



City of Homer

www.cityofhomer-ak.gov

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Memorandum

Agenda Changes/Supplemental Packet

TO: MAYOR CASTNER AND HOMER CITY COUNCIL
FROM: RENEE KRAUSE, MMC, DEPUTY CITY CLERK
DATE: SEPTEMBER 9, 2019
SUBJECT: AGENDA CHANGES AND SUPPLEMENTAL PACKET

Consent Agenda

Resolution 19-061, A Resolution of the Homer City Council Selecting Alliant Insurance Services, Inc. to Provide Marine General Liability, Workboat Hull and Equipment, and Workboat Protection and Indemnity Insurance Coverages for the Homer Harbor and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. *Packet Page 139*

Resolution 19-062, A Resolution of the Homer City Council Selecting Alliant Insurance Services, Inc. to Provide Marine General Liability, Workboat Hull and Equipment, and Workboat Protection and Indemnity Insurance Coverages for the Homer Harbor and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. **Page 3**

Correction to Resolution number

Letter dated September 5, 2019 from Alliant with updated Comparison Chart **Page 5**

Pending Business

Ordinance 19-38(A) An Ordinance of the City Council of Homer, Alaska, Amending the FY2019 Operating and Capital Budgets to Provide for Necessary Mid-Year Adjustments by Appropriating and Transferring funds from the General and Water and Sewer Funds. City Manager/Finance Director. Introduction August 12, 2019, Public Hearing and Second Reading August 26, 2019 Postponed to September 9, 2019. *Packet Page 268*

Ordinance 19-38(A)(S-2), An Ordinance of the City Council of Homer, Alaska, Amending the FY2019 Operating and Capital Budgets to Provide for Necessary Mid-Year Adjustments by Appropriating and Transferring funds from the General and Water and Sewer Funds. Mayor. **Page 9**

Resolutions

Resolution 19-060, A Resolution of the City Council of Homer, Alaska, Expressing its Intent to Enter into a Contractual Agreement with the Firm to be Named to Provide Legal Services to the City of Homer. Mayor/Council. *Packet Page 296*

Resolution 19-060(A), A Resolution of the City Council of Homer, Alaska, Expressing its Intent to Enter into a Contractual Agreement with the Firm Jermain, Dunnagan & Owens, P.C. of Anchorage, Alaska, to Provide Legal Services to the City of Homer.

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

3 City Manager

4 **RESOLUTION 19-062**
5

6 A RESOLUTION OF THE HOMER CITY COUNCIL SELECTING
7 ALLIANT INSURANCE SERVICES, INC. TO PROVIDE MARINE
8 GENERAL LIABILITY, WORKBOAT HULL AND EQUIPMENT, AND
9 WORKBOAT PROTECTION AND INDEMNITY INSURANCE
10 COVERAGES FOR THE HOMER HARBOR AND AUTHORIZING THE
11 CITY MANAGER TO EXECUTE THE APPROPRIATE DOCUMENTS.
12

13 WHEREAS, The City has contracted with USI Insurance Services (USI) to secure marine
14 general liability, workboat hull, and workboat protection and indemnity insurance coverages
15 since at least 2014; and
16

17 WHEREAS, The City currently pays an annual premium of \$34, 336 with USI; and
18

19 WHEREAS, It is in the City's best interest to assure the highest value is received for tax
20 dollars spent on public services and contracts; and
21

22 WHEREAS, The City is a member of the Alaska Municipal League Joint Insurance
23 Association (AMLJIA) and relies on AMLJIA's highly specialized staff to provide
24 recommendations to the City regarding insurance coverage programs; and
25

26 WHEREAS, AMLJIA requested their broker review the City's current insurance with USI
27 for the Homer marina to determine if better coverage could be secured; and
28

29 WHEREAS, AMLJIA's broker submitted a proposal from Alliant Insurance Services, Inc.
30 that provides marine general liability, workboat hull and equipment, and workboat protection
31 and indemnity insurance coverages comparable to USI with an annual premium of \$30, 956;
32 and
33

34 WHEREAS, The City can terminate USI's coverage with no penalty and switch to Alliant
35 Insurance Services; and
36

37 WHEREAS, HCC 3.16.060 states placement of insurance coverage is exempt from
38 competitive bidding.
39

40 NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby approves
41 Alliant Insurance Services to provide marine general liability, workboat hull and equipment,

42 and workboat protection and indemnity insurance coverages and authorizes the City Manager
43 to execute the appropriate documents.

44

45 PASSED AND ADOPTED by the Homer City Council this ___ day of _____, 2019.

46

47

CITY OF HOMER

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49

50

KEN CASTNER, MAYOR

51

52 ATTEST:

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54

55

MELISSA JACOBSEN, MMC, CITY CLERK

56

57

58 Fiscal note: Annual Premium cost of \$30, 956



September 5, 2019

Paul Bryner
Alaska Municipal League Joint Insurance Association
807 G Street, Suite 356
Anchorage, AK 99501

Dear Paul,

Thank you for the opportunity for Alliant Insurance Services, Inc. to provide a Marine Liability proposal for the City of Homer.

We have prepared a comparison chart which highlights the benefits of selecting Aspen American Insurance Company. These highlights include:

- Higher limits - Aspen has a \$2M aggregate for Product Completed Ops
- Traveling Workmen endt. which allows for coverage away from premises
- Blanket A/I's
- Pricing advantage

With Alliant's long history with Public Entity business and our wholesaler's marine expertise, we can provide the insured with a very experienced team.

Sincerely,

Margo Suarez
Margo Suarez
Assistant Vice President
Account Executive, Public Entity Group

2019-2020 City of Homer Marine Proposal Comparison		
	Alliant	USI
INSURANCE COMPANY:	Aspen American Insurance Company	Continental Insurance Company
A.M. BEST RATING:	A (Excellent), Financial Size Category: XV (\$2 Billion or greater) as of March 1, 2019	A (Excellent), Financial Size Category: XV (\$2 Billion or greater) as of July 11, 2019
STANDARD & POOR'S RATING:	Not Rated	A (Strong) as of June 24, 2013
ALASKA STATUS:	Admitted	Admitted
POLICY TERM:	TBD	July 1, 2019 to July 1, 2020
LOCATION:	4350 Homer Spit Rd, Homer, AK 99603	491 East Pioneer Avenue, Homer, AK 99603
VESSEL:	1) 2002 25' Peregrine Marine Aluminum - \$75,000 2) 1990 21' Caulkins Skiff - \$20,000	1) 2002 25' Peregrine Marine Aluminum - Workboat - \$75,000 2) 1990 21' Caulkins Skiff - Workboat - \$20,000
COVERAGE:	<ul style="list-style-type: none"> • Marine General Liability • Workboat Hull & Equipment • Workboat Protection & Indemnity 	<ul style="list-style-type: none"> • General Liability • Owned Watercraft- Hull • Protection & Indemnity
LIMITS:	<p>Marine General Liability \$1,000,000 Each Occurrence Limit \$1,000,000 Personal And Advertising Injury Limit – any one person or organization. \$250,000 Damage To Premises Rented To You Limit \$10,000 Medical Expense Limit – any one person \$2,000,000 General Aggregate Limit (except Products-Completed Operations) \$2,000,000 Products-Completed Operations Aggregate Limit</p> <p>Workboat Hull & Equipment \$100,000 Hull Total Insured Value, Hull & Equipment Physical Damage</p> <p>Workboat Protection & Indemnity \$1,000,000 Each occurrence</p> <p>Employee Benefits Liability \$1,000,000 Each Employee \$1,000,000 Aggregate Limit</p> <p>Sudden & Accidental Pollution Coverage Included - see endorsement</p>	<p>General Liability Coverage \$1,000,000 Each Occurrence \$1,000,000 Personal and Advertising Injury \$100,000 Damage to Rented Premises (Each Occurrence) \$5,000 Medical Expense \$2,000,000 General Aggregate \$1,000,000 Products and Completed Operations Aggregate</p> <p>Owned Watercraft- Hull \$95,000 Total Insured Value</p> <p>Protection & Indemnity Coverage \$1,000,000</p> <p>Employee Benefits Liability \$1,000,000 Each Employee \$1,000,000 Aggregate</p> <p>Sudden & Accidental Pollution Coverage \$1,000,000</p>
DEDUCTIBLES:	<p>Marine General Liability \$10,000 Each Occurrence</p> <p>Workboat Hull & Equipment \$2,500 Each Vessel</p> <p>Workboat Protection & Indemnity \$2,500 Each occurrence – Bodily Injury \$2,500 Each occurrence – Property Damage</p> <p>Employee Benefits Liability \$2,500 Each Occurrence</p>	<p>General Liability Coverage \$10,000</p> <p>Owned Watercraft- Hull \$2,500</p> <p>Protection & Indemnity Coverage \$2,500</p> <p>Employee Benefits Liability \$1,000</p>
ENDORSEMENT & EXCLUSIONS: (INCLUDING BUT NOT LIMITED TO)	<ul style="list-style-type: none"> • Excluded - Number of Crew <p>Forms Schedule:</p> <ul style="list-style-type: none"> • Marine Service Providers Policy Declarations • Marine General Liability Coverage Form • Additional Policy Terms, Conditions and Exclusions • Marine Liability Endorsement – Marina Operators Legal Liability Endorsement • Amendment to Coverage – Limited Pollution Endorsement (S&A) • Amendment to Coverage – Employee Benefit Liability • Amendment to Coverage – In Rem Endorsement • Amendment to Coverage – Traveling Workmen 	<ul style="list-style-type: none"> • Marine Services Liability Declarations • Commercial General Liability Coverage Form • Common Policy Conditions • Marina Operators Liability Coverage Form • Sudden & Accidental Pollution Buy Back Endorsement • Employee Benefits Liability Coverage Form • AIMU Extended Radioactive Contamination, Chemical, Biological, Bio-Chemical, and Electromagnetic Exclusion Clause (March 1, 2003) With U.S.A. Endorsement • AIMU U.S. Economic and Trade Sanctions Clause

2019-2020 City of Homer Marine Proposal Comparison

	Alliant	USI
INSURANCE COMPANY:	Aspen American Insurance Company	Continental Insurance Company
	<ul style="list-style-type: none"> • Blanket Additional Insured – Ongoing Operations – Required in Written Contract – B.F. • Blanket Additional Insured – Required in Written Lease Agreement • Blanket Primary & Non-Contributory – Required in Written Contract • Blanket Waiver of Subrogation – Required in Written Contract • Exclusion – Camps or Campgrounds • Exclusion - Demurrage, Delay, Loss of Market • Exclusion – Law Enforcement Activities • Workboat Coverage Form • *Amendatory Endorsement – Exclude All Non-Marine Operations otherwise covered under Municipal Commercial General Liability Program 	<ul style="list-style-type: none"> • Exclusion - Silica • Exclusion - Respirable Dust • Fungi/Mold/Mildew/Yeast/Microbe Exclusion • Absolute Exclusion -Asbestos • Exclusion of Certified Acts of Terrorism under the Terrorism Risk Insurance Act, As Extended • Attorney Fees Under Alaska Rule of Civil Procedure 82 • MGL Common Policy Conditions • Protection And Indemnity Coverage Form • Hull Policy Declarations • American Institute Hull Clauses (June 2, 1977)
RATE:	<p>Marine General Liability 1.05 on est gross receipts of \$2,614,938 Reporting - Annually by request of the Company</p> <p>Workboat Hull & Equipment 1.75 per \$100</p> <p>Workboat Protection & Indemnity \$500 each vessel</p>	Gross Receipts: 2,614,938 Rate: Flat
TOTAL COST EXCLUDING TRIA:	<p>\$ 30,206.00 M&D Premium</p> <p>\$ 750.00 Broker Fee - Fully retained at inception</p> <p>\$ 30,956.00 Total Cost</p>	\$34,336.00
TOTAL COST INCLUDING TRIA:	<p>\$ 30,206.00 M&D Premium</p> <p>\$ 1,510.30 TRIA Premium (5%)</p> <p>\$ 750.00 Broker Fee - Fully retained at inception</p> <p>\$ 32,466.30 Total Cost</p>	<p>\$34,336.00 Premium</p> <p>\$ 1,030.00 TRIA Premium</p> <p>\$ 35,366.00 Total Cost</p>
OPTIONAL COVERAGE:	<p>Marine General Liability \$25,000 Deductible, 0.93 Rate Option:</p> <p>Total Cost Excluding TRIA: \$ 27,069.00 M&D Premium <u>\$ 750.00 Broker Fee - Fully retained at inception</u> \$ 27,819.00 Total Cost</p> <p>Total Cost Including TRIA: \$ 27,069.00 M&D Premium \$ 1,353.45 TRIA Premium (5%) <u>\$ 750.00 Broker Fee - Fully retained at inception</u> \$ 29,172.45 Total Cost</p>	N/A
MINIMUM EARNED PREMIUM:	25%	N/A
CONDITIONS:	<ul style="list-style-type: none"> • Navigation "Warranty": Vessel(s) confined to the inland and coastal waters of Alaska not to exceed 10 miles from Port of Homer Alaska. • No Flat Cancellations • Fees are 100% Fully Earned 	<p>Payment Terms:</p> <ul style="list-style-type: none"> • Payment is Due in Full at Binding • Premium Financing is Available Upon Request
POLICY AUDITABLE:	Yes	Yes - Audited Annually Based on Gross Receipts
SUBJECTIVITIES:	<ul style="list-style-type: none"> • Written request to bind coverage (see last page of proposal) • Signed TRIA • Subject to confirmed no losses 5 year – current • Subject to receipt, review and underwriting acceptance of marina slip agreement • Subject to receipt, review and underwriting acceptance of full operations summary for schedule location • Subject to receipt, review and underwriting acceptance of marina revenue split 	<ul style="list-style-type: none"> • Signed Client Authorization to Bind Form • Signed Terrorism Coverage Form (if you wish to exclude this coverage, additional premium if you wish to include this coverage)

2019-2020 City of Homer Marine Proposal Comparison

	Alliant	USI
INSURANCE COMPANY:	Aspen American Insurance Company	Continental Insurance Company
	<ul style="list-style-type: none"> • Subject to confirmation City Maintains CGL Program for all non-marine operations • Subject to receipt of CGL Declarations Page within 30 days of binding • Subject to receipt of full five year carrier loss reports within 30 days of binding. If no prior cover, no loss letter stating no prior cover before 2015 and no losses is sufficient 	

1 CITY OF HOMER
2 HOMER, ALASKA

3 City Manager/
4 Finance Director

5 ORDINANCE 19-38(A)(S-2)
6

7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
8 AMENDING THE FY 2019 OPERATING AND CAPITAL BUDGETS TO
9 PROVIDE FOR NECESSARY MID-YEAR ADJUSTMENTS BY
10 APPROPRIATING AND TRANSFERRING FUNDS FROM THE
11 GENERAL AND WATER SEWER FUNDS.
12

13 WHEREAS, Mid-year budget amendments are an appropriate time to adjust the budget
14 for unanticipated expenditures or capital projects that cannot wait until the regular budget
15 cycle for funding; and
16

17 WHEREAS, Proposed changes to the FY 2019 General Fund operating budget are
18 minimal and consist of additional funding due to increased equipment and vehicle
19 maintenance costs for the city's motor pool and the repair of a backhoe bucket, **and**
20 **increasing part time wages for public works to assist with project management;** and
21

22 WHEREAS, Proposed changes to the FY 2019 General Fund capital budget are lengthy
23 and consist of additional funding for the replacement of security cameras at the library, the
24 purchase of a command vehicle for the Fire Department, the repurposing costs of converting
25 Utility 2 to a command vehicle for the Fire Department, ~~design costs for the airport terminal~~
26 ~~roof replacement,~~ funding replacement of GIS equipment, funding of road traffic and
27 construction inventory replacement, additional funding for the replacement of security
28 cameras at the airport, funding for a policy change that impacts the accounting of our
29 inventory, **accepting reimbursement funding for mutual aid efforts on the North Fork Fire,**
30 **and funding a demolition study for the HERC building;** and
31

32 WHEREAS, Proposed changes to the FY 2019 Water and Sewer operating budget consist
33 of additional funding to get back on track with meter head installation; and
34

35 WHEREAS, Proposed changes to the FY 2019 Water and Sewer capital budget consist of
36 funding an upgrade to the Sewer Treatment Plant HVAC control system, and covering the
37 replacement costs of an older pick-up truck with flat bed.
38

39 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:
40

41 Section 1. The City Council hereby appropriates \$40,000 from the transfer to Public
 42 Works Fleet Reserve to the Motor Pool budget to fund increased equipment and maintenance
 43 costs for the city’s motor pool and for the repair of backhoe bucket:

44

45 Expenditure:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
100-0176-5207	Vehicle and Boat Maintenance	\$40,000

48

49 **Section 2. The City Council hereby appropriates \$20,000 from the transfer to Public**
 50 **Works Reserve to the Public Works Administration budget to fund the hire of temporary**
 51 **project manager:**

52

53 **Expenditure:**

<u>Account</u>	<u>Description</u>	<u>Amount</u>
<u>100-0170-5103</u>	<u>Part-time Wages</u>	<u>\$15,000</u>
<u>100-0170-5104</u>	<u>Part-time Benefits</u>	<u>\$5,000</u>

57

58 Section 2.3. The City Council hereby appropriates \$10,000 from the Library Depreciation
 59 Reserve to provide additional funding for the replacement of security cameras at the Library:

60

61 Expenditure:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
156-0390	Security Camera Replacement	\$4,194 <u>\$10,000</u>

64

65 Section 3.4. The City Council hereby appropriates \$85,500 from the Fire Fleet Reserve
 66 to purchase a new command vehicle and to repurpose Utility 2 as another command vehicle:

67

68 Expenditure:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
156-0381	Purchase New Command Vehicle	\$75,000
156-0381	Repurpose Utility 2 as Command Vehicle	\$10,500

72

73 Section 4.5. The City Council hereby appropriates ~~\$33,000~~ **\$10,000**~~\$23,000~~ from the
 74 Airport Depreciation Reserve to ~~fund the design of the airport terminal roof replacement and~~
 75 provide additional funding for the replacement of security cameras at the airport:

76 Expenditure:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
----------------	--------------------	---------------

78	156-0388	Design Terminal Roof Replacement	\$23,000 <u>\$13,000</u>
79	156-0388	Security Camera Replacement	\$10,000

80

81 Section 5 6. The City Council hereby appropriates \$25,643 from the Public Works
 82 Depreciation Reserve to fund the replacement of road traffic and construction inventory, to
 83 fund a policy change that impacts the accounting of inventory, and to fund the replacement of
 84 GIS equipment:

85

86 Expenditure:

87	<u>Account</u>	<u>Description</u>	<u>Amount</u>
88	156-0395	Inventory Replacement	\$6,300
89	156-0395	Inventory Policy Change - Accounting	\$12,526
90	156-0395	GIS Equipment Replacement	\$6,817

91

92 **Section 6 7. The City Council hereby accepts and appropriates \$62,500 from the**
 93 **Division of Forestry for reimbursement of expenses incurred providing mutual aid for the**
 94 **North Fork Fire:**

95

96 **Revenue:**

97	<u>Account</u>	<u>Description</u>	<u>Amount</u>
98	<u>157-0934</u>	<u>North Fork Fire</u>	<u>\$62,500</u>

99

100 **Expenditure:**

101	<u>Account</u>	<u>Description</u>	<u>Amount</u>
102	<u>157-0934</u>	<u>North Fork Fire Personnel Costs</u>	<u>\$10,500</u>
103	<u>152-0381</u>	<u>Fire Fleet Costs</u>	<u>\$52,000</u>

104

105 **Section 7 8. The City Council hereby appropriates \$35,000 from the Old Middle**
 106 **School Depreciation Reserve to fund a study on the demolition of the HERC building:**

107

108 **Expenditure:**

109	<u>Account</u>	<u>Description</u>	<u>Amount</u>
110	<u>156-0396</u>	<u>HERC Demolishment Study</u>	<u>\$35,000</u>

111

112 Section 8 9. The City Council hereby appropriates \$35,000 from the transfer to Water
 113 Fund Reserve to the Water Meters budget for meter head installation:

114

115 Expenditure:

116 <u>Account</u>	<u>Description</u>	<u>Amount</u>
117 200-0406-5202	Operating Supplies	\$35,000

118

119 Section 9 10. The City Council hereby appropriates \$106,817 from the Sewer Fund
120 Reserve to fund the upgrade to the Sewer Treatment Plant HVAC control system, to purchase
121 a new ½ ton pick-up truck with flatbed, and to fund the replacement of GIS equipment:

122

123 Expenditure:

124 <u>Account</u>	<u>Description</u>	<u>Amount</u>
125 256-0379	STP HVAC Control System Upgrade	\$83,500
126 256-0379	½ ton Pick-Up Truck with Flatbed	\$16,500
127 256-0379	GIS Equipment Replacement	\$6,817

128

129 Section 10 11. The City Council hereby appropriates \$23,317 from the Water Fund
130 Reserve to purchase a new ½ ton pick-up truck with flatbed, and to fund the replacement of
131 GIS equipment:

132

133 Expenditure:

134 <u>Account</u>	<u>Description</u>	<u>Amount</u>
135 256-0378	½ ton Pick-Up Truck with Flatbed	\$16,500
136 256-0378	GIS Equipment Replacement	\$6,817

137

138 Section 11 12. This is a budget amendment ordinance only, is not permanent in
139 nature, and shall not be codified.

140

141 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this _____ day of
142 _____, 2018.

143

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CITY OF HOMER

KEN CASTNER, MAYOR

153 ATTEST:

154

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156 _____

157 MELISSA JACOBSEN, MMC, CITY CLERK

158

159 YES:

160 NO:

161 ABSTAIN:

162 ABSENT:

163

164 First Reading:

165 Public Reading:

166 Second Reading:

167 Effective Date:

168

169

170 Reviewed and approved as to form:

171

172

173 _____

174 Katie Koester, City Manager

175

176 Date: _____

Holly C. Wells, City Attorney

Date: _____

1 CITY OF HOMER
2 HOMER, ALASKA

3 Mayor/City Council

4 RESOLUTION 19-060(A)

5
6 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
7 EXPRESSING ITS INTENT TO ENTER INTO A CONTRACTUAL
8 AGREEMENT WITH THE FIRM ~~TO BE NAMED~~ **JERMAIN,**
9 **DUNNAGAN & OWENS, P.C. OF ANCHORAGE, ALASKA** TO
10 PROVIDE LEGAL SERVICES TO THE CITY OF HOMER.

11
12 WHEREAS, City Council authorized the issuance of a Request for Proposals (RFP) for
13 general counsel legal services by Resolution 19-038; and

14
15 WHEREAS, The RFP was advertised in the Homer News on July 18 and 25, 2019, in the
16 Anchorage Daily News on July 21 and 28, 2019, and posted on the City website on July 18, 2019;
17 and

18
19 WHEREAS, Seven proposals were received and evaluated by Council at a Special
20 Meeting on August 28, 2019; and

21
22 WHEREAS, Four firms were interviewed at Special Meetings on September 4 and 5, 2019.

23
24 NOW, THEREFORE, BE IT RESOLVED that the Council finds the Firm ~~to be Named~~
25 **JERMAIN, DUNNAGAN & OWENS, P.C. OF ANCHORAGE, ALASKA** is best suited to meet the
26 legal needs and requirements of the City of Homer.

27
28 BE IT FURTHER RESOLVED that the Council authorizes the City Manager to finalize a
29 formal contract for consideration and approval at the regular meeting on September 23, 2019.

30
31 PASSED AND ADOPTED by the Homer City Council this 9th day of September, 2019.

32
33
34 CITY OF HOMER

35
36
37 _____
38 KEN CASTNER, MAYOR

39 ATTEST:

40
41 _____
42 MELISSA JACOBSEN, MMC, CITY CLERK

43
44 Fiscal note: None