City commission or board shall be**
134 **effective upon approval of the amendments by Council via resolution.**

135
136 2.58.050 Required procedures.

137
138 Except as otherwise provided in this Title, bylaws for boards and commissions shall
139 contain:

140
141 **(a) *Presiding officer.*** The presiding officer of the board or commission shall be the
142 chairperson. In the chairperson's absence, the vice-chairperson shall be the
143 presiding officer. In all other circumstances, the most senior member shall preside.
144 The presiding officer shall preserve order and decorum at all meetings of the board
145 or commission, while promoting discussion by all members in deliberations **unless**
146 **otherwise prohibited by law.**

147
148 **(b) *Staff liaison.*** The City Manager shall designate an employee to serve as a staff liaison
149 to each board or commission. The staff liaison shall assist the chairperson in setting
150 meetings, preparing agendas, and other documentary material, and coordinating
151 the acquisition of needed materials and training.

152
153 **(c) *Recording clerk.*** The city clerk shall designate a recording clerk to take minutes for
154 each board and commission and that designee shall serve as the board's or
155 commission's parliamentary advisory pursuant to AS 29.20.380(10) and assist the
156 chairperson with compliance with the commission's or board's bylaws.

157
158 **(d) *Quorum.*** Four commission or board members shall constitute a quorum of seven
159 members; and five commission or board members shall constitute a quorum of
160 eight members.

161
162 **(e) *Voting.*** Each member, including the chairperson, shall vote, and shall not abstain
163 from voting, unless such member claims a conflict of interest, in which event the
164 member shall be excused from voting. The member shall then state for the record

165 the basis for the abstention ~~and complete a statement of potential conflict of~~
166 ~~interest form.~~

- 167
- 168 1. Four affirmative votes of seven members and five affirmative votes of
169 eight members, are required to pass a motion.
 - 170
 - 171 2. Voting will be by a roll call vote, the order to be rotated; or by unanimous
172 consent if no objection is expressed.
 - 173
 - 174 3. Voting by proxy or absentee is prohibited.
 - 175

176 (f) *Staff reports and recommendations.* The staff liaison shall submit reports and
177 recommendations for those agenda items requiring decisions or recommendations
178 by any board or commission ~~or committee~~. Other staff having experience,
179 education, and professional training in the subject matter may provide input into
180 the reports and recommendations, or may provide supplemental ones. The
181 material submitted may be oral, written or graphic, or some combination of all.
182 **Except as otherwise provided in this Code,** the reports and recommendations
183 shall be accepted as evidence of record to the same extent as oral testimony and
184 exhibits accepted from applicants, opponents, persons who are subjects of an
185 inquiry, expert and lay witnesses, and members of the public who provide
186 information for the record of the proceedings.

187

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

193

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

- 196 1. A member fails to qualify to take office within 30 days after their appointment;
- 197
- 198 2. A member resigns;
- 199
- 200 3. A member is physically or mentally unable to perform the duties of the office;
- 201
- 202 4. A member is convicted of a felony or of an offence involving a violation of their
203 oath of office;
- 204
- 205

206 5. A member misses three consecutive regular meetings without being excused, or
207 30 percent of all meetings within a calendar year.

208
209 (i) *Rules of order.* Boards and Commissions shall abide by the current edition of
210 Robert’s Rules of Order. If Robert’s Rules of Order conflict with the board or
211 commission bylaws or other provisions of this Code, the bylaws and/or Code
212 provisions shall apply.

213
214 (j) *Training and model procedures.*
215
216 (1) Training sessions developed or arranged by the City Clerk and approved by the
217 City Manager shall be mandatory unless a member’s absence is excused by the
218 chairperson.

219
220 (2) The City Manager and/or City Clerk, in their discretion and in consultation with
221 the City Attorney as needed, may develop model procedures to be used as a
222 guide for boards and commissions.

223
224 Section 3. This ordinance shall take effect upon its adoption by the Homer City Council.

225
226 Section 4. This ordinance is of a permanent and general character and shall be included
227 in the Homer City Code.

228
229 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this __ day of _____, 2018.

230
231
232 CITY OF HOMER

233
234
235 _____
236 BRYAN ZAK, MAYOR

237
238 ATTEST:

239
240
241 _____
242 MELISSA JACOBSEN, MMC, CITY CLERK

243
244
245 YES:
246 NO:

247 ABSTAIN:
248 ABSENT:
249
250 Introduction:
251 Public Hearing:
252 Second Reading:
253 Effective Date:
254
255
256 Reviewed and approved as to form:
257
258 _____
259 Katie Koester, City Manager
260
261 Date: _____
262

Holly Wells, Attorney

Date: _____

ATTACHMENT B

1. The State of Alaska established the Public Employee Retirement System (PERS) in 1961 and since that time has:
2. Had sole administrative control of the plan;
 - a. Selected, contracted with, and has been the sole contact with PERS actuaries;
 - b. Had sole access to, oversight for, and responsibility for actuarial methods and assumptions for PERS;
 - c. Had sole control over the investment of all PERS assets; and
 - d. Set the rates for, billed for, and collected on all PERS contributions.
3. The State caused the shifting of employees from cities to boroughs as it formed mandatory boroughs in 1963 and 1964.
4. The State has managed the investment income since 1969 and has credited investment income to employee accounts solely from the current employer's active account, versus directly.
5. The State administratively created the Retirement Reserve Account (RRA) in 1971, although it was not authorized by statute until 1974.
6. The State began paying retiree benefits with "blended" employer dollars in 1971 and absorbed the RRA shortfall balance in 1972.
7. Although member employers were told, and believed, from 1961 until approximately 2006, that individual employer retirement accounts and activity were kept and tracked separately by the State, since 1971 the State has blended, reallocated and comingled employer contributions such that no single employer's contributions can be accounted for accurately.
8. The comingled nature of the funds creates a statewide system such that one employer's actions affect other employer's liabilities.
9. The State did not administer PERS in accordance with its own laws.
10. Most municipalities of the State are members of the Public Employees' Retirement System (PERS).
11. The State established the "shared consolidated (blended) normal cost" rate in 1977.
12. The State started allocating income to the RRA in 1984.
13. The State stopped, in 1994, transferring employer contributions to the RRA as employees retired.
14. The State controlled the timing of employee "appointment" to retirement and the subsequent employee account transfers to the RRA.
15. The State reallocated each employer's and employee's RRA contributed assets, based upon RRA liabilities.
16. The State determined each employer's unfunded obligation after reallocating the employer's assets.
17. The State, prior to 2006, set the employer's past service cost rates based upon reallocated asset results.
18. The State, before 2006, set and paid prior normal cost rates that were lower than they should have been.

19. The State, from July 1, 1999, up until as recently as 2006, payed refunds from employee accounts, yet booked payments as though they were coming from the RRA.
20. The State, from July 1, 1999, up until as recently as 2006, sent direct employee indebtedness payments to the RRA.
21. The State has pervasive authority over public education in Alaska, a responsibility which it shares with no other unit of government.
22. In the exercise of its pervasive authority over public education, the State established a Teachers' Retirement System (TRS) and statutorily requires that all teachers in public schools be included in that system.
23. The State has prescribed the terms of the TRS system and program since the beginning and has exercised exclusive control over the operation, investment and administration of that system in much the same manner as it has the PERS system.
24. The State does not allow any local school district the discretion to decline to have teachers employed in those districts to participate in TRS.
25. The State has, as with PERS, comingled each district's contributions to TRS and set rates at inadequate levels such that there is no method to accurately allocate the unfunded liability for TRS pension or health benefits to any particular school district.
26. In recognition of the State's responsibility for the majority of the unfunded pension and health benefit liability, in 2008, the State amended its statutes regarding employer contributions to PERS and TRS, placing a cap on employer contributions to PERS at 22% of payroll and on TRS contributions at 12.56% of payroll, with the State accepting responsibility for any costs in excess of this amount.
27. In connection with the 2008 legislation change, the Legislature acknowledged State responsibility for the unfunded liability in the TRS system and accepted responsibility, subject to annual appropriation, for payments required to satisfy the TRS and PERS contribution rates required to amortize the unfunded pension liability over 25 years.
28. The State is now issuing a statement of allocation of PERS pension liability which is inconsistent with the 2008 statute change and which seeks to return to a calculated allocation rate which bears no factual relationship to payments or costs associated with any specific employer, but instead comingles the liability across all employers and simply divides by their payroll in a given year.
29. The State is now issuing a statement of allocation for TRS pension liability which is inconsistent with the 2008 statute change and seeks to allocate a portion of the State's exclusive and pervasive responsibility for education to school districts which it created and oversees for the provision of public education.

The Alaska Municipal League expresses its strong objections to the proposed allocation of PERS and TRS liability in the State of Alaska's contemplated GASB #67 and GASB #68 reports for audit purposes.