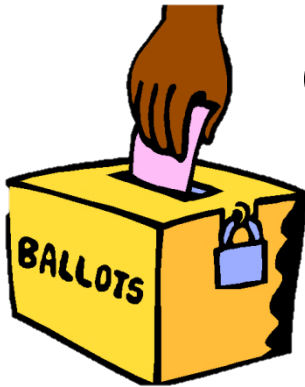
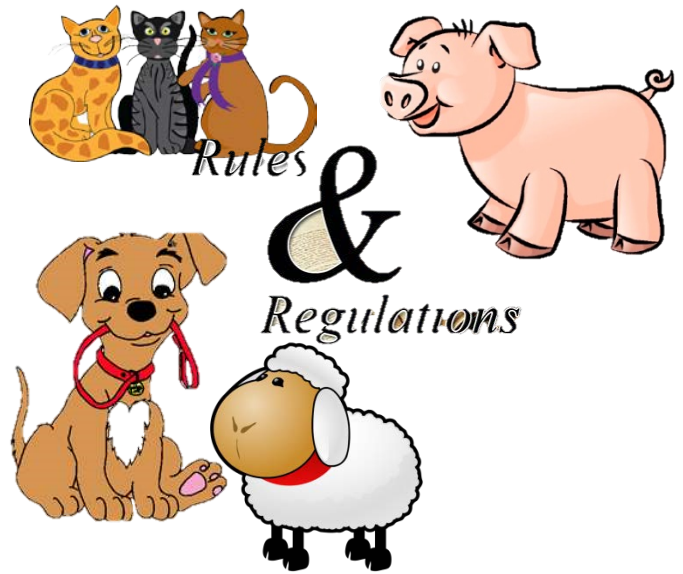


City Council
June 27, 2016
Monday



Committee of the Whole 5:00 P.M.
Regular Meeting 6:00 P.M.



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

Produced and
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2016 JUNE – JULY

Monday 27 th	CITY COUNCIL Committee of the Whole 5:00 p.m. Regular Meeting 6:00 p.m.
Wednesday 29 th	PUBLIC SAFETY BUILDING REVIEW COMMITTEE Regular Meeting 5:30 p.m.
JULY Monday 4 th	INDEPENDENCE DAY HOLIDAY City Offices Closed for the Holiday
Monday 11 th	DEPT. OF HOMELAND SECURITY TSUNAMI & EARTHQUAKE EVACUATION PLANS 8:30 A.M. to Noon
Tuesday 12 th	ECONOMIC DEVELOPMENT ADVISORY COMMISSION Regular Meeting 6:00 p.m.
Wednesday 13 th	PUBLIC SAFETY BUILDING REVIEW COMMITTEE Regular Meeting 5:30 p.m.
Thursday 14 th	ADA COMPLIANCE COMMITTEE regular meeting 4:00 p.m.
Wednesday 20 th	ADVISORY PLANNING COMMISSION Worksession 5:30 p.m. regular meeting 6:30 p.m.
Monday 25 th	CITY COUNCIL Worksession 4:00 p.m. Committee of the Whole 5:00 p.m. and Regular Meeting 6:00 p.m.

Regular Meeting Schedule

City Council 2nd and 4th Mondays 6 p.m.
Library Advisory Board 1st Tuesday except January, June, July, September and December 5:30 p.m.
Economic Development Advisory Commission 2nd Tuesday 6 p.m.
Parks, Art, Recreation and Culture Advisory Commission 3rd Thursday with the exception of January, July and December 5:30 p.m.
Planning Commission 1st and 3rd Wednesday 6:30 p.m.
Port and Harbor Advisory Commission 4th Wednesday 5 p.m.
(May-September 6:00 p.m.)
Cannabis Advisory Commission 4th Thursday 5:30 p.m.

MAYOR AND CITY COUNCILMEMBERS AND TERMS

BETH WYTHER, MAYOR – 16
BRYAN ZAK, COUNCILMEMBER - 16
DAVID LEWIS, COUNCILMEMBER – 17
GUS VAN DYKE, COUNCILMEMBER – 16
CATRIONA REYNOLDS, COUNCILMEMBER – 17
DONNA ADERHOLD, COUNCILMEMBER – 18
HEATH SMITH, COUNCILMEMBER – 18
City Manager, Katie Koester
City Attorney, Holly Wells

<http://cityofhomer-ak.gov/cityclerk> for home page access, Clerk's email address is: clerk@ci.homer.ak.us Clerk's office phone number: direct line 235-3130, other number 435-3106.

HOMER CITY COUNCIL
491 E. PIONEER AVENUE
HOMER, ALASKA
www.cityofhomer-ak.gov



COMMITTEE OF THE WHOLE
5:00 P.M. MONDAY
JUNE 27, 2016
COWLES COUNCIL CHAMBERS

MAYOR BETH WYTHE
COUNCIL MEMBER DAVID LEWIS
COUNCIL MEMBER BRYAN ZAK
COUNCIL MEMBER GUS VAN DYKE
COUNCIL MEMBER CATRIONA REYNOLDS
COUNCIL MEMBER DONNA ADERHOLD
COUNCIL MEMBER HEATH SMITH
CITY ATTORNEY HOLLY WELLS
CITY MANAGER KATIE KOESTER
CITY CLERK JO JOHNSON

COMMITTEE OF THE WHOLE AGENDA

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

Councilmember Van Dyke 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. Ordinance 16-38, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code Title 20, Animals, Regarding the Regulation and Impoundment of Animals, and Penalties for Animal Violations. City Manager/Police Chief. Page 71

Memorandum 16-111 from Deputy City Clerk as backup. Page 89

Memorandum 16-114 from City Attorney as backup. Page 95

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, July 25, 2016 at 6:00 p.m., Committee of the Whole 5:00 p.m., and Worksession 4:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

CALL TO ORDER
PLEDGE OF ALLEGIANCE
AGENDA APPROVAL

HOMER CITY COUNCIL
491 E. PIONEER AVENUE
HOMER, ALASKA
www.cityofhomer-ak.gov



REGULAR MEETING
6:00 P.M. MONDAY
JUNE 27, 2016
COWLES COUNCIL CHAMBERS

MAYOR BETH WYTHE
COUNCIL MEMBER DAVID LEWIS
COUNCIL MEMBER BRYAN ZAK
COUNCIL MEMBER GUS VAN DYKE
COUNCIL MEMBER CATRIONA REYNOLDS
COUNCIL MEMBER DONNA ADERHOLD
COUNCIL MEMBER HEATH SMITH
CITY ATTORNEY HOLLY WELLS
CITY MANAGER KATIE KOESTER
CITY CLERK JO JOHNSON

REGULAR MEETING AGENDA

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

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE

Councilmember Van Dyke 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 1.24.040.)

3. PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

4. RECONSIDERATION

5. 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 of June 13, 2016. City Clerk. Recommend adoption. Pages 21/23

- B. **Memorandum 16-108**, from Deputy City Clerk, Re: Seasonal Addendum to Liquor License for Grace Ridge Brewing, Inc. Page 53
- C. **Ordinance 16-36**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2016 Operating Budget by Appropriating \$9,970.00 From Sewer Reserves for the Removal of an Underground Fuel Storage Tank at the Sewer Treatment Plant. City Manager/Public Works Director. Recommended dates: Introduction June 27, 2016, Public Hearing and Second Reading July 25, 2016. Page 59
- Memorandum 16-109 from Public Works Director as backup. Page 63
- D. **Ordinance 16-37**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a Donation From Paul M. Hertzmann, Inc., Vintage Photography of San Francisco, California, in the Amount of \$1,000.00 for the Homer Public Library and Stipulating That the Funds be Segregated and Used by the Library in Support of Its Mission to Provide Library Services. City Manager/Library Director. Recommended dates: Introduction June 27, 2016, Public Hearing and Second Reading July 25, 2016. Page 65
- Memorandum 16-110 from Library Director as backup. Page 69
- E. **Ordinance 16-38**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code Title 20, Animals, Regarding the Regulation and Impoundment of Animals, and Penalties for Animal Violations. City Manager/Police Chief. Recommended dates: Introduction June 27, 2016, Public Hearing and Second Reading July 25, 2016. Page 71
- Memorandum 16-111 from Deputy City Clerk as backup. Page 89
- Memorandum 16-114 from City Attorney as backup. Page 95
- F. **Resolution 16-074**, A Resolution of the City Council of Homer, Alaska, Placing a Moratorium on All New Water or Sewer Special Assessment Districts Until the Debt Service Ratio for the Homer Accelerated Water and Sewer Fund is Above 1.25 and Directing the Homer Advisory Planning Commission to Develop Procedures for Applying and Lifting the Debt Service Ratio Restrictions. City Manager. Recommend adoption. Page 101

- G. **Resolution 16-075**, A Resolution of the Homer City Council Updating the Library Mission Statement. City Clerk/Library Advisory Board. Recommend adoption.

Page 105

Memorandum 16-112 from Library Advisory Board as backup.

Page 107

- H. **Resolution 16-076**, A Resolution of the City Council of Homer, Alaska, Approving a Contract for General Counsel Legal Services to the Firm of Birch Horton Bittner and Cherot in the Monthly Amount of \$11,500.00 and Authorizing the City Manager to Execute the Appropriate Documents. Mayor/City Council. Recommend adoption.

Page 109

Memorandum 16-113 from City Manager as backup.

Page 111

6. VISITORS

7. ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS

- A. Mayor's Proclamation – July as Parks and Recreation Month Page 123

- B. Mayor's Proclamation – July 4th Parade 2016 Page 125

- C. Borough Report

- D. Commissions/Board Reports:

1. Library Advisory Board

2. Homer Advisory Planning Commission

- a. Minutes of June 15, 2016 Page 127

3. Economic Development Advisory Commission

4. Parks Art Recreation and Culture Advisory Commission

5. Port and Harbor Advisory Commission

6. Cannabis Advisory Commission

- E. Thank You From Kachemak Nordic Ski Club Page 131
- F. Thank You From Homer Food Pantry Page 133
- G. Huffington Post Article - 8 Quirky Spots Where You're Free To Be You And Me Page 135

8. PUBLIC HEARING(S)

- A. **Ordinance 16-30(S-2)(A)**, An Ordinance of the City Council of Homer, Alaska, Authorizing the City to Issue General Obligation Bonds in the Principal Amount of Not to Exceed \$12,000,000 to Finance the Acquisition and Construction of a Police Station; Amending HCC 9.16.010 to Provide for an Increase in the Rate of the City Sales Tax From 4.5% to 5.5% From April 1 Through September 30, With the Increase Providing Funds to Pay Debt Service on the General Obligation Bonds and Expiring on September 30 of the Year When the City Has Received Sufficient Funds From the Increase to Pay All of That Debt Service; and Submitting the Question of the Issuance of the Bonds and the Sales Tax Rate Increase to the Qualified Voters of the City at the October 4, 2016 Regular City Election. Smith. Introduction May 23, 2016, Public Hearings June 13 and 27, 2016, and Second Reading June 27, 2016. Page 149

Memorandum 16-091 from City Attorney as backup. Page 155
Memorandum 16-092 from City Manager as backup. Page 159

- B. **Ordinance 16-31**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a Commercial Vessel Passenger Tax Program Pass Through Grant From the Kenai Peninsula Borough for Calendar Year 2015 in the Amount of \$27,055.00, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Introduction June 13, 2016, Public Hearing and Second Reading June 27, 2016.

Page 163

- C. **Ordinance 16-32**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2016 Operating Budget by Appropriating \$64,149 From the Fire Donations Fund to Purchase an Advanced Patient Care Simulator. City Manager/Fire Chief. Introduction June 13, 2016, Public Hearing and Second Reading June 27, 2016. Page 185

Memorandum 16-096 from Fire Chief as backup. Page 189

- D. **Ordinance 16-33**, An Ordinance of the City Council of Homer, Alaska, Amending HCC 21.41.040, Basis for Establishing Flood Hazard Areas, Adopting the Flood Insurance Study for the Kenai Peninsula Borough and Incorporated Areas, Alaska Dated October

20, 2016 With Accompanying Flood Insurance Rate Maps (Firms). Planning. Introduction June 13, 2016, Public Hearing and Second Reading June 27, 2016.

Page 191

Memorandum 16-102 from City Planner as backup.

Page 195

- E. **Ordinance 16-34**, An Ordinance of the City Council of Homer, Alaska, Amending the Homer City Zoning Map to Rezone Portions of the Urban Residential (UR) and Residential Office (RO) Zoning Districts to Central Business (CB) Zoning District. Planning. Introduction June 13, 2016, Public Hearing and Second Reading June 27, 2016.

Page 207

Memorandum 16-103 from City Planner as backup.

Page 213

- F. **Ordinance 16-35**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2016 Operating Budget by Authorizing the Expenditure of \$65,000 for the Purchase of Two Used Police Vehicles From the Police Fleet Reserves and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Introduction June 13, 2016, Public Hearing and Second Reading June 27, 2016.

Page 227

Memorandum 16-104 from Police Lieutenant as backup.

Page 233

9. ORDINANCE(S)

10. CITY MANAGER'S REPORT

- A. City Manager's Report

Page 241

11. CITY ATTORNEY REPORT

12. COMMITTEE REPORT

- A. Employee Committee Report
- B. Public Safety Building Review Committee
- C. Americans with Disabilities Act Compliance Committee

13. PENDING BUSINESS

Resolution 16-063, A Resolution of the Homer City Council Maintaining the Water and Sewer Fees at the 2016 Rate and Updating the Homer Fee Schedule Accordingly. City Manager/Finance Director. Postponed from June 13, 2016. Page 273

Resolution 16-063(S-2), A Resolution of the Homer City Council Maintaining the Water Fees at the 2016 Rate and Amending the Sewer Fees for Sewer Only Customers and Kachemak City Customers and Updating the Homer Fee Schedule Accordingly. Mayor. Page 279

Memorandums 16-093 and 16-107 from City Manager as backup. Pages 287/289

14. NEW BUSINESS

15. RESOLUTIONS

16. COMMENTS OF THE AUDIENCE

17. COMMENTS OF THE CITY ATTORNEY

18. COMMENTS OF THE CITY CLERK

19. COMMENTS OF THE CITY MANAGER

20. COMMENTS OF THE MAYOR

21. COMMENTS OF THE CITY COUNCIL

22. ADJOURNMENT

Next Regular Meeting is Monday, July 25, 2016 at 6:00 p.m., Committee of the Whole 5:00 p.m., and Worksession 4:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PUBLIC COMMENTS
UPON MATTERS
ALREADY ON THE AGENDA

RECONSIDERATION

CONSENT AGENDA

Session 16-12 a Special Meeting of the Homer City Council was called to order on June 13, 2016 at 5:30 p.m. by Mayor Pro Tempore David G. Lewis at the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska, and opened with the Pledge of Allegiance.

PRESENT: COUNCILMEMBERS: ADERHOLD, LEWIS, REYNOLDS, SMITH, VAN DYKE,
ZAK

STAFF: CITY MANAGER KOESTER
CITY CLERK JOHNSON
CITY ATTORNEY WELLS
CITY PLANNER ABBOUD
FIRE CHIEF PAINTER
POLICE CHIEF ROBL
PORT AND HARBOR DIRECTOR HAWKINS

Prior to the meeting Mayor Wythe recused herself due to a conflict of interest.

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

REYNOLDS/ADERHOLD - MOVED TO APPROVE THE AGENDA AS WRITTEN.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

There were no comments of the public.

NEW BUSINESS

- A. **Memorandum 16-094**, from City Clerk, Re: Request for Executive Session Pursuant to AS §44.62.310(c)(3), Matters, Which by Law, Municipal Charter, or Ordinances are Required to be Confidential. (Ethics Complaint No. 2016-01.)

REYNOLDS/ADERHOLD - MOVED TO MOVE INTO EXECUTIVE SESSION TO DISCUSS THE MATTER MENTIONED IN MEMORANDUM 16-094.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Mayor Pro Tempore Lewis called for a motion to adjourn to Executive Session.

ADERHOLD/VAN DYKE- SO MOVED.

There was no discussion.

VOTE: YES. LEWIS, SMITH, ADERHOLD, REYNOLDS, ZAK, VAN DYKE

Motion carried.

Council adjourned to Executive Session at 5:32 p.m. and reconvened the meeting at 5:59 p.m.

No statement was issued.

ADJOURNMENT

There being no further business to come before the Council, Mayor Pro Tempore Lewis adjourned the meeting at 5:59 p.m. The next Regular Meeting is Monday, June 27, 2016 at 6:00 p.m. and Committee of the Whole 5:00 p.m. A Worksession is scheduled for Monday, June 20, 2016 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.

JO JOHNSON, MMC, CITY CLERK

Approved: _____

Session 16-13 a Regular Meeting of the Homer City Council was called to order on June 13, 2016 at 6:01 p.m. by Mayor Mary E. Wythe at the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska, and opened with the Pledge of Allegiance.

PRESENT: COUNCILMEMBERS: ADERHOLD, LEWIS, REYNOLDS, SMITH, VAN DYKE, ZAK

STAFF: CITY MANAGER KOESTER
CITY CLERK JOHNSON
CITY ATTORNEY WELLS
CITY PLANNER ABOUD
FIRE CHIEF PAINTER
POLICE CHIEF ROBL
PORT AND HARBOR DIRECTOR HAWKINS

Council met for a Worksession from 4:00 p.m. to 4:53 p.m. to discuss Resolution 16-054 and failed Resolution 16-055 on harbor moorage rate structure. From 5:01 p.m. to 5:29 p.m. Council met as a Committee of the Whole to discuss Consent and Regular Meeting Agenda Items.

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 1.24.040.)

The following changes were made: **ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS** - Commissions/Board Reports: Homer Advisory Planning Commission by Vice Chair Tom Stroozas; **PUBLIC HEARINGS** - **Resolution 16-054**, A Resolution of the City Council of Homer, Alaska, Amending the City of Homer Fee Schedule to Implement a New Graduated Harbor Moorage Rate Structure. Port and Harbor Director/Port and Harbor Advisory Commission. Written public comments. **Ordinance 16-30(S)**, An Ordinance of the City Council of Homer, Alaska, Authorizing the City to Issue General Obligation Bonds in the Principal Amount of Not to Exceed \$11,425,000 to Finance the Acquisition and Construction of a Police Station; Amending HCC 9.16.010 to Provide for an Increase in the Rate of the City Sales Tax From 4.5% to 5.5% From April 1 Through September 30, With the Increase Providing Funds to Pay Debt Service on the General Obligation Bonds and Expiring on September 30 of the Year When the City Has Received Sufficient Funds From the Increase to Pay All of That Debt Service; and Submitting the Question of the Issuance of

the Bonds and the Sales Tax Rate Increase to the Qualified Voters of the City at the October 4, 2016 Regular City Election. Smith. **CITY ATTORNEY REPORT** - City Attorney Report – May 2016; **PENDING BUSINESS - Resolution 16-063(S-2)**, A Resolution of the Homer City Council Maintaining the Water ~~And Sewer~~ Fees at the 2016 Rate and **Amending the Sewer Fees for Sewer Only Customers and Kachemak City Customers and** Updating the Homer Fee Schedule Accordingly. Mayor.

Mayor Wythe called for a motion for the approval of the agenda as amended.

LEWIS/REYNOLDS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

There were no comments from the public.

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 May 23, 2016. City Clerk. Recommend adoption.
- B. **Memorandum 16-095**, from Mayor Wythe, Re: Reappointment of Tom Stroozas to the Planning Commission.
- C. **Ordinance 16-31**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a Commercial Vessel Passenger Tax Program Pass Through Grant From the Kenai Peninsula Borough for Calendar Year 2015 in the Amount of \$27,055.00, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager.

Recommended dates: Introduction June 13, 2016, Public Hearing and Second Reading June 27, 2016.

- D. **Ordinance 16-32**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2016 Operating Budget by Appropriating \$64,149 From the Fire Donations Fund to Purchase an Advanced Patient Care Simulator. City Manager/Fire Chief. Recommended dates: Introduction June 13, 2016, Public Hearing and Second Reading June 27, 2016.

Memorandum 16-096 from Fire Chief as backup.

- E. **Ordinance 16-33**, An Ordinance of the City Council of Homer, Alaska, Amending HCC 21.41.040, Basis for Establishing Flood Hazard Areas, Adopting the Flood Insurance Study for the Kenai Peninsula Borough and Incorporated Areas, Alaska Dated October 20, 2016 With Accompanying Flood Insurance Rate Maps (Firms). Planning. Recommended dates: Introduction June 13, 2016, Public Hearing and Second Reading June 27, 2016.

Memorandum 16-102 from City Planner as backup.

- F. **Ordinance 16-34**, An Ordinance of the City Council of Homer, Alaska, Amending the Homer City Zoning Map to Rezone Portions of the Urban Residential (UR) and Residential Office (RO) Zoning Districts to Central Business (CB) Zoning District. Planning. Recommended dates: Introduction June 13, 2016, Public Hearing and Second Reading June 27, 2016.

Memorandum 16-103 from City Planner as backup.

- G. **Ordinance 16-35**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2016 Operating Budget by Authorizing the Expenditure of \$65,000 for the Purchase of Two Used Police Vehicles From the Police Fleet Reserves and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Recommended dates: Introduction June 13, 2016, Public Hearing and Second Reading June 27, 2016.

Memorandum 16-104 from Police Lieutenant as backup.

- H. **Resolution 16-064**, A Resolution of the City Council of Homer, Alaska, Authorizing the City Manager to Apply for a Tier 1 Rasmuson Foundation Grant in the Amount of \$25,000 for the Boat House Pavilion. Zak. Recommend adoption.

Moved to Resolutions, Item A. Lewis.

- I. **Resolution 16-065**, A Resolution of the City Council of Homer, Alaska, Approving the Kenai Peninsula Borough School District Agreement for Joint Use of Equipment and Facilities for the Period July 1, 2016 Through June 30, 2019, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Recommend adoption.
- J. **Resolution 16-066**, A Resolution of the City Council of Homer, Alaska, Approving and Accepting the Renewal of the Special Services Contract for FY 2017 With the Alaska Department of Public Safety in the Amount of \$36,000.00 and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Police Chief. Recommend adoption.

Memorandum 16-100 from Police Lieutenant as backup.

- K. **Resolution 16-067**, A Resolution of the City Council of Homer Alaska, Amending the Kachemak Drive Phase III Water and Sewer Special Assessment District Roll by Exempting Government Lots 3 and 15, Checkmate Shores Subdivision Lot 1, Mailea Bay Subdivision Lots 1 and 4, Kenai Peninsula Borough Parcel Nos. 17915002, 17936014, 17915056, 17915059, and 17915060 Owned by Kachemak Moose Habitat, Inc. Zak. Recommend adoption.
- L. **Resolution 16-068**, A Resolution of the City Council of Homer, Alaska, Expressing Supporting for Kenai Peninsula Borough Ordinance 2016-16, Submitting to the Voters a Ballot Proposition That Increases the Sales Tax Cap From \$500 to \$1,000 and Exempts Residential Rents From Sales Tax. Mayor/Council. Recommend adoption.

Moved to Resolutions, Item C. Zak.

- M. **Resolution 16-069**, A Resolution of the Homer City Council Approving the Terms and Conditions for the Sale of Govt. Lot 3 Lying E. of Kachemak Drive, Section 14, Township 6 South, Range 13 West, Seward Meridian, KPB Parcel No. 179-150-03; S. ½ of Govt. Lot 30 Lying W. of Kachemak Drive, Section 14, Township 6 South, Range 13 West, Seward Meridian, KPB Parcel No. 179-080-50; Govt. Lots 10, 21, 24, 25 and 36, Section 14, Township 6 South, Range 13 West, Seward Meridian, KPB Parcel Nos. 179-080-09, 179-080-15, 179-080-25, 179-080-26 and 179-100-01 to the Highest, Responsible Bid for Those Lots and Authorizing the City Manager to Execute the

Appropriate Documents to Finalize the Sales. City Manager. Recommend adoption.

- N. **Resolution 16-070**, A Resolution of the City Council of Homer, Alaska, Authorizing the City Manager to Apply for, Accept, and Execute an Alaska Clean Water Fund (ACWF) Loan for the Lillian Walli Subdivision/Eric Lane Sewer Extension Project in the Amount of \$262,000. City Manager/Public Works Director. Recommend adoption.

Memorandum 16-106 from Public Works Director as backup.

- O. **Resolution 16-071**, A Resolution of the City Council of Homer, Alaska, Authorizing the City Manager to Apply for, Accept, and Execute an Alaska Clean Water Fund (ACWF) Loan for the Kachemak Drive (Phase III) Sewer Main Project in the Amount of \$801,100. City Manager/Public Works Director. Recommend adoption.

Memorandum 16-106 from Public Works Director as backup.

- P. **Resolution 16-072**, A Resolution of the Homer City Council Authorizing Cornerstone Construction, Inc. to Continue as General Manager-Contractor for Project Improvements at the Fire Station. City Manager. Recommend adoption.

Moved to Resolutions, Item B. Lewis.

- Q. **Resolution 16-073**, A Resolution of the City Council of Homer, Alaska, Entering Into a Three-Year Contract With Alaska Municipal League Joint Insurance Association in the Amount of \$396,487 for Year One With an Annual Increase Not to Exceed 10% Unless Coverage is Expanded to Include Marina Insurance and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Recommend adoption.

Memorandum 16-105 from City Manager as backup.

- R. **Memorandum 16-098**, from City Clerk, Re: Amendment to City Council Meeting Minutes of May 9, 2016 to Reflect Public Testimony on Ordinance 15-37(A).

- S. **Memorandum 16-099**, from Finance Director, Re: 2017 Proposed Budget Development Schedule.

Item H, Resolution 16-064 was moved to Resolutions, Item A. Lewis.

Item P, Resolution 16-072 was moved to Resolutions, Item B. Lewis.

Item L, Resolution 16-068 was moved to Resolutions, Item C. Zak.

Mayor Wythe called for a motion for the approval of the recommendations of the consent agenda as read.

LEWIS/REYNOLDS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS

ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS

A. Borough Report

Kenai Peninsula Borough Assembly Member Kelly Cooper reported the Assembly passed their 2017 budget. There is a proposal to close the landfill one day a week year round. They heard from multiple people that trash does not reduce even if we close and what it could turn into for the unmanned landfills. The City provided a letter on how it affects the Spit. People said it would be okay with closing one day a week in the winter, but not in the summer. The proposal is amended to have the landfill open 7 days a week May through September with shortened hours in the off season.

The Assembly zeroed out funding to CARTS since the Independent Living Center has vouchers to serve the whole Southern Peninsula and people in Seward. The Assembly felt the dollars were spent well in serving the whole peninsula instead of just the Central Peninsula. Independent Living Center did not receive grant funding so the Assembly is looking for a solution for their voucher program. The Assembly funded the school district at almost \$48M, with another \$1M from building maintenance that can be allocated later. Mill rate borough-wide remains the same with the exception of Central Peninsula Emergency Services at less than .05% mill rate increase and Nikiski with a slight decrease.

Assemblyman Johnson has introduced an ordinance to move the South Peninsula Hospital District further south. The proposal is to move the boundary further south to the Niniichik bridge. A public hearing is scheduled for July 26th. She has concerns for the finances of the South Peninsula Hospital. If passed, it will go to the voters for a vote. There is also a public

hearing on the ordinance increasing the sales tax cap from \$500 to \$1,000. It includes an inflation guard that it will be evaluated every five years by the Assembly. Residential rentals would be exempted. There will be lots of public meetings on the senior tax exemption. If you already have the exemption you will be grandfathered. It is a step program between 2018 and 2023, going \$50,000 at a step down. By the time 2024 is here the total exemption will be the \$150,000 senior exemption plus the \$50,000 exemption for everyone. Folks with a financial need and disabled people will be exempt.

There are also bond issues coming up to the voters in the fall. There will be bonding for enlarging Homer Medical Center and replacing the building's roof. The building is full with no space to bring in additional providers. The other part of the bonding is for repairs to the air conditioning and humidity and heat in the operating rooms. It is an old system and updates are critical and necessary.

Councilmember Aderhold commended the Borough for funding education and Councilmember Reynolds asked that the taxi coupon matter be resolved since many people rely on it.

B. Commissions/Board Reports:

1. Library Advisory Board
2. Homer Advisory Planning Commission
 - a. Minutes of June 1, 2016

Vice Chair Planning Commissioner Tom Stroozas reported the commission reviewed expansion plans for Hickerson Memorial Cemetery at their May 18th meeting. The commission prefers a phased approach for expanding to include various types of memorial options like cremains plots, a Columbarium, more compact grave layout and a memorial plaque area. They are seeking concurrence of the Council before spending more time on the matter.

June 1st commission business included a public hearing on the ordinance to accept the latest revision of FEMA flood maps. They also recommended approval of a preliminary plat east of the Senior Center to combine two lots. It was a requirement of a previously approved CUP that allows for replacement of multiple cabins on the site. The commission also approved revisions to the Parks and Recreation section of the Comprehensive Plan. Commissioner Erickson will not be applying for re-appointment due to family obligations. The commission is seeking a commissioner to fill the vacant seat.

3. Economic Development Advisory Commission

Economic Development Advisory Commission Chair Karin Marks reported they need one or two members to fill all commission seats. At the last meeting the commission worked with the Planning Department on Chapter 8 of the Comprehensive Plan. They passed a plan for marketing Homer that encourages existing businesses and supports the task force working on the Pioneer Avenue revitalization. Business owners on Pioneer Avenue can draw attention to their businesses and raise awareness of peonies as a cash crop. Murals around town will be a long-term project with more to come.

Chair Marks modeled the peony project T-shirts that are available for purchase at Bunnell Gallery. Proceeds from the T-shirt sales will help promote the Pioneer Avenue revitalization project.

4. Parks Art Recreation and Culture Advisory Commission

Parks Art Recreation and Culture Advisory Commission Chair Matt Steffy reported the merger of the commission with the Public Arts Committee will see greater unity. Their first meeting is Thursday, June 15th at 5:30 p.m. Although they have lost no members, the commission has vacancies since it was expanded to nine members. The commission is in the budget review process along with making HART recommendations. He thanked everyone for supporting the trails symposium in May. There are good projects coming. After Thursday's meeting the commission won't meet until August.

5. Port and Harbor Advisory Commission

Port and Harbor Advisory Commissioner Glen Carroll reported the last meeting was taken up on how to connect with Council over the moorage rate issues. There was a lot of disappointment at the thought of the commission's work on the moorage rates going down the drain.

6. Cannabis Advisory Commission

Councilmember Lewis reported the commission met in May. At the next meeting they will look at the excise and sales tax ordinances that will be presented to Council in August.

Mayor Wythe called for a recess at 6:38 p.m. and reconvened the meeting at 6:46 p.m.

PUBLIC HEARING(S)

- A. **Resolution 16-054**, A Resolution of the City Council of Homer, Alaska, Amending the City of Homer Fee Schedule to Implement a New Graduated Harbor Moorage Rate Structure. Port and Harbor Director/Port and Harbor Advisory Commission. Public Hearing June 13, 2016. Recommend Postpone to July 25, 2016 for Second Public Hearing.

Memorandums 16-084 and 16-101 from Port and Harbor Director as backup.

Ian Pitzman, city resident, has several boats in the harbor. He is disappointed Council did not take the recommendations of the Port and Harbor Advisory Commission. The commission make-up is balanced. He is supportive of paying for the feet you utilize to tie up. The graduated rate structure is a compromise. He opposes creating different classes for boats moored in the harbor.

Dave Mastolier, Homer resident, supports graduated harbor rates. For his 100 ft. boat he might get electric or water. Thirty large boats share two spigots on System 5. Boats are two and three deep, making people climb over other boats to get to theirs. When cruise ships come in he is asked to move from System 5.

Jessie Nelson, Homer resident, favors a flat rate across the board like we have had for the last fifty years. In some of the new proposals the rates would have gone up to over \$10,000 a year for a big boat. Hot berthing is an idea where boats are removed at the end of the fishing season and another vessel is placed in the spot and charged at the same length. July 25th is an inappropriate time to have a hearing on harbor rates since most commercial boats will not be here. The Boat House might be built with donations, but who pays for the maintenance?

Chris Moss, city resident, supports the Port and Harbor Advisory Commission's conclusions. The value of having a boat slip is worth a lot to a boat owner.

Mako Haggerty, Homer resident, commented the harbor is the finest in the state and along the west coast. It is well managed and he is happy to pay the rates required to keep his boats in the harbor. If we go on a lineal foot basis it feels like we are subsidizing bigger boats. He urged Council to take a closer look and make the rates fair and equitable.

Bob Howard, city resident, commented we have to be careful with the rates to make it fair for all harbor users. He provided a graduated rate structure that can be easily implemented by staff. It is the same equation as Resolution 16-054 matching Northern Economics rate structure. The dollars per foot per year is $\$25.75 + .4639 \times \text{the boat length in feet}$. It fits precisely within reason to the graduated rate structure the consultant has prepared. It is fair to all and will be easily administered.

Sharon Minsch, city resident, commented for the last 50 years users have not paid for the harbor. There is \$100M dollars of inventory at the harbor and \$2M in reserves. We need to take better care of the port and harbor. The Port and Harbor Advisory Commission keeps talking about head tax, sales tax, and property tax, but that is not how an enterprise fund runs. There should be more conversation between the Council and the Commission. The rates need to be sustainable, fair, and equitable to everyone.

Holly Van Pelt, Homer resident, commented it takes a lot of money to run a harbor. It's a matter of how we divide it up to pay for it. She is not supportive of the recommendation from the Port and Harbor Advisory Commission. She would like to see something more closely related to the consultant's recommendation. They were paid good money to do the work and are professionals at what they do. We are one community and want to get along and not unfairly burden one user group over the other.

Renee Alward, Homer resident, has a marine trades business in Homer. She supports the Port and Harbor Advisory Commission's recommendation. She asked that if postponed it not be July 25th when the majority of commercial fishermen are out on the waters.

Greg Sutter, Homer resident, supports Northern Economics proposal dated October 27, 2015. It is a complicated issue with many factors involved. We need to take that into consideration along with the commission's recommendations to achieve a good balance. Take a look at the chart that highlights a lot of what is being captured by the consultant and the commission. The burden should not be on the large or small vessels.

Jim Martin, Homer resident, has a skiff in the harbor. He understands more money is needed for the harbor. The consultant's report is a reasonable compromise in between the flat rate and square footage rate. The commission didn't discuss the report much after paying a lot of money for it. The Council needs to take a look at it.

Keith Kalke, city resident, thanked harbor staff for doing a wonderful job with the harbor. He supports an equal and fair rate for all sizes of boats. The rate structure needs to be revised from the Port and Harbor Advisory Commission's recommendations and go along with the other proposals. Everyone should pay a fair share.

Steve Zimmerman, city resident and Port and Harbor Advisory Commissioner, referenced the January 12, 2016 recommendation of the commission to follow Northern Economics recommendation. The October 27th draft said a 20 ft. boat should pay \$33.66 a foot and an 80 ft. boat should pay \$60.58. He doesn't believe doubling the cost for a bigger boat is fair and equitable. Costs of harbor users include water, garbage collection at \$55,000 a year, and there is no return. The October 27th Northern Economics report shows rates for small boats going down; we should not reduce rates for part of the harbor and increase them for others. It pains him that this is turning into an us vs. them.

Glen Seaman, city resident, has a boat in the harbor. He feels that small boat owners are subsidizing large ones. Fair and equitable is a reasonable standard that needs to be considered. Larger boats take a lot more space and use more space in the turnaround. He supports a graduated rate like Northern Economics has proposed. He thanked the Port and Harbor Advisory Commission for the work they did and praised harbor personnel. He suggested pursuing a middle ground that doesn't penalize small boats.

Glen Carroll, Homer resident and Port and Harbor Advisory Commissioner, commented it is not true that the commission didn't take Northern Economics study recommendations. They spent a couple years on moorage rates. The usage of the harbor based on the square footage of a boat is clearly drawn out by the slips that are made there. There is no substance behind the "fair and equitable" that people are throwing out there.

Bonnie Mastolier, city resident, commented the large boats don't get a slip. They get a spot that might get up to the dock, but more than likely they won't be. The large boats aren't getting the same services so she doesn't understand where the small boat owners are getting a bad rap. Going to a square footage would not make sense; it would over burden the large vessels. She urged Council to accept what the commission has come up with or go back to the straight fee per linear foot which has worked for many years.

Jim McCreary has a boat in the harbor. The Port and Harbor Advisory Commission has done a fine job and he appreciates their work. If the fee is for dock length, why don't all slips consist of 40 miles of dock with one foot spaces? It is because space is what they sell. It doesn't make

any sense to pay for the length of the area. He supports the Northern Economics plan for the rate structure since space is really the issue.

Bob Hartley, city resident and Port and Harbor Advisory Commissioner, commented the harbor is the heart of Homer. That is where Homer makes its living. When doing heart surgery you need to be extremely careful and that is what took the commission two years working through all the details and commission studies to arrive at a compromise. We have a graduated rate. We should see how it goes and work with it from there. In Homer we tend to choose up sides for a fight; we are trying to avoid this. If Council is not happy with this he suggests forming a task force to take in several user groups, councilmembers and commission members.

Jean Carroll, Homer resident, has been attending Port and Harbor Advisory Commission meetings for the past two and a half years with her husband. The commission has looked at the Northern Economics studies and has worked hard at this. Based on Northern Economics square footage rate their 58 ft. boat, after the ten year period, would be paying \$10,000 moorage. She is thankful that Bryan and the commission saw the improbability of keeping any commercial fishing boats in the harbor at that rate. System 5 boats have had to put up with a lot: no power, water, and climbing over each other. It was a long time before water came. They put a lot in the community and a lot of them make their living out there.

LEWIS/REYNOLDS - MOVED TO POSTPONE THE PUBLIC HEARING TO THE SECOND MEETING IN SEPTEMBER (26) WHEN EVERYONE IS BACK FROM FISHING.

Council thanked the Port and Harbor Advisory Commissioners for their work on harbor moorage rates.

VOTE: (postponement) YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **Ordinance 16-24**, An Ordinance of the City Council of Homer, Alaska, Amending Title 5 to Add a New Chapter 5.44 to Prohibit the Extraction of Tetrahydrocannabinol ("THC") or Any Cannabinoid by Use of Materials or Methods Deemed Dangerous to Public Health and Safety, Unless Otherwise Permitted By Law. City Manager/Fire Chief. Introduction May 23, 2016, Public Hearing and Second Reading June 13, 2016.

Memorandum 16-081 from Cannabis Advisory Commission as backup.
Memorandum 16-082 from Fire Chief as backup.

Mayor Wythe opened the public hearing. In the absence of public testimony, Mayor Wythe closed the public hearing.

Mayor Wythe called for a motion for the adoption of Ordinance 16-24 by reading of title only for second and final reading.

LEWIS/REYNOLDS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- C. **Ordinance 16-25**, An Ordinance of the City Council of Homer, Alaska Amending Homer City Code 5.20.020, Open Burning - Permit Requirement, by Requiring a Permit to Burn Combustible Materials in an Approved Burn Barrel, and Amending Homer City Code 5.20.030, Trash Burning - Approved Container, by Requiring a Permit to Burn Trash in a Screen Covered Container or Other Trash Burner Approved by the Fire Chief. City Manager/Fire Chief. Introduction May 23, 2016, Public Hearing and Second Reading June 13, 2016.

Memorandum 16-083 from Fire Chief as backup.

Mayor Wythe opened the public hearing. In the absence of public testimony, Mayor Wythe closed the public hearing.

Mayor Wythe called for a motion for the adoption of Ordinance 16-25 by reading of title only for second and final reading.

LEWIS/REYNOLDS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- D. **Ordinance 16-26**, An Ordinance of the City Council of Homer, Alaska, Amending HCC 1.18.043, Public Disclosure, to Require Elected City Officials to Disclose Each Business in Which an Immediate Family Member is a Partner, Proprietor or Employee. Smith. Introduction May 23, 2016, Public Hearing and Second Reading June 13, 2016.

Mayor Wythe opened the public hearing. In the absence of public testimony, Mayor Wythe closed the public hearing.

SMITH/REYNOLDS - MOVED TO ADOPT ORDINANCE 16-26.

City Clerk Koester clarified the City Clerk will be providing the forms.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- E. **Ordinance 16-27**, An Ordinance of the City Council of Homer, Alaska Amending the FY 2016 Operating Budget by Appropriating Funds in the Amount of \$38,000 From Port and Harbor Reserves for the Deep Water Dock Uplands Improvements. City Manager/Port and Harbor Director. Introduction May 23, 2016, Public Hearing and Second Reading June 13, 2016.

Memorandum 16-087 from Public Works Director as backup.

Mayor Wythe opened the public hearing. In the absence of public testimony, Mayor Wythe closed the public hearing.

Mayor Wythe called for a motion for the adoption of Ordinance 16-27 by reading of title only for second and final reading.

LEWIS/REYNOLDS – SO MOVED.

Councilmember Aderhold declared a possible conflict of interest since her husband is a part-time employee with the City and is managing the project. City Attorney Wells asked if Mr. Aderhold's employment with the City will be impacted if the ordinance fails. Councilmember Aderhold answered it would not affect his employment. City Manager Koester confirmed Mr.

Aderhold will still be retained for managing the project regardless of the passage of this ordinance.

City Attorney Wells advised there is no conflict. This is a unique situation because of his part-time status. Every time there is a potential conflict instead of deferring to consistent rulings you have the burden of bringing it up for each project. The answer might be different with another project.

Port and Harbor Director Hawkins clarified the purpose of this ordinance is to have extra money to finish items, not to pay additional wages.

City Attorney Wells advised if there were an ordinance to seek funding for Public Works projects with Mr. Aderhold needing to work overtime for the ordinance to pass she would recommend abstention. Without a real link to a substantial financial interest it can be debilitating for a small community if we are not careful in how we interpret the provisions.

Mayor Wythe ruled there was no conflict and there was no objection from the Council.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- F. **Ordinance 16-28**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2016 Operating Budget by Appropriating Funds in the Amount of \$1,000,000 From the Permanent Fund for the Purposes of Funding Improvements to the Fire Hall and Exempting This Expenditure From Homer City Code Chapter 3.12, Which Requires Expenditures for Operation and Maintenance Costs to be Taken From Income From the Income Sub-Fund Unless 60% of City Voters Approve the Expenditure. Smith. Introduction May 23, 2016, Public Hearing and Second Reading June 13, 2016.

Mayor Wythe opened the public hearing.

Ken Castner, city resident, supports funding of the rehabilitation of the fire hall. Council has the authority to appropriate funds without being restricted by prior council's restrictions. The 60% vote to spend Permanent Funds should not come into play.

Ray Kranich, city resident, approves of the repair and upgrades to the fire hall, but is adamantly opposed to taking money out of the Permanent Fund. The money was put there

for a purpose. It was Mayor Wythe who spearheaded establishing the fund. Council put the restrictions in there and it needs to go to a vote if we are taking money out. Fire station repairs can be funded by bond.

Mayor Wythe closed the public hearing.

SMITH/REYNOLDS - MOVED TO ADOPT ORDINANCE 16-28.

City Attorney Wells advised spending the Permanent Fund requires voter approval. Ordinance 16-28 exempts the voter approval requirements in city code and exempts this project. This ordinance is compliant with the law.

The Permanent Fund has a balance of \$2,040,168. The initial deposit was \$1.5M seven years ago. The fund has about doubled considering funds were extracted for The Homer Foundation and Green Dot.

Councilmembers Smith, Van Dyke, and Reynolds support the \$1M expenditure from the Permanent Fund for the following reasons: due to the current economic environment, to see the bond pass in October for the public safety building, and the high bank costs to maintain the fund.

Councilmember Zak does not support spending money from the Permanent Fund. We could have put money in reserves to pay for fire station improvements. He would like to put it before the voters, perhaps by a separate question than the public safety building bond.

Mayor Wythe noted we have in excess of \$5M in the general fund, fund balance. The money is intended for the same reason and we won't have to change the regulations for the Permanent Fund. We worked hard to establish the Permanent Fund as a potential for something to grow.

ZAK/ADERHOLD - MOVED TO AMEND ORDINANCE 16-28 CHANGING WHEREVER IT SAYS PERMANENT FUND TO THE GENERAL FUND.

City Manager Koester advised Council we carry \$5.8M of unassigned general fund fund balance. This is the recommended amount to cover six months of operating costs. There is an accumulative \$1.28M in reserves that includes funds for parks and recreation, a new roof, vehicle fleets, etc. The reserve account is woefully less than Council's goal. Previous councils

have worked hard to build the general fund fund balance. The general fund fund balance is not part of the operating budget process.

Mayor Wythe called for a recess at 8:21 p.m. and reconvened the meeting at 8:29 p.m.

City Attorney Wells read the changes to Ordinance 16-28: After the word “hall” deleting all of the words in the title through Line 15. Deleting the whereas clause that starts on Line 40 and deleting each whereas clause after that one through to the whereas clause that starts at Line 53. That whereas clause will now read: Whereas, it is in the City of Homer’s best interest to permit the expenditure of \$1M from the general fund. The words “exempt this expenditure from the requirements of HCC 3.12 and specifically HCC 3.12.60 – 80” will be removed and the words “all money in either subfund in the permanent” will be removed and the words “the general” will be added before the word “fund” and all of the words after the word “fund” will be removed. The word “permanent” will be removed and replaced with the word “general” in Line 61 of Section 1, and Line 66, Section 2 will be removed, Section 3 will be changed to Section 2.

Asked if there would be another public hearing required due to the change, City Attorney Wells answered Council will be adopting a less restrictive ordinance that does not have the requirements under the code imposed on the Permanent Fund, and the amount is unchanged as is the financial impact on the City. These changes are not substantial to require another public hearing.

Councilmember Smith asked what effect it will have on the City to take \$1M out of the general fund balance.

City Manager Koester answered it would not affect our cash flow. She would like as much cushion as possible; the recommended cushion is six months’ operating budget. That does not include our water and sewer and enterprise fund. It is a council decision as to how much cushion they want and how they want to spend the funds. Council has not codified a specific amount, but the six months’ amount was passed by resolution. No rollover to the general fund fund balance is expected for 2015.

The general fund fund balance is conservatively invested with AML at less than 5% interest. The interest rate on the Permanent Fund has fluctuated a lot over the last five years from .67% to 18.79%. It has been following the S&P 500 which has varied from 2011 to 2015 from 2% to 32.39%.

VOTE: (amendment) YES. LEWIS, ADERHOLD, REYNOLDS, ZAK, VAN DYKE

VOTE: NO. SMITH

Motion carried.

VOTE: (main motion as amended) YES. ADERHOLD, REYNOLDS, LEWIS, ZAK, VAN DYKE

VOTE: NO. SMITH

Motion carried.

- G. **Ordinance 16-29**, An Ordinance of the City Council of Homer, Alaska, Amending Ordinance 16-10, the Completion of the 2016 Streets Repaving Project, Utilizing Homer Accelerated Roads and Trails (HART) Funds From \$638,000 to \$562,506. Smith. Introduction May 23, 2016, Public Hearing and Second Reading June 13, 2016.

Memorandum 16-090 from Public Works Director as backup.

Mayor Wythe opened the public hearing. In the absence of public testimony, Mayor Wythe closed the public hearing.

Mayor Wythe called for a motion for the adoption of Ordinance 16-29 by reading of title only for second and final reading.

LEWIS/REYNOLDS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- H. **Ordinance 16-30**, An Ordinance of the City Council of Homer, Alaska, Authorizing the City to Issue General Obligation Bonds in the Principal Amount of Not to Exceed \$12,000,000 to Finance the Acquisition and Construction of a Police Station and Improvements to the Fire Hall; Amending HCC 9.16.010 to Provide for an Increase in the Rate of the City Sales Tax From 4.5% to 5.5% From April 1 Through September 30, With the Increase Dedicated to Fund Public Safety Operations and Infrastructure, Including Construction of a Police Station and Renovation of a Fire Hall and Submitting the Question of the Issuance of Such Bonds and Such Sales Tax Rate

Increase to the Qualified Voters of the City at the October 4, 2016 Regular City Election. Mayor/Council. Introduction May 23, 2016, Public Hearings June 13 and 27, 2016, and Second Reading June 27, 2016.

Memorandum 16-091 from City Attorney as backup.
Memorandum 16-092 from City Manager as backup.

Ordinance 16-30(S) & (S-2), An Ordinance of the City Council of Homer, Alaska, Authorizing the City to Issue General Obligation Bonds in the Principal Amount of Not to Exceed \$11,425,000 to Finance the Acquisition and Construction of a Police Station; Amending HCC 9.16.010 to Provide for an Increase in the Rate of the City Sales Tax From 4.5% to 5.5% From April 1 Through September 30, With the Increase Providing Funds to Pay Debt Service on the General Obligation Bonds and Expiring on September 30 of the Year When the City Has Received Sufficient Funds From the Increase to Pay All of That Debt Service; and Submitting the Question of the Issuance of the Bonds and the Sales Tax Rate Increase to the Qualified Voters of the City at the October 4, 2016 Regular City Election. Smith.

Mayor Wythe opened the public hearing.

Ken Castner, city resident, commented the Public Safety Building Review Committee was given a task to work on an amenable solution. They considered all options and this is their recommendation. They started out with a \$30M facility that was too ambitious; they are now on plan D. Costs have been reduced by adding the HERC building to the project, which equates to less dollars per square foot. The committee has worked hard to come up with a number people will support.

Tom Zitzmann, city resident, supports Ordinance 16-30(S). It is not good public policy to fund operations with long term debt. Operating costs for the new facility will be significantly more. He appreciates the work Mr. Castner has done and respects and believes that a public safety building needs to be constructed. He questioned the proposed location as it is one of the most highly desirable pieces of real estate in Homer. The City is losing a great opportunity in having that as a viable commercial piece of property that will generate a lot of money in the next thirty years.

Ray Kranich, city resident, echoed Mr. Zitzmann's sentiments. Don't borrow money to fund operations; operations should be paid for out of current revenue. He supports Ordinance 16-30(S).

Mayor Wythe closed the public hearing.

Mayor Wythe called for a motion for the adoption of Ordinance 16-30 by reading of title only for second and final reading.

LEWIS/REYNOLDS – SO MOVED.

SMITH/REYNOLDS - MOVED TO SUBSTITUTE ORDINANCE 16-30(S-2) FOR ORDINANCE 16-30.

Council discussed the reduction to \$11,425,000. The reduced amount does not include bonding for operations.

VOTE: YES. REYNOLDS, ADERHOLD, ZAK, SMITH

VOTE: NO. VAN DYKE, LEWIS

Motion carried.

REYNOLDS/ADERHOLD - MOVED TO AMEND ORDINANCE 16-30(S-2) TO RESTORE THE PRINCIPAL AMOUNT TO NOT EXCEED \$12M.

There was no discussion.

VOTE: (amendment) YES. LEWIS, REYNOLDS, ADERHOLD

VOTE: NO. VAN DYKE, ZAK, SMITH

Mayor Wythe broke the tie with a YES vote.

Motion carried.

City Manager Koester noted Memorandum 16-092 provides schedules and tax returns. Any extra revenue received will go to paying down the bond. The 1% sales tax increase generates more revenue than we would likely need.

ORDINANCE(S)

CITY MANAGER'S REPORT

A. City Manager's Report

1. Memorandum 16-097 from Planning Commission, Re: Hickerson Memorial Cemetery Recommendations.

Western Hemisphere Shorebird Reserve Network Destination Earns Homer Recognition

In July of 2015 Council passed Resolution 15-064 nominating some lands in the Beluga Slough Area to become part of the Western Hemisphere Shorebird Reserve Network. Deputy Planner Julie Engebretsen and George Matz were instrumental in working with the Parks and Recreation Advisory Commission, USFWS and AK DFG in coordinating the nomination. Attached is a copy of the Anchorage Daily News article, the State's press release, and the certificate from WHSRN. Not only was the area of the network expanded, the Kachemak Bay site has now also been designated a site of international importance. Congrats for putting Homer on the map!

Homer Ranks as One of Top Small Towns for Wine Lovers

And speaking of maps...not only are we known for great birding, but we are known for our wine thanks to Bear Creek Winery. Top Value Reviews recently published an article online listing Homer as one of the top small towns in the U.S. for wine lovers. Just adds to the list of things to visit Homer for, though technically the winery is in Kachemak City.

Homer Library in National Spotlight (Again!)

Claudia Haines, Homer Youth Services Librarian, is quoted in a new book for librarians, "Inspired Collaboration: Ideas for Discovering and Applying your Potential" by Dorothy Stoltz and published by the American Library Association. Also a picture from our Children's library featuring Megan Murphy and daughter Olivine reading with Sevie, a trained companion dog.

Repairs to Load and Launch Ramp

During the extreme low tides that occurred in April it was reported to Harbor staff that there was a "drop off" at the end of lane 5 of the launch ramp. Staff was able to get a closer look at the bottom during those same tides and took photos of other issues of concern all along the bottom edge of the ramp in the transition between concrete and the rock runout.

Port and Harbor Director Hawkins contacted the Engineers and Fish and Game (partners on the project) for an onsite meeting. Since then, a full underwater video survey was conducted and the contractor has been back to re-work these areas where the deficiencies were found. This work was conducted during the extreme tides at the latter part of May and again in June and will continue until the project is completed as designed and signed off by the engineers and accepted by Fish and Game and the City. All lanes are open for use and the "holes" have been addressed.

From a contract standpoint, money has been held back from payment and there is a security bond in place that will not be released until our launch ramp project is completed as designed.

Award of ATAP Grant Could Delay Soundview Sidewalk Project

City of Homer has prepared a draft Alaska Transportation Alternatives Program (ATAP) grant application to fund Soundview sidewalk improvements. In consultation with AK DOT&PF, we have learned that some complexities of the Federal funding process could delay actual construction of the project (if funded) until next spring. The August 2016 date for the grant agreement originally published by AK DOT&PF could very well be pushed back due to DOT's right-of-way certification process and their requirement to approve project cost estimates. Even though the City will not be able to build the project this year if the grant is successfully awarded, it is still worth pursuing. The grant will cover approximately 70% of project cost which allows us to expand the scope of the project to bring the sidewalk all the way to the school in addition to saving some funds for other HART eligible projects. We should know by the end of July if we are going to receive the grant.

GSFA and EDA Grant

The City of Homer has been approached multiple times over the last 2 years by non-profit Global Sustainable Fisheries of Alaska (GSFA- also known as Ocean Rich Communities of Alaska) about leasing lots 9A and 10A near the Fish Dock to construct a training facility for modular flash freezing technology. GSFA plans to construct modular units for flash freezing fresh seafood using Cells Alive System, – or CAS – technology that preserves the freshness much longer than traditional methods. The units would be built on the Homer Spit and shipped to villages along the Alaska coastline for value added processing in rural Alaska. Employees would be trained on how to use the modular units at a facility on the Homer Spit. This project has great potential to provide jobs in Homer, for our rural neighbors, and change the way fresh seafood is preserved in Alaska. However, it also faces financial hurdles for startup funds which has stalled the project thus far and prevented them from submitting a complete lease application. GSFA has approached the U.S. Economic Development Association for a \$1.6 million grant to launch the project. As owners of the land, the City of Homer had to sign as a co-applicant on the EDA application. The application is contingent on a joint agreement that will come before Council at the next meeting detailing the City of Homer's responsibility which will be limited to owner of the land. It is important that the City not give special treatment to any leaseholder, regardless of the prospects of their project. The EDA will require GSFA to go through the proper channels before being awarding any grant, including review by the Port and Harbor Advisory Commission and approval by Council. If for any reason the Council does not award a lease to GSFA, the City would notify EDA and their grant application would be put on hold.

Reminder of Pioneer Avenue Upgrades

As a reminder, sod leveling continues in the right-of-way along Pioneer Avenue. Crews are trying to finish up this week so grass has time to take hold (you may have noticed hydro seeding of the completed sections). Over time the grass has grown above the curb resulting in a steep drop off between the grass and the pavement. This is a tripping hazard, unsightly, and gets in the way of snow removal equipment. Public Works is leveling those areas out and

reseeding them, bringing in extra topsoil when needed. Where they are sloping, they will slope the grade so there is no steep drop off. Public works crews will also be removing, or moving back, obstructions in the first 18-24 inches of the right-of-way that hamper plowing and maintenance of Pioneer. This includes some dead stumps of mountain ash trees that have not fared well over the years and have nothing but a few scraggly shoots coming out of them. All live trees will remain.

City Manager Koester highlighted Memorandum 16-097 and expressed her appreciation to the Planning Commission for taking this on. She is looking to Council for guidance as to where compromises can be made. The recommendations include a modern plan for updating cemetery policies. The more substantive recommendation is to look at reducing Phase I even further. Creating a more walkable area and fencing will impact the project budget. With no further funding it may mean less plots and the need to revisit an expansion in the near future. Carey has been working on the project with Nelson Engineering.

Councilmember Lewis asked if people can be buried vertically instead of horizontally to save space. More plots could be sold at a cheaper price.

Council requested reducing Phase I and considering alternatives for Hickerson Memorial Cemetery.

The Peonies on Pioneer group is looking at doing a pilot project on the sidewalk of Pioneer to demarcate where a driveway begins. They want to paint a stencil of a peony at the entrance to a Pioneer business. It would provide safety for pedestrians if the driveways are delineated. It would require a letter of non-objection from the City to do the project and the cost would be covered by the artist program. It could evolve into more peony stencils on the sidewalks. Public Works has reviewed the project and has consented.

Council discussed the safety of pedestrians and drivers who both need to be aware of each other. They endorsed the letter from the City in support of the project, without endorsing the concept that art on the sidewalk will be safer for pedestrians.

Council recognized the letter from Library Director Dixon requesting a reduction in the USDA loan. We are paying over 4% interest rate; the USDA current rate is just over 3%.

Council recognized Claudia Haines, Youth Services Librarian, who was mentioned in the book "Inspired Collaboration: Ideas for Discovering and Applying Your Potential."

CITY ATTORNEY REPORT

A. City Attorney Report – May 2016

COMMITTEE REPORT

- A. Employee Committee Report
- B. Public Safety Building Review Committee

Public Safety Building Review Committee Chair Ken Castner provided an overview of the project. The City hired a contractor and architect as a team. The contractor acts as a construction manager in the first phase of the project, perfecting the most efficient design. He warns away from bad project policies that may add costs or create problems as the building ages. Cornerstone is the construction manager and Stantec is the architect. There is about \$200,000 left in the budget for drawings before we go to bond. Elevation drawings are needed to see how it will fit into the landscape and against the HERC building. A better cost of the building will be known when electrical and mechanical engineering are included. At the next meeting the committee will discuss what sort of commitment to make to the project. Cornerstone will be obligated to deliver a guaranteed maximum price. The object is to start out high and keep refining and reducing until we have the exact building and cost that we want. We hope to get to that amount by October.

The last site layout was shown. There is space on the east side of the site for the future fire station. It is laid out so that the bays are oriented for in/out access for some of the apparatus. The area behind the building is the site of the future skateboard park that will be moved and improved. The committee has been meeting weekly and is trying to meet with every volunteer serving on a board and commission. They talk to them about the vital necessity of coming together as a community in getting the project done. He hopes the fire station will be well underway this summer so people can see progress. The committee hopes to present a project where everyone agrees they have done the best they can to bring down the costs, build in efficiencies, and provide for long term planning at an affordable cost.

In response to Mr. Zitzmann's comment on the site location being valuable property, Mr. Castner said the committee looked at every piece of potential property for the site and each one had additional costs associated, except the current site that we owned. The high school and churches are tax exempt property on high value lots. The building site for the new public safety facility is constrained by tsunami zones, access, and having enough property to build something to last for 50 years.

The Public Safety Building Review Committee meets with City Council on July 25th. They should have solid numbers, pictures, and solid support by then.

C. Americans with Disabilities Act Compliance Committee

Councilmember Aderhold reported the committee passed the grievance procedure at their last meeting. There is a potential grant with mental health trust that will help with the self-assessment and transition plan. The committee will be bringing in a northwest ADA group under a sole source contract. This will include training of city staff. Lastly, the committee discussed accessibility issues at outdoor spaces, trails, paths and parks.

PENDING BUSINESS

- A. **Resolution 16-063**, A Resolution of the Homer City Council Maintaining the Water and Sewer Fees at the 2016 Rate and Updating the Homer Fee Schedule Accordingly. City Manager/Finance Director. Postponed from May 23, 2016.

Memorandums 16-093 and 16-107 from City Manager as backup.

Resolution 16-063(S) & (S-2), A Resolution of the Homer City Council Maintaining the Water ~~And Sewer~~ Fees at the 2016 Rate and **Amending the Sewer Fees for Sewer Only Customers and Kachemak City Customers and** Updating the Homer Fee Schedule Accordingly. Mayor.

Motion on the floor from May 23: MOTION TO ADOPT RESOLUTION 16-063 BY READING OF TITLE ONLY.

Mayor Wythe called for a motion to substitute Resolution 16-063(S-2) for Resolution 16-063.

ZAK/REYNOLDS – SO MOVED.

City Manager Koester reported Resolution 16-063(S-2) would reduce revenue by \$18,500. There is excess revenue for water and sewer that goes into the reserves. Reserves are set aside for frequent repairs. The reduction translates to about a 1% sewer rate increase, although it will just mean less money in reserves.

Mayor Wythe brought the substitute forward since the 3,500 gallon rate was established when Kachemak City joined into the City's sewer system. The gallon rate was based on a family of four in Anchorage. The average consumer use in the City is 2,976 gallons per month. It is appropriate sewer customers are given consideration of current day usage.

LEWIS/REYNOLDS - MOVED TO POSTPONE TO OUR NEXT MEETING.

There was no discussion.

VOTE: (postponement) YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

NEW BUSINESS

RESOLUTIONS

- A. **Resolution 16-064**, A Resolution of the City Council of Homer, Alaska, Authorizing the City Manager to Apply for a Tier 1 Rasmuson Foundation Grant in the Amount of \$25,000 for the Boat House Pavilion. Zak.

Mayor Wythe called for a motion for the adoption of Resolution 16-064 by reading of title only.

REYNOLDS/ZAK - SO MOVED.

LEWIS/REYNOLDS - MOVED TO REFER TO PARKS AND RECREATION COMMISSION AND LET THEM DISCUSS IT; IF WE APPLY FOR IT PARKS AND RECREATION COULD NOT APPLY FOR ANY TIER 1 GRANTS.

Councilmember Reynolds reported the grant is being fully prepared by the City. Rasmuson suggested we do it this way since The Homer Foundation already has a grant in that category. The water pavilion grant will not be affected since it has been submitted and is on a different cycle.

Councilmember Lewis commented we need to refer this to Parks and Recreation for their approval since this precludes Parks and Recreation applying for a grant until the boat house grant is closed. It may be an extended period of time before grant funds are expended and the grant closes.

The agenda has been published for Parks and Recreation Advisory Commission's upcoming meeting on June 16th so the grant application cannot be added to the agenda. The commission does not meet again until August.

VOTE: (postponement) YES. LEWIS

VOTE: NO. ZAK, VAN DYKE, SMITH, REYNOLDS, ADERHOLD

Motion fails.

Councilmember Smith commented the Boat House Pavilion people were supposed to write the grant. The City provided the land and the port and harbor is going to provide maintenance. When he was asked to support the resolution for the group to get the grant it was not about us writing the grant.

Mayor Wythe agreed that was her understanding, but the Boat House Pavilion group has written the grant. They are just asking us to make the grant application and put it forward.

Councilmember Lewis supports the boat house, but it should have gone to Parks and Recreation before going to the Council. After the soccer building we told people we would be referring things to Parks and Recreation.

Asked if there will be City staff time writing the grant, City Manager Koester answered there has been negotiation on the grant writing. She has asked the committee to provide a draft, filled out as much as possible. Miranda Weiss is a published author and great grant writer so we will get a good product from her. It will then take Special Projects and Communications Coordinator Jenny Carroll a couple days of work on the grant. She has not heard of any pending grants the Parks and Recreation Advisory Commission may have for this funding agency.

VOTE: YES. SMITH, REYNOLDS, ZAK, ADERHOLD, VAN DYKE

VOTE: NO. LEWIS

Motion carried.

B. **Resolution 16-072**, A Resolution of the Homer City Council Authorizing Cornerstone Construction, Inc. to Continue as General Manager-Contractor for Project Improvements at the Fire Station. City Manager. Recommend adoption.

Mayor Wythe called for a motion for the adoption of Resolution 16-072 by reading of title only.

LEWIS/REYNOLDS - SO MOVED.

LEWIS/VAN DYKE - MOVED TO AMEND LINE 24 to CROSS OUT "AN OPEN" AND ADD "A COMPETITIVE."

There was no discussion.

VOTE: (amendment) YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

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

Motion carried.

- C. **Resolution 16-068**, A Resolution of the City Council of Homer, Alaska, Expressing Supporting for Kenai Peninsula Borough Ordinance 2016-16, Submitting to the Voters a Ballot Proposition That Increases the Sales Tax Cap From \$500 to \$1,000 and Exempts Residential Rents From Sales Tax. Mayor/Council. Recommend adoption.

Mayor Wythe called for a motion for the adoption of Resolution 16-068 by reading of title only.

LEWIS/REYNOLDS - SO MOVED.

Council discussed the proposed increase and its effects on the community.

VOTE: YES. LEWIS, SMITH, ADERHOLD, REYNOLDS, VAN DYKE

VOTE: NO. ZAK

Motion carried.

COMMENTS OF THE AUDIENCE

Bob Painter, city resident and Fire Chief, thanked the Council for their investment in the fire station. The thanks are on behalf of past members who built the station brick by brick, current members who contribute thousands of dollars a year, and future members who will benefit by the improvements to the fire station.

Ken Castner, city resident, clarified the question of the City having two grants at once with Rasmuson. The Homer Foundation does not have the capacity to manage the grant, but the City of Homer does. He spoke of the tough investment climate and expressed uncertainty of future stock indexes. He wishes there were opportunities for the City to invest their money in the long term. The City might look at the Alaska Community Foundation and think about putting their money there at a return rate of 4.25%.

Bill Overlay, Mayor of Kachemak City, thanked Council for considering Resolution 16-063(S-2) that makes the sewer rates more fair for Kachemak City.

COMMENTS OF THE CITY ATTORNEY

City Attorney Wells was no longer present.

COMMENTS OF THE CITY CLERK

City Clerk Johnson had no comments.

COMMENTS OF THE CITY MANAGER

City Manager Koester had no comments.

COMMENTS OF THE MAYOR

Mayor Wythe said it was a great meeting and Council did a great job.

COMMENTS OF THE CITY COUNCIL

Councilmember Smith thanked the people that showed up and participated. Their input is essential to helping us do our job. The community never has to be divided because we can talk it through and come to a place that benefits everybody, even though we may not always agree. He gave kudos to the high school track team that performed very well at state. A couple individuals did really good by setting records and winning championships. The girls placed second. The softball girls' team traveled to Fairbanks to participate in the state tournament. Although they didn't perform quite as well, they had a wonderful time and great weather.

Councilmembers Lewis and Van Dyke had no comments.

Councilmember Reynolds commented the needle exchange is going to fly. There is just one pending okay on protocols. It has been a team effort with Dr. Spencer taking the lead and lots of other people assisting. The needle exchange will be moving forward on June 21st from 5:00 to 7:00 p.m. at the Pioneer Avenue hospital training center. It has been an amazing amount of work in just a couple months. The seed money from the Awesome Foundation was helpful. There is an opportunity for a big green dot in the community. There is a phenomenon that intimidates more vulnerable road users. One individual has started rolling coal and it produces a big cloud of black smoke. A driver can read the license plate and call it into the police more readily than a pedestrian. That kind of hateful behavior does not belong in this community. She paid respect to the people that lost their lives in Orlando. She hopes we can curb that behavior by putting big green dots everywhere.

Councilmember Aderhold echoed Heath's comments. She appreciates the public comments and thoughtful viewpoints to consider. She recognized the passing of Carmen Field, an amazing scientist who taught many Homer students and people outside Homer about the natural environment. Carmen Field worked for Kachemak Bay Natural Estuarine Research Reserve. Mrs. Aderhold is on the community council of KBNERR that does so many great educational things. This year with the warm waters there are harmful algal blooms. KBNERR is working on rapid testing of shellfish and getting the results out. It is not for the oyster or mussel growers, but for the clams and mussels people collect on their own. They are looking out for human safety. A delegation from Russia was here over the weekend hosted by the Rotary Club. It is fantastic we were able to host the Russians. She thanked the Rotary for hosting them and everything they did. This weekend was the Kachemak Bay writer's conference. It is the 15th year and it brings in writers from all over the country. One writer, Dan Beachy-Quick said, "There are a lot of writer's conferences and none of them are useful. This one is useful." We have a gem in our community.

Councilmember Zak told people to be careful in the sunny weather. There are a lot of tourists and people should watch for pedestrians and pedestrians should pay attention to the drivers. It takes each other working together, much like the City Council for a win, win.

ADJOURNMENT

There being no further business to come before the Council, Mayor Wythe adjourned the meeting at 10:15 p.m. The next Regular Meeting is Monday, June 27, 2016 at 6:00 p.m. and Committee of the Whole 5:00 p.m. A Worksession is scheduled for Monday, June 20, 2016 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.

JO JOHNSON, MMC, CITY CLERK

Approved: _____



City of Homer

www.cityofhomer-ak.gov

Office of the City Clerk

491 East Pioneer Avenue
Homer, Alaska 99603

clerk@cityofhomer-ak.gov

(p) 907-235-3130

(f) 907-235-3143

Memorandum 16-108

TO: MAYOR WYTHE AND HOMER CITY COUNCIL
FROM: RENEE KRAUSE, CMC, DEPUTY CITY CLERK
DATE: JUNE 21, 2016
SUBJECT: SEASONAL ADDENDUM TO LIQUOR LICENSE FOR GRACE RIDGE BREWING, INC.

We have been notified by the ABC Board of a request to allow a temporary seasonal outdoor seating area to the liquor license granted within the City of Homer for the following:

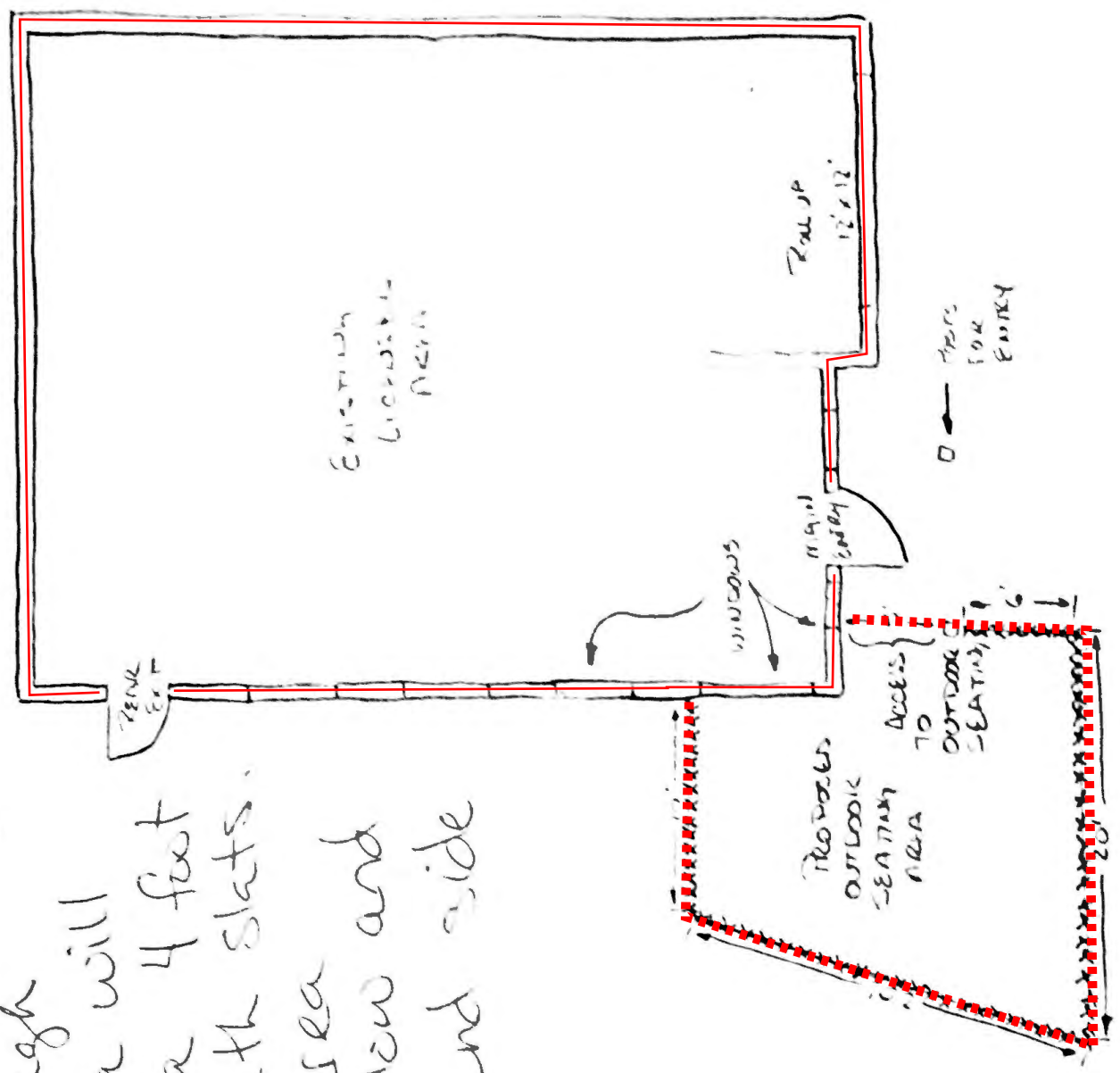
Type: Brewery
Lic #: 5433
DBA Name: Grace Ridge Brewing
Service Location: 1495 Ocean Drive
Owner: Grace Ridge Brewing, Inc.
Mailing Address: PO Box 2159, Homer, AK 99603

RECOMMENDATION: Voice non objection and approval for the seasonal addendum to liquor license.

Fiscal Note: Revenues.

Grace Ridge Brewing, Inc
 is requesting a permit for
 temporary outdoor seating
 from approval through
 Sept 30, 2016. Area will
 be enclosed with a 4 foot
 wooden fence with slats.
 Visibility of area
 through side window and
 glass front door and side
 window.

LICENSE NUMBER
 5433
 GRACE RIDGE BREWING, INC.
 3388 B ST
 HOMER, AK 99603-2159



June 20, 2016



Homer City Council,

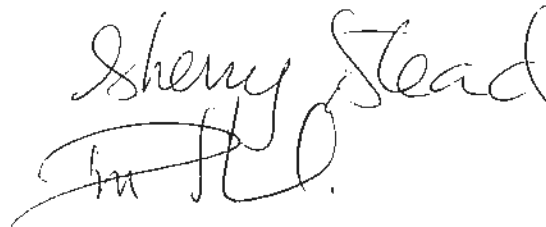
Grace Ridge Brewing is very proud to be a new business in Homer. The response from the community as well as the tourists has been fabulous.

Unfortunately we are unable to be here tonight due to a family wedding out of state.

We are requesting temporary outdoor seating through September 30th, 2016 for our customers. It would be in front of the Brewery so that from the serving counter we can monitor the outdoor area. The area will be blocked off with a wood fencing barrier.

We would appreciate your approval for temporary outdoor seating for our customers.

Thank You
Don and Sherry Stead
Grace Ridge Brewing, Inc



ORDINANCE REFERENCE SHEET
2016 ORDINANCE
ORDINANCE 16-36

An Ordinance of the City Council of Homer, Alaska, Amending the FY 2016 Operating Budget by Appropriating \$9,970.00 From Sewer Reserves for the Removal of an Underground Fuel Storage Tank at the Sewer Treatment Plant.

Sponsor: City Manager/Public Works Director

1. Council Regular Meeting June 27, 2016 Introduction
 - a. Memorandum 16-109 from Public Works Director as backup

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

3 City Manager/
4 Public Works Director

5 **ORDINANCE 16-36**

6
7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
8 AMENDING THE FY 2016 OPERATING BUDGET BY APPROPRIATING
9 FUNDS IN THE AMOUNT OF \$9,970.00 FROM SEWER RESERVES FOR
10 THE REMOVAL OF AN UNDERGROUND FUEL STORAGE TANK AT THE
11 SEWER TREATMENT PLANT.
12

13 WHEREAS, Public Works has been removing underground fuel storage tanks (UST's) at
14 City facilities to eliminate potential liability and expensive clean-up costs if leaks were to
15 occur; and
16

17 WHEREAS, Removing UST's decreases the Sewer Fund's pollution liability insurance
18 policy costs and monitoring costs; and
19

20 WHEREAS, Public Works has acquired a replacement above ground tank and is
21 prepared to complete this removal work utilizing in-house personnel with the assistance of
22 an environmental professional (See Memorandum 16-109); and
23

24 WHEREAS, The cost to provide professional environmental oversight and materials is
25 estimated to be \$9,970.00 (\$8,170.00 for oversight and \$1,800.00 for materials).
26

27 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:
28

29 Section 1. The Homer City Council hereby amends the FY 2016 Operating Budget by
30 appropriating \$9,970.00 from Sewer Reserves for the removal of the underground storage
31 tank at the Sewer Treatment Plant.
32

33 Expenditure:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
	Sewer Treatment Plant UST Removal	\$9,970.00

36
37 Section 2. This is a budget amendment ordinance only, is not permanent in nature,
38 and shall not be codified.
39

40 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ___day of _____, 2016.
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CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, MMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

Reviewed and approved as to form:

Mary K. Koester, City Manager

Holly C. Wells, City Attorney

Date: _____

Date: _____



City of Homer

www.cityofhomer-ak.gov

Public Works

3575 Heath Street
Homer, AK 99603

publicworks@cityofhomer-ak.gov

(p) 907- 235-3170

(f) 907-235-3145

Memorandum 16-109

TO: Katie Koester - City Manager

FROM: Carey Meyer – Public Works Director

DATE: June 17, 2016

SUBJECT: **Request for Funding to Remove Sewer Treatment Plant Underground Fuel Storage Tank**

Public Works has been closing underground fuel storage tanks (UST's) every chance we get to remove the threat of release, soil contamination, and costly clean-up projects. Additionally, removing the UST's saves money by decreasing the City's pollution liability policy costs, and by eliminating the need to keep up with ever-changing ADEC installation and monitoring regulations.

There is a 1,100 gallon steel UST at the sewer treatment plant that was installed in 1991 that has been utilized for heat and for the backup generator. The tank is now only being utilized for the backup generator. We have an above ground tank (AST) on site to replace the underground tank. Removal of the underground tank will require a formal closure of the existing UST which will entail pumping, cleaning, removal, and ADEC reporting. This work will require a contractor approved for this type of work. In an effort to save funds, PW can assist the contractor with the excavation, removal, and backfill. I have been in contact with a few contractors on the ADEC approved list and have a proposal that would keep us below \$10,000. This includes the environmental contractor proposal and some piping and fittings necessary to make the transition to the AST.

We were advised by ADEC in the fall of 2015 that the cathodic protection system needs to be upgraded on this tank, and that we need to upgrade the tank and piping leak detection and begin monthly monitoring. Going ahead and making the transition to the AST will eliminate any additional expense associated with maintaining a UST and meeting regulatory requirements.

Funding in the amount of \$9,970 is requested. This will cover the \$8,170 proposal from Prism Construction, and an estimated \$1,800 for materials to make the plumbing transition to the AST (piping, fittings, day-tank).

Recommendation

The Homer City Council pass an ordinance authorizing an expenditure from the Sewer Reserve Account in the amount of \$9,970 for the removal of the existing underground fuel storage tank at the sewer treatment plant. (Fiscal Note: 215-0004)

ORDINANCE REFERENCE SHEET
2016 ORDINANCE
ORDINANCE 16-37

An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a Donation From Paul M. Hertzmann, Inc., Vintage Photography of San Francisco, California, in the Amount of \$1,000.00 for the Homer Public Library and Stipulating That the Funds be Segregated and Used by the Library in Support of Its Mission to Provide Library Services.

Sponsor: City Manager/Library Director

1. Council Regular Meeting June 27, 2016 Introduction
 - a. Memorandum 16-110 from Library Director as backup

**CITY OF HOMER
HOMER, ALASKA**

City Manager/
Library Director

ORDINANCE 16-37

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA, ACCEPTING AND APPROPRIATING A DONATION FROM PAUL M. HERTZMANN, INC., VINTAGE PHOTOGRAPHY OF SAN FRANCISCO, CALIFORNIA, IN THE AMOUNT OF \$1,000.00 FOR THE HOMER PUBLIC LIBRARY AND STIPULATING THAT THE FUNDS BE SEGREGATED AND USED BY THE LIBRARY IN SUPPORT OF ITS MISSION TO PROVIDE LIBRARY SERVICES.

WHEREAS, The Homer Public Library budget for 2016 was reduced significantly and the Library Advisory Board committed themselves to encourage patrons and others to donate to the support of the Library; and

WHEREAS, The Library Advisory Board may solicit donations of money and/or property for the benefit of the library in accordance with HCC 2.48.050(e); and

WHEREAS, Monetary donations shall be deposited in a reserve fund designated for the use of the Homer Public Library; and

WHEREAS, Paul M. Hertzmann, Inc., Vintage Photography of San Francisco, California, has donated \$1,000.00 to be used by the Homer Public Library as needed to further support its mission to provide library services.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby accepts and appropriates a donation from Paul M. Hertzmann, Inc., Vintage Photography, in the amount of \$1,000.00 to use as needed for further support of the Homer Public Library in its mission to provide Library Services and directs the Finance Department to segregate the funds and insure that they are used for the intended purpose as follows:

Revenue:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
	Donation to the Homer Public Library	\$1,000.00

Expenditure:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
	Library Services	\$1,000.00



City of Homer

www.cityofhomer-ak.gov

Homer Public Library

500 Hazel Avenue
Homer, AK 99603

library@cityofhomer-ak.gov

(p) (907)-235-3180

(f) (907)-235-3136

Memorandum 16-110

TO: MAYOR WYTHE AND HOMER CITY COUNCIL
FROM: ANN DIXON, LIBRARY DIRECTOR
DATE: JUNE 20, 2016
SUBJECT: ACCEPTANCE OF DONATION TO LIBRARY DONATION FUND

A donation of \$1,000 to the Homer Library Donation Fund has been received from Paul M. Herzmann, Inc., for use by the Homer Public Library in support of its mission to provide library services.

RECOMMENDATION:

Adopt Ordinance 16-37 to accept donation.

ORDINANCE REFERENCE SHEET
2016 ORDINANCE
ORDINANCE 16-38

An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code Title 20, Animals, Regarding the Regulation and Impoundment of Animals, and Penalties for Animal Violations.

Sponsor: City Manager/Police Chief

1. Council Regular Meeting June 27, 2016 Introduction
 - a. Memorandum 16-111 from Deputy City Clerk as backup
 - b. Memorandum 16-114 from City Attorney as backup
 - c. Resolution 15-075

1 CITY OF HOMER
2 HOMER, ALASKA

3 City Manager/
4 Police Chief

5 ORDINANCE 16-38

6
7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
8 AMENDING HOMER CITY CODE TITLE 20, ANIMALS, REGARDING
9 THE REGULATION AND IMPOUNDMENT OF ANIMALS, AND
10 PENALTIES FOR ANIMAL VIOLATIONS.

11
12 THE CITY OF HOMER ORDAINS:

13
14 Section 1. Homer City Code 20.04.020, Definitions, is amended to read as follows:

15
16 20.04.020 Definitions.

17 ~~In For the purposes of this title, the following words and phrases shall have the~~
18 ~~meanings respectively ascribed to them by this section:~~

19 “Animal” means **a** ~~all~~-domestic or domesticated **member** ~~members~~ of the animal
20 kingdom.

21 “At large” means **that** an animal is at large when it is off the **property** ~~premises~~
22 of **its** the owner or keeper and is not in the company of or under the **direct** control of **a** the
23 owner or keeper, a member of his family or other person to which the animal has been
24 entrusted, by leash, cord or chain; provided, however, that such animal shall be deemed to be
25 under control when under competent **person** voice control while actively engaged in an
26 organized activity which requires that the animal not be physically restrained.

27 “Dog” means **a member of the species *Canis familiaris*** any dog (*Canis sp.*), whether
28 neutered or nonneutered male, spayed or unspayed female.

29 “Kennel” means **a commercial premises where four** any person, group of persons, or
30 corporation breeding, buying, keeping, selling, or boarding three or more dogs over **four**
31 **months of** the age **are owned, kept, boarded, bred or offered** of four months, whether
32 for **sale** profit or not.

33 “Large animal” means all cattle, horses, sheep, goats, swine or similar species
34 commonly kept as livestock.

35 “License collector” means the license collector who shall be the City Clerk, and shall
36 include a person designated by the Clerk to act in her behalf.

37 License Year. A “license year” shall commence on January 1st of each even-numbered
38 year.

39 “Prior **conviction**” means **a** Conviction. A “prior conviction” **of a person for a**
40 **violation of a provision of this title** involving any animal owned or controlled by the
41 person cited within a 24-month period preceding the **date of the** offense **for which a citation**
42 **of the person currently is pending** date of the pending citation shall constitute a prior
43 offense for penalty enhancement purposes.

44 “Quarantine” means the isolation of ~~an a dog or other domestic~~ animal in a
45 substantial enclosure so that the ~~dog or other domestic~~ animal cannot be subject to contact
46 with other animals or unauthorized persons.

47 **“Restraint” means any of the following: (i) physical confinement by leash, chain,**
48 **fence, or building; (ii) under competent voice control when an animal is engaged in an**
49 **activity or form of training requiring that it not be physically confined; or (iii) under**
50 **competent voice control when an animal is on the property of its owner.**

51 ~~“Vicious animal” means an Animal. Any animal which when unprovoked has bitten or~~
52 ~~attacked a human being~~ **or another animal at any time without provocation** ~~shall be~~
53 ~~deemed vicious.~~

54

55 Section 2. Homer City Code Chapter 20.08, General Animal Regulations, is repealed
56 and reenacted to read as follows:

57

58

Chapter 20.08

59

GENERAL ANIMAL REGULATIONS

60

Sections:

61

20.08.010 Animals at large.

62

20.08.020 Impoundment procedures.

63

20.08.030 Animals on harbor floats.

64

20.08.040 Nuisance animals.

65

20.08.050 Cruelty or injury to animals.

66

20.08.060 Boarding dogs at animal shelter.

67

20.08.070 Female animals in heat – Confinement required.

68

20.08.080 Abandonment of animals.

69

20.08.090 Maintenance and sanitation.

70

20.08.100 Adoption of shelter animals.

71

20.08.110 Disposal of animal at request of owner.

72

73

20.08.010 Animals at large.

74

a. No person may cause or permit an animal to be at large in a public street or alley, or
75 on other public property, or on private property without the property owner’s consent.

76

b. No person other than the animal control officer or a peace officer performing duties
77 under this title may release an animal from restraint without its owner’s consent, except to
78 preserve the animal’s life. A person who releases an animal from restraint to preserve its life
79 shall promptly report having done so to the animal’s owner or the animal control officer.

80

c. The animal control officer or a peace officer may capture or destroy by any means
81 an animal at large that presents an immediate threat to public safety.

82

d. The owner of an animal that is at large may be cited for a violation of this section
83 without the impoundment of the animal.

84

e. Except as provided in subsection (f) of this section, a violation of subsection (a) or
85 (b) of this section with three or more prior convictions shall be punishable by a fine of not less
86 than \$100.00 nor more than \$300.00, and the unsuspended portion of the fine shall not be

87 less than \$100.00.

88 f. A violation of subsection (a) of this section where the animal is a large animal with
89 one or more prior convictions shall be punishable by a fine of not more than \$300.00.

90

91 20.08.020 Impoundment procedures.

92 a. The animal control officer or a peace officer may capture and impound an animal
93 that is at large in violation of HCC 2.08.010(a). The animal control officer or a peace officer
94 may pursue an animal onto private property in the course of effecting its impoundment, and
95 if necessary use a cage trap to capture an animal.

96 b. Immediately upon impounding an animal whose owner is known to the impounding
97 animal control officer or peace officer, the officer shall make a reasonable effort to inform the
98 owner of the impoundment and the conditions on which the owner may regain custody of the
99 animal.

100 c. An animal that is impounded under the provisions of this chapter shall be held in
101 the city animal shelter, and there confined in a humane manner for the applicable minimum
102 period under subsection (d) of this section unless sooner claimed by the owner, and if not
103 claimed by the owner thereafter may be, at the discretion of the animal control officer,
104 offered to the public adoption or in the case of a large animal sold at public auction with
105 public notice in the manner provided for the sale at execution of personal property in AS
106 09.35.140, or destroyed in a humane manner.

107 d. The minimum period for which an impounded animal shall be held at the animal
108 shelter shall be:

109 1. For a dog that is impounded while wearing a city license, five days.

110 2. For any other animal, three days.

111 e. No impounded animal may be released from the animal shelter into the custody of
112 its owner unless the owner has:

113 1. Paid all impoundment and boarding fees, and the cost of any veterinary
114 treatment provided to the animal while impounded;

115 2. For a dog owned by a city resident that was impounded while not wearing a
116 city dog license, either produced evidence satisfactory to the animal control officer
117 that a current city dog license has been issued for the dog, or if the dog is unlicensed
118 paid the fee for a city dog license for the dog; and

119 3. For a dog, either produced evidence satisfactory to the animal control officer
120 that the dog has a current rabies vaccination, or paid the fee for a 30-day rabies
121 vaccination voucher under HCC 20.16.030.

122

123 20.08.030 Animals on harbor floats.

124 No person may bring, keep, or maintain an animal on the floats of the Homer small
125 boat harbor, unless the animal is kept under physical confinement by leash or chain at all
126 times. The person in control of the animal shall be responsible for cleaning and removing the
127 animal's waste from the harbor floats. The City will charge the person in control of the animal
128 for labor (minimum of one-half hour) required for cleaning and removing any animal waste
129 that the person fails to clean and remove.

130 20.08.040 Nuisance animals.

131 a. No person may cause or permit an animal that the person owns or controls to:

132 1. Annoy another person by interfering with the latter's sleep, work or
133 reasonable right to peace and privacy by making repeated or continued noise;

134 2. Defecate, dig upon or injure private property owned by another person or a
135 public street or alley, or other public property;

136 3. Frequently or habitually growl, snap at, jump upon or otherwise menace,
137 injure or frighten another person who is not trespassing or otherwise violating the law;
138 or

139 4. Chase, harass, or otherwise disturb or injure wildlife.

140 b. The animal control officer or a peace officer may impound an animal that is
141 engaging in behavior described in subsection (a) of this section. A person may restrain an
142 animal from continuing to engage in behavior described in paragraph (a)(4) of this section,
143 and shall promptly surrender any animal so restrained to the animal control officer for
144 impoundment.

145 c. A violation of subsection (a) of this section with three or more prior convictions shall
146 be punishable by a fine of not less than \$100.00 nor more than \$300.00, and the unsuspended
147 portion of the fine shall not be less than \$100.00.

148

149 20.08.050 Cruelty or injury to animals.

150 a. No person may intentionally injure, torment, poison, provoke, or otherwise abuse
151 an animal.

152 b. No person may intentionally kill an animal by injury, torment, poison, suffocation,
153 decompression or other forms of abuse of the animal.

154 c. No person may maintain an animal without providing food, water, and shelter
155 adequate to preserve the animal's health, or abandon an animal where it will not be provided
156 proper food, water, shelter, and care.

157 d. No person may maintain an animal showing symptoms of infectious or contagious
158 disease without keeping the animal confined in a building or secure enclosure and under
159 proper care.

160 e. No person may cause an animal to fight another animal or human being, whether
161 for amusement or financial gain; or train, or keep for the purpose of training, an animal for
162 exhibition in combat with an animal or human being. No person may permit property that the
163 person owns or controls to be used for any of the purposes described in this subsection.

164 f. No person may use a trap or snare within the city limits that can kill or injure a
165 domestic animal except under the supervision of a state or federal wildlife agency addressing
166 a specific nuisance wildlife issue, and with prior notice to the animal control officer of the
167 name and contact information of each person who will be working the trap(s), and the type of
168 trap(s) and the location of trap(s) being used.

169 g. No person may cause or permit an animal that the person owns or controls to
170 molest or harass wild or domesticated animals.

171 h. The driver of a vehicle involved in an accident resulting in injury to an animal shall
172 stop the vehicle as close to the scene of the accident as safely possible and inform the owner

173 of the animal of the accident and injury to the animal, if the animal's ownership is readily
174 ascertainable. If the owner of the animal is not readily ascertainable, the driver shall inform
175 the animal control officer or police department as quickly as reasonably possible of the
176 accident and injury to the animal.

177 i. Notwithstanding any other provision of this section, the animal control officer, a
178 peace officer or a licensed veterinarian may humanely euthanize an animal that in that
179 person's opinion is so seriously ill or injured that medical treatment would needlessly prolong
180 the animal's suffering; provided that if the animal bears identification of ownership, the
181 animal control officer, law enforcement officer or licensed veterinarian first shall make a
182 reasonable effort to inform the owner of the animal's condition and obtain the owner's
183 consent to euthanizing the animal.

184 j. This section does not apply to: Impounding, destruction, or other disposition of an
185 animal in a humane manner as authorized by law; killing or injuring an animal where
186 necessary to protect a human being or domesticated animal from death or bodily injury; or
187 the humane destruction of an animal by its owner or the owner's authorized agent.
188

189 20.08.060 Boarding dogs at animal shelter.

190 The Homer Animal Shelter may accept a dog for boarding if the following
191 requirements are met:

192 a. The owner and dog must reside inside the City.

193 b. The owner pays boarding fees in advance for a maximum of ten days. The owner
194 shall pay double the standard boarding fees for any time from the end of the time for which
195 boarding fees were paid in advance until the owner claims the dog from the animal shelter.

196 c. The owner provides proof from a veterinarian that the dog has current vaccinations
197 for rabies, parvo, distemper and Bordetella (kennel cough).

198 d. The owner exhibits proof that the dog has a current City dog license.

199 e. The owner reserves boarding space 24 hours in advance of the desired boarding
200 time, and at the time of reservation space to board the dog will be available. The animal
201 shelter will not board more than four dogs at a time.

202 f. The animal shelter may deny boarding to a dog that it determines to be sick, injured,
203 vicious, or in heat.

204 g. Before the boarding time begins, the owner of the dog executes a boarding
205 agreement including all the requirements in this section and an agreement to hold the Homer
206 Animal Shelter and the City harmless and waive liability claims against the Homer Animal
207 Shelter and the City.

208 h. All boarding costs shall be paid in full before the dog is released to its owner or
209 designee.

210 i. The Homer Animal Shelter will not board dogs if any licensed private commercial
211 boarding kennel is operating within the City and that facility has space available for animal
212 boarding.
213

214 20.08.070 Female animals in heat – Confinement required.

215 Every female dog or cat in season shall be kept confined in a building or secure

216 enclosure, or in a veterinary hospital or boarding kennel, in such a manner that such female
217 dog or cat cannot come in contact with another dog or cat except for planned breeding
218 purposes.

219

220 20.08.080 Abandonment of animals.

221 No person may intentionally abandon an animal including without limitation leaving
222 the animal unattended outside of the animal shelter.

223

224 20.08.090 Maintenance and sanitation.

225 A person who owns an animal shall maintain all structures, pens and yards where the
226 animal is kept, and all areas adjacent thereto, in a clean and sanitary condition and free from
227 objectionable odor.

228

229 20.08.100 Adoption of shelter animals.

230 To minimize the destruction of animals, the City shall make unclaimed animals and
231 animals turned in to the animal shelter for disposal available for adoption by any adult
232 person except as restricted herein. The City may collect a fee for the adoption of each animal.
233 The animal control officer may deny adoption of an animal to any person with a documented
234 record of frequent violations of this title or a history of animal abuse, neglect, or housing
235 animals in inhumane or unsanitary conditions. Frequent violation for purposes of this section
236 shall mean three or more convictions in the last 24 months.

237

238 20.08.110 Disposal of animal at request of owner.

239 The animal shelter will accept an animal from its owner for disposal upon the owner's
240 execution of a written consent agreement holding the City harmless from liability for the
241 destruction of the animal. Upon execution of the agreement, the animal becomes property of
242 the City and at the City's option may be disposed of by adoption or destruction in a humane
243 manner. The City reserves the right to refuse to dispose of any animal.

244

245 Section 3. Homer City Code 20.12.010, License required – Issuance, is amended to read
246 as follows:

247

248 20.12.010 License required – Issuance.

249 No **person may own, keep or harbor a dog over four months of age in the city that**
250 **is not licensed** ~~owner or harbored of any dog shall fail or neglect or refuse to obtain a license~~
251 ~~for such dog, as provided in this chapter. All dogs kept, harbored, or maintained in the City~~
252 ~~shall be licensed and registered if over four months of age. Dog licenses shall be issued~~
253 ~~by The the animal shelter~~ **shall issue a dog license upon receiving an application stating**
254 **the owner's** ~~on payment of a license tax for each dog. The owner shall state, at the time~~
255 ~~application is made for such license, his name and address and the name, breed, color and~~
256 ~~sex of the each dog,~~ **a certificate from a licensed veterinarian that the dog has a current**
257 **rabies vaccination, and payment of the license fee** ~~owned or kept by him. A dog~~
258 **license** ~~Dog licenses shall be issued for a period of two years~~ **that begins on** ~~and shall run~~

[Bold and underlined added. Deleted language stricken through.]

259 ~~from~~ January 1st of ~~an~~ each even-numbered year **and ends on** ~~to~~ December 31st of **the**
260 **following odd**-each succeeding uneven-numbered year. **The full license fee shall be**
261 **payable for a dog license that is issued at any time during an even-numbered year** For
262 dogs requiring licensing later in the license year, the license fee shall be the same as for a full
263 ~~two~~-years, **and the fee for a dog license that is issued at any time during an** prior to
264 January 1st of the succeeding odd-numbered year; and thereafter for the remainder of the
265 license period, the license tag shall be one-half of the full license fee.

266
267 Section 4. Homer City Code 20.12.020, License tag to be worn and displayed, is
268 amended to read as follows:

269
270 20.12.020 License tag to be worn and displayed.

271 Upon payment of the license fee, ~~therefor, there shall be issued to~~ **the animal shelter**
272 **shall issue to** the owner of a dog a receipt for payment of the license **fee** and **a**
273 **license** tag for **the** each dog so licensed. The tag shall **bear** ~~have thereon~~ the years for which
274 it was issued and a **number** corresponding **to the** number on the receipt. **The** Every owner **of**
275 **a dog subject to licensing under this chapter** shall **cause the** ~~provide~~ each dog **to**
276 **wear** with a collar or harness to which the license tag shall be affixed **at all times** and shall
277 see that the collar or harness and tag are constantly worn. In case a dog tag is lost or
278 destroyed another will be issued upon payment of a replacement fee. Dog tags are not
279 transferable from one dog to another.

280
281 Section 5. Homer City Code 20.12.030, Counterfeit tags prohibited, is repealed.

282
283 Section 6. Homer City Code 20.16.010, Rabies vaccination required, is amended to
284 read as follows:

285
286 20.16.010 Rabies vaccination required.

287 Every owner of a dog **over four months old** shall have **the** ~~such~~ dog vaccinated
288 against rabies. ~~Upon making an application for a license for any dog, the owner shall furnish a~~
289 ~~certificate from a licensed veterinarian as proof of this vaccination. Notwithstanding the~~
290 ~~above, if the City Clerk determines that vaccine and veterinary services are not reasonably~~
291 ~~available, the City Clerk may issue any dog license without the furnishing of such certificate;~~
292 ~~provided, however, that the owner of each dog so licensed shall furnish proof of the~~
293 ~~vaccination to the issuing authority, within 60 days from the issuance of the license, or the~~
294 ~~license shall be deemed void and the owner in violation of this chapter.~~

295
296 Section 7. Homer City Code 20.16.020, Quarantine of rabid animals required, is
297 amended to read as follows:

298
299 20.16.020 Quarantine of rabid animals required.

300 a. If a dog or other animal is believed to have rabies or to be vicious, or has been bitten
301 by **a** dogs or other animals suspected of having rabies, **the** ~~such~~ dog or other animal shall be

302 confined by a leash or chain in a substantial enclosure on the owner's premises and shall be
303 placed under the observation of a duly licensed physician or veterinarian for 10 days at the
304 expense of the owner. The owner shall notify a peace officer or animal control officer ~~of the~~
305 ~~fact that~~ **the** this dog has been exposed to rabies, and, ~~at his discretion,~~ the officer **may, at**
306 **the officer's discretion, place** is empowered to have the dog moved from the owner's
307 premises and placed under observation **in a designated isolation ward** at the animal
308 shelter ~~or in a veterinary hospital~~ for the quarantine period at the expense of the owner.
309 (Note: also see 7 AAC 27.020.)

310 b. ~~The~~ It is the duty of the Chief of Police **shall** to promptly notify the State Health
311 Department Officer of the location and description of the dog or other animal having rabies or
312 suspected of having rabies, **and**, ~~also to~~ supply the State Health Officer with the names and
313 addresses of the persons who have been bitten, scratched or had any contact with the
314 suspected animal.

315 c. **A peace officer may** The Chief of Police or his deputies are empowered to enter
316 upon any private property where a dog or other animal **that is alleged to have bitten a**
317 **person** is kept, which dog or animal is alleged to have bitten any person, to inspect, seize and
318 impound **the** such dog **as provided** under the provisions stated in this chapter.

319
320 Section 8. Homer City Code 20.16.030, Rabies vaccination voucher authorization, is
321 amended to read as follows:

322
323 20.16.030 Rabies vaccination voucher authorization.

324 The animal control officer **may** is authorized to collect **the fee** fees for, and issue
325 to **an** any dog owner claiming **a dog** his animal at the **animal** shelter who is unable to provide
326 adequate proof of current rabies vaccination **for the dog**, a "rabies vaccination voucher."
327 This voucher shall be valid for 30 days, and within that period shall entitle the bearer to rabies
328 vaccination for the **dog identified** thereon ~~named animal~~, at any licensed veterinarian
329 agreeing to accept same. The City shall set fees for such voucher at the average rates
330 currently being charged by all veterinarians licensed within the City. ~~In the event any person~~
331 ~~is unable to locate a veterinarian willing to accept the City vaccination voucher, the voucher~~
332 ~~fee shall be returned to that person after the voucher has expired and after that person~~
333 ~~provides evidence that he/she has otherwise obtained a rabies vaccination for the affected~~
334 ~~animal. The City is authorized to redeem all valid vouchers submitted by licensed~~
335 ~~veterinarians on a monthly basis for the standard fee set thereon.~~

336
337 Section 9. Homer City Code 20.20.010, Permitting animals to bite prohibited, is
338 amended to read as follows:

339
340 20.20.010 Permitting animals to bite prohibited.

341 a. **No person may** It is unlawful for any person to permit any animal **that the person**
342 **owns or controls** to bite **a** any person **or another animal**, unless the person bitten is
343 engaged in the commission of a criminal act. It is an affirmative defense **to a charge of**
344 **violating this section** that the victim of the bite provoked the animal into biting, ~~or~~ **was** that

345 ~~the person~~ bitten **while** ~~was~~ trespassing on the premises totally enclosed by **chain**
346 **link** ~~chainlink~~ fencing, or similar density fencing, ~~and the bite occurred on these premises by~~
347 an animal housed therein. **A violation of this section shall be punishable by a fine of not**
348 **more than \$300.00.** ~~Penalty: Class C infraction.~~

349 b. The City shall serve notice on the owner of **an** ~~any~~ animal which, ~~unprovoked,~~ has
350 bitten a person **or another animal without provocation, advising.** ~~Such notice shall advise~~
351 the owner that the animal is now a vicious animal and is subject to destruction if at large.

352
353 Section 10. Homer City Code 20.20.020, Destruction prohibited pending quarantine, is
354 amended to read as follows:

355
356 20.20.020 Destruction prohibited pending quarantine.

357 No person ~~may~~ **shall** kill or maim **an** ~~any~~ animal which is known to have bitten
358 **a** ~~any~~ person or animal **without the prior** ~~unless consent~~ **of** ~~to do so has been granted by the~~
359 Chief of Police. Nothing in **this section** ~~the provisions of this chapter shall be construed to~~
360 prohibit the killing of **an** ~~a dog or other~~ animal where such destruction is necessary for the
361 protection of life and limb, or for the purpose of preventing a further attack. One of the
362 purposes of the enactment of this chapter is to enable the Chief of Police to observe any dogs
363 and other animals which have bitten any person or animal in order to determine whether the
364 same are infected by rabies. **A violation of this section shall be punishable by a fine of not**
365 **more than \$300.00.** ~~Penalty: Class E infraction.~~

366
367 Section 11. Homer City Code 20.20.030, Vicious animal, is amended to read as follows:

368
369 20.20.030 Vicious animal.

370 **No person may** ~~It is unlawful for any person to permit any vicious animal to:~~

371 a. **Permit a vicious animal to be** ~~Be~~ at large ~~within the limits of the City;~~

372 b. Knowingly or negligently permit **a** ~~any~~ vicious animal to bite any person unless the
373 person bitten is in the act of committing a criminal offense;

374 c. **Permit a vicious animal to be** ~~Be~~ housed or transported in or on any motor
375 vehicle ~~within the City limits~~ unless **the** ~~said~~ animal is muzzled to prevent the animal from
376 biting any person. (Exception: vicious animals locked in the passenger compartment of a
377 motor vehicle need not be muzzled if the windows are adequately closed to prevent the
378 animal from exiting the vehicle);

379 d. **Permit a vicious animal to leave** ~~Leave~~ premises owned or controlled by the
380 animal's owner or his agent (except as authorized in subsection (c) of this section) unless the
381 animal is securely muzzled.

382 Any animal in violation of subsection (a) or (b) of this section shall, upon conviction of the
383 owner or the agent, for that offense, be immediately seized by the City and held for
384 destruction. **A violation of this section shall be punishable by a fine of not less than**
385 **\$100.00 nor more than \$300.00, and the unsuspended portion of the fine shall not be less**
386 **than \$100.00.** ~~Penalty: Class D infraction.~~

387

431 20.24.040 Tampering with City live traps prohibited.

432 No person may tamper with any City-owned or City-operated animal live trap.
433 “Tampering” means removal or destruction of bait(s), tripping the door closure mechanism,
434 obstructing the entryway so as to prevent animals from entering the trap, or the physical
435 removal of the trap from its position. **A violation of this section shall be punishable by a**
436 **fine of not less than \$100.00 nor more than \$300.00, and the unsuspended portion of the**
437 **fine shall not be less than \$100.00.** ~~Penalty: Class D infraction.~~

438
439 20.24.050 Removal of quarantined animals prohibited.

440 No person **may**, ~~either by himself or agent, shall~~ remove from the area animal shelter
441 or any veterinary hospital, or from any other place, any animal which has been quarantined
442 without the consent of the chief of police or animal control officer. **A violation of this section**
443 **shall be punishable by a fine of not less than \$100.00 nor more than \$300.00, and the**
444 **unsuspended portion of the fine shall not be less than \$100.00.** ~~Penalty: Class D~~
445 ~~infraction.~~

446
447 20.24.060 Furnishing false information.

448 ~~No~~ ~~It is unlawful for any person~~ **may** ~~to~~ knowingly provide false information on any
449 license application, adoption or disposal agreement, boarding agreement, citation, or any
450 other official document being executed pursuant to this title. ~~Penalty: Class C infraction.~~

451
452 Section 14. Homer City Code Chapter 20.28, Kennels, is amended to read as follows:

453
454 Chapter 20.28
455 KENNELS

456 Sections:

- 457 20.28.010 Kennels – Generally.
- 458 20.28.020 Kennel license – Required.
- 459 20.28.030 Kennel license fee.

460
461 20.28.010 Kennels – Generally.

462 a. No kennel shall be maintained or operated in such a manner as to constitute a
463 nuisance to persons owning or occupying land in the vicinity of the land on which the kennel
464 facility is operated or maintained.

465 b. Any complaint that a kennel is in violation of this chapter shall be referred to
466 the **animal control officer** ~~Animal Control Officer~~. The **animal control officer** ~~Animal Control~~
467 ~~Officer~~ may inspect the facilities to determine whether such kennel constitutes a health
468 hazard, nuisance or otherwise violates this chapter. Such inspection shall be completed
469 within seven days of the complaint.

470 c. If the **animal control officer** ~~Animal Control Officer~~ determines that the kennel
471 complained of is a health hazard, violates this chapter, or is a public nuisance, or that dogs
472 may not be safely kept therein, the owner shall be notified and shall be granted a reasonable
473 length of time within which to remedy any deficiencies found and to comply with

474 requirements of this chapter.

475 d. If, upon a second inspection after the expiration of the time granted in the notice,
476 the kennel is still in violation, the **animal control officer** ~~Animal Control Officer~~ may then
477 revoke any license previously issued for such kennel.

478

479 20.28.020 Kennel license – Required.

480 a. No person **may** ~~shall~~ own or operate a kennel without first obtaining
481 a **kennel** license. Application for such a **kennel** license shall be made to the **animal control**
482 **officer** ~~Animal Control Officer~~.

483 b. Before a **kennel** license **is** ~~shall be~~ issued, the **animal control officer** ~~Animal~~
484 ~~Control Officer~~ shall inspect the kennel **to confirm that the kennel:**

485 **1. Has adequate shelter for the dogs from the elements;**

486 **2. Has adequate provisions for keeping the dogs on the owner’s premises;**

487 **and**

488 **3. Has adequate provisions for keeping the premises in a sanitary**
489 **condition.**

490 Upon finding that the kennel facility is in compliance with this chapter, the **animal**
491 **control officer** ~~City Clerk~~ shall issue the license.

492 c. Such inspection of the kennel facility is to determine that the facility:

493 1. Has adequate shelter for the animals from the elements;

494 2. Has adequate provisions for keeping the animals on the owner’s premises;

495 **and**

496 3. Has adequate provision for keeping the premises in a sanitary condition.

497

498 20.28.030 Kennel license fee.

499 **A kennel license shall be issued for a period of two years that begins on January**
500 **1st of an even-numbered year and ends on December 31st of the following odd-**
501 **numbered year.** The **full** license fee for a kennel shall be **payable for a kennel license that**
502 **is issued at any time from January 1 of a even-numbered year through June 30 of the**
503 **following odd-numbered year, and** for a two-year period, to become due in the same year
504 as the license fees provided for in HCC 20.12.010; however, the fee for **a kennel license that is**
505 **issued in an odd-numbered year on or** the remainder of the license year after the first of
506 July **1** of odd-numbered years shall be one-half of the full **license** fee. The kennel **license** fee
507 shall be in lieu of a **dog** license fee for each individual **dog** animal **that is kept at the kennel;**
508 however, **each dog that is kept at the kennel shall be subject to** all other requirements **for**
509 **the issuance of a dog license** that would normally apply to license an animal shall apply.
510 Each animal kept at the kennel shall be considered licensed under the kennel license so long
511 as it remains at the kennel. **The owner of a dog that will remain in the city must obtain a**
512 **dog license for the dog when it ceases to be kept at the kennel.** ~~Penalty: Class B infraction.~~

513

514 Section 15. Homer City Code Chapter 20.30, Records, is enacted to read as follows:

515

516

Chapter 20.30

517

RECORDS

518 Sections:

519

20.30.010 Records.

520

521 20.30.010 Records.

522

a. The animal control officer shall maintain complete and detailed records of the following as required by city contract:

523

524

1. The issuance and revocation of licenses under this title;

525

2. All animals brought into the custody of the animal shelter by impoundment

526

or otherwise;

527

3. The disposition of all animals in the custody of the animal shelter;

528

4. Rabies immunizations vouchers issued;

529

5. Reports required by or made pursuant to this title;

530

6. Investigations of violations of this title;

531

7. Monies received for fees and charges imposed by this title; and

532

8. Notices of violation, including the disposition thereof.

533

b. The animal control officer shall not disclose the identity of a person who surrenders an animal to the animal shelter or claims or adopts an animal from the animal shelter unless the animal control officer determines that protection of the public health, safety or welfare requires such disclosure.

537

c. At the request of the animal control officer, an animal owner shall authorize the owner's veterinarian to release animal medical records related to a specific animal control investigation.

538

539

540

541 Section 16. Subsection (c) of Homer City Code 20.32.010, Animal control fee schedule, is amended to read as follows:

542

543

544

c. Animals being adopted shall be **properly licensed, vaccinated and if necessary issued a voucher for a spay or neuter which must be redeemed within six months of the date of issue** spayed or neutered, properly licensed and vaccinated. Associated fees shall be the responsibility of the adopting party.

545

546

547

548

549

Section 17. Homer City Code 20.32.020, Penalty provisions, is repealed, and Homer

550

City Code 20.32.020, Fine schedule, is enacted to read as follows:

551

552

20.32.020 Fine schedule.

553

Citations for offenses listed in this section may be disposed of as provided in AS 12.25.195-.230, without a court appearance, upon payment of the fine amounts listed below plus the state surcharge required by AS 12.55.039 and AS 29.25.074. Fines must be paid to the court. The Rules of Minor Offense Procedure in the Alaska Rules of Court apply to all offenses

554

555

556

[Bold and underlined added.] Deleted language stricken through.

557 listed below. Citations charging these offenses must meet the requirements of Minor Offense
 558 Rule 3. If a person charged with one of these offenses appears in court and is found guilty, the
 559 penalty imposed for the offense may not exceed the scheduled fine amount plus any
 560 surcharge required to be imposed by AS 12.55.039 and AS 29.25.074.
 561

Code Section	Code Section Title	Fine per Day
20.08.010(a)	Animal at large	No prior conviction \$25; One prior conviction \$50; Two prior convictions \$100
20.08.010(b)	Unauthorized release of animal from restraint	No prior conviction \$25; One prior conviction \$50; Two prior convictions \$100
20.08.030	Animals on harbor floats	\$25
20.08.040(a)	Nuisance animals	No prior conviction \$25; One prior conviction \$50; Two prior convictions \$100
20.08.050	Cruelty or injury to animals	\$25
20.08.070	Female animals in heat	\$50
20.08.080	Abandonment of animals	\$50
20.08.090	Maintenance and sanitation	\$50
20.12.010	License required--Issuance	\$25
20.12.020	License tag to be worn and displayed	\$25
20.20.010	Permitting animals to bite	\$100
20.24.060	Furnishing false information	\$100
20.28.020	Kennel license--Required	\$50

562
 563 Section 18. This ordinance is of a permanent and general character and shall be
 564 included in the City code.

565
 566 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this _____ day of _____
 567 2016.

568
 569 CITY OF HOMER

570
 571
 572 _____
 573 MARY E. WYTHE, MAYOR

574 ATTEST:

575
 576
 577 _____
 578 JO JOHNSON, MMC, CITY CLERK

579 AYES:
580 NOES:
581 ABSTAIN:
582 ABSENT:
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586 First Reading:
587 Public Reading:
588 Second Reading:
589 Effective Date:
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593 Reviewed and approved as to form:
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595
596 _____
597 Mary K. Koester, City Manager
598
599 Date: _____

Holly C. Wells, City Attorney

Date: _____



City of Homer

www.cityofhomer-ak.gov

Office of the City Clerk

491 East Pioneer Avenue
Homer, Alaska 99603

clerk@cityofhomer-ak.gov

(p) 907-235-3130

(f) 907-235-3143

Memorandum 16-111

TO: MAYOR WYTHE AND THE HOMER CITY COUNCIL

FROM: MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK

THROUGH: KATIE KOESTER, CITY MANAGER

DATE: JUNE 21, 2016

SUBJECT: FINAL REPORT AND RECOMMENDATIONS FROM THE SUSTAINABLE ANIMAL CONTROL REVIEW COMMITTEE

In August 2015 City Council established the Sustainable Animal Control Review Committee via Resolution 15-075 in an effort to strengthen the sustainability of the shelter as the City worked on the 2016 budget.

The Committee held their last meeting in January 2016 and in February made their final report and recommendations in Memorandum 16-026. Several of the committee's recommendations have been completed including an update of the animal shelter fee schedule, the contractor increased their liability insurance, and Veterinarians from the Homer Veterinary Clinic have been visiting regularly.

With permission from City Manager Koester, Lt. Will Hutt, former committee member Casey Moss, and I took on another recommendation of the committee and reviewed HCC Title 20. We considered the committee's suggestions and looked at municipal code for the City of Soldotna, City of Kenai, and Municipality of Anchorage. As a result, Ordinance 16-38 was written.

While a good portion of the language didn't change, we simplified and clarified definitions including Animals, Kennel, License Period, Prior Conviction, and Restraint. We also changed the order of some of the sections for a better flow.

Significant changes within the chapter include:

- Added more specific language regarding animals at large;
- Clarified Impound Procedures;
- Added reference to birds under Nuisance animals;

- Added more specific language and added reference to the penalty for cruelty and penalty to animals;
- Added a section specific to records;
- Increased penalty fees.

We also drafted an amendment to Title 7 Animals in Vehicles, specific to tethering animals riding in the back of a vehicle that is not enclosed; and prohibiting animals in the lap of a person operating a vehicle.

Lastly we propose adding impoundment fees for livestock. Livestock impoundment is referenced in Title 20, but currently there are no associated fees in the fee schedule.



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Memorandum 16-026

TO: MAYOR WYTHE AND THE HOMER CITY COUNCIL

FROM: MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK

THROUGH: KATIE KOESTER, CITY MANAGER

DATE: FEBRUARY 1, 2016

SUBJECT: FINAL REPORT AND RECOMMENDATIONS FROM THE SUSTAINABLE ANIMAL CONTROL REVIEW COMMITTEE

The **Sustainable Animal Control Review Committee (SACRC)** met at least once monthly from October 2015 through January 2016. There was considerable public interest in this committee and members of the public attended the meeting on a regular basis. The purpose of the committee was to look at ways to operate the shelter more economically.

The SACRC recommended **fee changes** for the animal shelter to the Homer City Council, which were included and passed in the December 2015 budget process. The fees for the shelter had not been examined in many years and the committee felt these new fees will make the shelter more sustainable.

City liability was another issue the committee examined. The contract the City of Homer has with the contractor needs modification the next time an RFP is issued. The attorney recommends eliminating a specific paragraph in the contract (Page 16 Section V. Item C.) because the city cannot mandate contractor performance. It would be wise to review the content of the whole contract before issuing the RFP next December. Patrick Lawrence contacted AMLJIA and they suggested increasing the value of the insurance policy the contractor holds. The contractor has taken steps to increase the coverage in the new year.

The SACRC understands the city is in the process of changing the city **website**. While this activity is going on, the SACRC recommends that the city include links to the Animal Shelter contractor and Homer Animal Friends. Also the committee felt there would be more compliance with license purchase if an option to purchase the license were available online and all fees were clearly posted online.

Maintenance of the shelter was discussed. The city maintains the shelter and the contractor operates the shelter. Proper maintenance will sustain the building. The contractor and the Public Works department have discussed improved maintenance visits and communication. The HVAC system

maintenance was discussed in detail. The committee recommends cleaning the HVAC system once a year and perhaps twice a year.

Another way the committee felt the shelter could operate more economically was to have local **veterinarians** become involved. As a result of the SACRC process, the Homer Veterinary Clinic will be providing on-site support monthly to help the shelter contractor and volunteers meet the ASV (Association of Shelter Veterinarians) Standards of Care in Animal Shelters using ASPCA (American Society for the Prevention of Cruelty to Animals) checklists. This work will be provided pro-bono by staff veterinarians and licensed veterinary technicians.

Safety issues were considered. Limiting the city's liability was a topic of discussion. The committee looked at OSHA compliance and recommended an OSHA consultation in the future. The SACRC felt this voluntary visit by OSHA should be postponed for a few months, until the contractor feels they would benefit the most.

There are numerous **grants** available to nonprofit animal shelters that would provide considerable assistance to the operation of the shelter. The committee contemplated how the City of Homer could qualify for these grants, given the shelter is run by a contractor and the city does not operate the shelter. At this time, SACRC did not determine a way to qualify the shelter for these grants but the committee would encourage the new city grant writer to further examine possibilities for grants.

The committee examined other ways to **save funds** such as shelter specific software for financial tracking and records management. Improved tracking of income from the shelter will allow improved oversight of costs in running the shelter.

The SACRC felt that **education of the public** would also improve shelter operation. The committee understands the city intends to add informational brochures with bills in the future. To that end, a community volunteer from Homer Animal Friends has developed an informational brochure about the shelter and its fees to be included in the bills in the future.

Volunteers assist in smooth operation of the shelter. This topic was addressed in a myriad of ways. Most importantly, a Volunteer Release Form, per attorney advice, was developed to decrease city liability. The contractor reviewed their volunteer manual for both dog and cat care.

The committee looked at **Chapter 20** in the city code, which has not been updated since 1988. Time did not allow the committee to thoroughly review this chapter but there were several places in the code that members felt needed refining. For instance, there was nothing addressing safety of animals in open vehicles. The committee strongly encourages the City Council to update Chapter 20. City staff who participated on the committee is willing to assist with this and would solicit input from the contractor to provide recommended updates to the code in the future with Council's direction.

The SACRC did feel that the **most efficient operation** of the shelter would come from a city employee operating the shelter instead of a contractor.

Every member of the SACRC committee felt that it would be worthwhile for the city to continue an **Animal Shelter Review committee**. This committee would help the contractor with smooth

operation of the shelter and be a go between for the city and the contractor. The SACRC understands the council does not want to create new committees as a cost saving measure. The contractor has determined they will initiate a committee of their choosing to meet quarterly or as needed for shelter support.

As happens with committees, the scope of work seems to grow as members begin their work. There are numerous items that came up that could not be accomplished but we feel the process allowed us to work together raising awareness, soliciting input and establishing goals. Thank you so much for establishing this committee.



MEMORANDUM 16-114

**TO: JO JOHNSON
CITY CLERK
CITY OF HOMER**

FROM: THOMAS F. KLINKNER

RE: REVISIONS TO HOMER CITY CODE TITLE 20

FILE NO.: 506,742.103

DATE: JUNE 16, 2016

Accompanying this memorandum is an ordinance revising HCC Title 20 regarding animals. The ordinance is based on a draft that you provided to us on May 31. I also expanded the scope of the revision to address some additional items in the current code. This memorandum explains my additional modifications.

20.04.020 Definitions.

- I retained a modified definition of the term “dog” because that term continues to be used in Title 20—for example, in the requirement of dog licenses.
- The revised definition of the term “kennel” confines the term to commercial facilities. Do you intend that kennel regulations apply only to commercial kennels, and not to a kennel that someone might operate as a hobby?
- I omitted the definition of “license period” because the term is not used in Title 20.

20.08.010 Animals at large.

- I omitted subsection (c) regarding abandoned animals, because that subject is addressed in HCC 20.08.080.
- I moved subsection (d) regarding pursuing animals on private property to HCC 20.08.020(a) because it related to impoundment procedure.
- HCC 20.08.020(g) regarding large animals has been integrated into HCC 20.08.020, impoundment procedures, and HCC 20.08.010(f) regarding penalties for violations of HCC 20.08.010(a).

- Penalties for violations under HCC Title 20, up to the level of Class C infractions, have been restated in a fine schedule in a new HCC 20.32.030, as part of the effort to develop a fine schedule for City Code violations.

20.08.020 Impoundment procedures.

- Throughout the revision, I have retained the term “peace officer”, as this is the more inclusive term for officials who may enforce the code. See AS 01.10.060(7):

(7) “peace officer” means (A) an officer of the state troopers; (B) a member of the police force of a municipality; (C) a village public safety officer; (D) a regional public safety officer; (E) a United States marshal or deputy marshal; and (F) an officer whose duty it is to enforce and preserve the public peace.

- This section does not prohibit any conduct, so it is unnecessary to state penalties for violating the section.

20.08.040 Nuisance animals.

- The term “bird” is unnecessary, as it is included in the term “animal”. See HCC 20.04.020, defining “animal” as “all domestic or domesticated members of the animal kingdom.”
- Violations are categorized by number of prior convictions, as in the case of HCC 20.08.010.

20.12.010 License required—Issuance. I have simplified the wording.

20.12.020 License tag to be worn and displayed. I have simplified the wording.

20.16.010 Rabies vaccination required. I moved the requirement for a veterinarian’s certificate to HCC 20.12.010, as a requirement for the issuance of a dog license.

20.20.030 Vicious animal. I revised this section for clarification and grammatical consistency.

20.24.010 Enforcement. HCC 20.08.040(b) is the correct cross-reference in the revised Title 20.

20.28.030 Kennel license fee. I rewrote this section for clarity and simplicity. The section provides that the reduced kennel license fee goes into effect on July 1 of the second year, while under HCC 20.12.010 the reduced dog license fee goes into effect on January 1 of the second year. I assume that this difference is intentional.

20.32.020 Fine schedule. This section collects fines for violations of HCC Title 20 that can be disposed of by bail forfeiture, in the form required by the Alaska Court System.

Let me know if you have questions.

TFK/

**CITY OF HOMER
HOMER, ALASKA**

Roberts

RESOLUTION 15-075

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
ESTABLISHING A SUSTAINABLE ANIMAL CONTROL REVIEW
COMMITTEE TO STRENGTHEN SUSTAINABILITY OF THE
SHELTER.

WHEREAS, The City has contracted out Animal Control services for over 30 years; and

WHEREAS, In 2005 with tremendous support and effort from the community and Homer Animal Friends, the City of Homer built a new Animal Shelter; and

WHEREAS, In these constrained fiscal times, it is prudent to review how the sustainability of providing animal control for the City of Homer can be strengthened; and

WHEREAS, It would be beneficial to establish a Sustainable Animal Control Review Committee (SACRC) to assist the City with increasing revenue and reducing expenses at the shelter.

NOW, THEREFORE, BE IT RESOLVED that the City of Homer hereby establishes the Sustainable Animal Control Review Committee (SACRC).

BE IT FURTHER RESOLVED that the Committee membership shall be the Mayor or one member of the City Council, the Police Chief or their designee, the Finance Director or their designee, a member of Homer Animal Friends, a Veterinarian licensed to practice in the State of Alaska, and a representative of the Homer Animal Shelter Contractor.

BE IT FURTHER RESOLVED that the committee should select within its membership a chairperson to run meetings and provide the clerk's office with agenda content, a vice chair in the chair's absence, and a secretary to take notes at meetings.

BE IT FURTHER RESOLVED that the scope of work shall include:

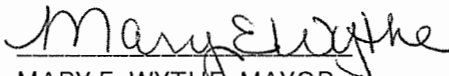
- Review of animal control fine and fee schedule
- Review of animal boarding policy
- Review of energy use at the shelter
- Review of opportunities for collaboration with Homer Animal Friends

42 BE IT FURTHER RESOLVED that the Committee shall establish its own work schedule
43 and shall be disbanded when the initial scope of work is complete or December 1, 2015,
44 whichever comes first.

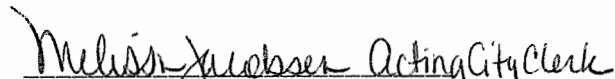
45
46 BE IT FURTHER RESOLVED that the City Clerk is authorized to advertise for parties
47 interested in serving as the veterinarian and Homer Animal Friends member.

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49 PASSED AND ADOPTED by the Homer City Council this 24th day of August, 2015.
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52 CITY OF HOMER

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56 MARY E. WYTHE, MAYOR

57 ATTEST:

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60 JO JOHNSON, MMC, CITY CLERK

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62 Fiscal information: N/A, existing budget
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1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 City Manager

4 **RESOLUTION 16-074**

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6 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
7 PLACING A MORATORIUM ON ALL NEW WATER OR SEWER
8 SPECIAL ASSESSMENT DISTRICTS UNTIL THE DEBT SERVICE
9 RATIO FOR THE HOMER ACCELERATED WATER AND SEWER FUND
10 IS ABOVE 1.25 AND DIRECTING THE HOMER ADVISORY PLANNING
11 COMMISSION TO DEVELOP PROCEDURES FOR APPLYING AND
12 LIFTING THE DEBT SERVICE RATIO RESTRICTIONS.
13

14 WHEREAS, The Homer Accelerated Water and Sewer (HAWSP) Fund is made up of a
15 combination of special assessment district (SAD) payments and a ¾% dedicated sales tax;
16 and
17

18 WHEREAS, The HAWSP Fund is used to pay the City's share of water and sewer
19 improvements and pay back low interest loans for improvements initiated through local
20 special assessment districts; and
21

22 WHEREAS, The HAWSP Fund has significant debt burden and Council is concerned
23 with the fund's ability to meet current and future debt obligations; and
24

25 WHEREAS, To address fiscal solvency concerns, Council instituted a minimum debt
26 service ratio of 1.25 in Resolution 16-041(S-2)(A) in order to initiate new special assessment
27 districts; and
28

29 WHEREAS, The recent approval of Kachemak Drive Phase III and Lillian Walli SADs
30 place the current debt service ratio below 1.25; and
31

32 WHEREAS, Procedures must be developed as to how the debt service ratio is applied,
33 when and how it is lifted, and what to do about requests for SADs that come forward during
34 the interim; and
35

36 WHEREAS, As an example, Mission Road attempted to initiate a new water special
37 assessment district recently that was denied because of the current debt service ratio and
38 should be first on the list when the moratorium on special assessment districts is lifted.
39

40 NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, places a
41 moratorium on all new water or sewer special assessment districts.

42 BE IT FURTHER RESOLVED that the City Council directs the Homer Advisory Planning
43 Commission to develop a recommendation to Council on procedures for:

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- How the City should apply the debt service ratio
- When the debt service ratio should be calculated
- When pending HAWSP projects should be inputted into the debt service ratio calculation
- A process for keeping track of and prioritizing special assessment district requests that occur while a moratorium on new districts is in effect
- A process for lifting and implementing a moratorium on water and sewer special assessment district projects

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PASSED AND ADOPTED by the Homer City Council this 27th day of June, 2016.

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CITY OF HOMER

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MARY E. WYTHE, MAYOR

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63 ATTEST:

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JO JOHNSON, MMC, CITY CLERK

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Fiscal Note: N/A

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

City Manager

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4 **RESOLUTION 16-041(S-2)(A)**

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6 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
7 AMENDING THE HOMER ACCELERATED ROADS AND TRAILS
8 PROGRAM (HART) POLICY MANUAL TO CHANGE THE
9 ALLOCATION OF COSTS FOR STREET RECONSTRUCTION AND
10 NEW STREET CONSTRUCTION, AND THE BASIS FOR ASSESSING
11 SUCH COSTS; AMENDING THE HART AND HOMER ACCELERATED
12 WATER AND SEWER PROGRAM (HAWSP) POLICY MANUALS TO
13 STATE THAT EXPENDITURES UNDER EACH PROGRAM IS
14 SUBJECT TO THE AVAILABILITY OF FUNDS; REFERRING THE
15 DEVELOPMENT OF A MATCHING GRANT PROGRAM FOR SMALL
16 SCALE GREENWAY TRAILS TO THE PARKS AND RECREATION
17 ADVISORY COMMISSION; AND REFERRING OTHER REVISIONS OF
18 THE HART POLICY MANUAL TO THE HOMER ADVISORY PLANNING
19 COMMISSION FOR ITS REVIEW AND RECOMMENDATIONS.

20
21 WHEREAS, It is in the best interest of the City and its residents to encourage the
22 reconstruction of streets and the construction of new streets with funding from Homer
23 Accelerated Roads and Trails Program (HART) funds; and

24
25 WHEREAS, Revising the formula for funding street reconstruction and new street
26 construction from HART funds will provide a better incentive for property owners to
27 participate in special assessment districts (SAD) for street reconstruction and new street
28 construction; and

29
30 WHEREAS, Uniformity between HART and the Homer Accelerated Water and Sewer
31 Program (HAWSP) with regard to the basis for allocating special assessments is desirable; and

32
33 WHEREAS, The HART Policy Manual is in need of updating and reorganization, and it
34 would be appropriate to refer this matter to the Homer Advisory Planning Commission for its
35 review and recommendations.

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37 NOW, THEREFORE, BE IT RESOLVED that Paragraph III.A.1.j of the Homer Accelerated
38 Roads and Trails Program (HART) Policy Manual is amended to read as follows (additions bold
39 and underlined; deletions stricken through):

40 j. For special assessment districts initiated on or before May 10, 2016, property
41 owner contribution through SAD process by paying \$30 per front foot for gravel and \$17 per
42 front foot for paving cost of a residential standard street and the city pays all costs for

43 additional improvements deemed necessary. For special assessment districts initiated after
44 May 10, 2016, property owner contribution through SAD process of 25% of project cost for
45 street reconstruction or new street construction on an equal assessment per lot basis for cost
46 of a residential standard street and the city pays all costs for additional improvements
47 deemed necessary.

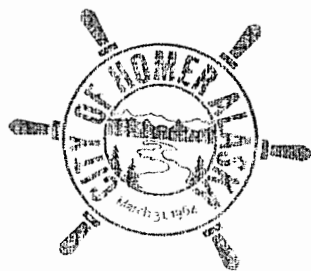
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49 BE IT FURTHER RESOLVED that each of the Homer Accelerated Roads and Trails
50 Program (HART) and Homer Accelerated Water and Sewer Program (HAWSP) Policy Manuals
51 is amended to state that expenditures under each program are subject to the availability of
52 funds, after maintaining a debt-service coverage ratio of 1.25 or above.

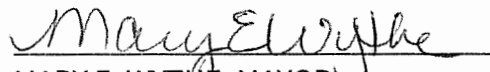
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54 BE IT FURTHER RESOLVED that the Council refers to the Homer Advisory Planning
55 Commission for its review and recommendations the subject of revising the HART Policy
56 Manual to achieve the following goals: (i) update and improve the organization and
57 readability of the HART Policy Manual; (ii) make policies in the HART Policy Manual as
58 consistent as possible with the policies in the Homer Accelerated Water and Sewer Program
59 (HAWSP) Policy Manual; and (iii) review project eligibility; (iv) provide for the funding of
60 special assessment districts for sidewalks with HART funds; and (v) develop a matching grant
61 program for small scale greenway trails.

62
63 BE IT FURTHER RESOLVED that the Council refers to the Parks and Recreation Advisory
64 Commission for its review and recommendations the subject of revising the HART Policy
65 Manual to develop a matching grant program for small scale greenway trails.

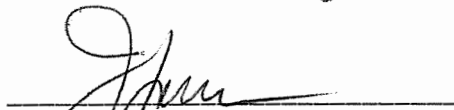
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67 PASSED AND ADOPTED by the Homer City Council this 9th day of May, 2016.

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69 CITY OF HOMER



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MARY E. WYTHE, MAYOR

ATTEST:


JO JOHNSON, MMC, CITY CLERK

Fiscal Note: N/A

44 ATTEST:

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JO JOHNSON, MMC, CITY CLERK

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50 Fiscal Note: N/A



City of Homer

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Office of the City Clerk

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(p) 907-235-3130

(f) 907-235-3143

Memorandum 16-112

TO: MAYOR WYTHE AND CITY COUNCIL
FROM: LIBRARY ADVISORY BOARD
THRU: RENEE KRAUSE, CMC, DEPUTY CITY CLERK
DATE: JUNE 20, 2016
SUBJECT: UPDATED MISSION STATEMENT FOR THE HOMER PUBLIC LIBRARY

At the request of Library Director Dixon the Advisory Board approved an update to the Mission Statement at their regular meeting in April of this year. Following is the excerpt from the approved minutes of the meeting:

April 5, 2016
Regular Meeting
Pending Business

C. Library Mission Statement and Mission in Action – Review and Approval

Chair Strobel requested a motion to approve the mission statement.

Boardmember Kuszmaul recommended one change in the statement to either add “members” after community in the first line.

PETERSON/SMITH – MOVED TO APPROVE THE AMENDED MISSION STATEMENT.

There was brief discussion on the service area and how that was designated.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Recommendation
Approve the recommendation to Update the Mission Statement

Attachment: Updated Mission Statement

Homer Public Library
Mission Statement

The Homer Public Library serves the diverse needs of our community members by providing access to information, promoting literacy, and facilitating lifelong learning. We foster education, personal well-being, cultural creativity, community engagement, and economic development. Our resources are offered without charge to people of all ages and abilities within our service area.

**CITY OF HOMER
HOMER, ALASKA**

Mayor/City Council

RESOLUTION 16-076

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, APPROVING A CONTRACT FOR GENERAL COUNSEL LEGAL SERVICES TO THE FIRM OF BIRCH HORTON BITTNER AND CHEROT IN THE MONTHLY AMOUNT OF \$11,500.00 AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE APPROPRIATE DOCUMENTS.

WHEREAS, The firm of Birch Horton Bittner and Cherot has provided legal services for the City of Homer for the past eight years; and

WHEREAS, Primary City Attorney Tom Klinkner has announced his retirement and will no longer be providing primary legal services to the City effective in August; and

WHEREAS, Attorney Holly C. Wells has been working with the City for years, is familiar with the City, and will be serving as primary City Attorney; and

WHEREAS, Resolution 16-049 authorized the City Manager to negotiate a new 3-year contract with Birch Horton Bittner and Cherot.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council finds that the firm of Birch Horton Bittner and Cherot is best suited to meet the legal needs and requirements of the City of Homer.

BE IT FURTHER RESOLVED that the City Council of Homer, Alaska, approves a 3-year contract with the firm of Birch Horton Bittner and Cherot of Anchorage, Alaska, in the monthly fixed fee amount of \$11,500.00 with a biennial increase the lesser of the Anchorage Consumer Price Index or 5% and authorizes the City Manager to execute the appropriate documents.

PASSED AND ADOPTED by the Homer City Council this 27th day of June, 2016.

CITY OF HOMER

MARY E. WYTHE, MAYOR

43 ATTEST:

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47 JO JOHNSON, MMC, CITY CLERK

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49 Fiscal Note: Account Number 100.100.5210 monthly fixed fee \$11,500.00 with a biennial
50 increase of the lesser of the Anchorage Consumer Price Index or 5%.



City of Homer

www.cityofhomer-ak.gov

Office of the City Manager

491 East Pioneer Avenue
Homer, Alaska 99603

citymanager@cityofhomer-ak.gov

(p) 907-235-8121 x2222

(f) 907-235-3148

Memorandum 16-113

TO: Mayor Wythe and Homer City Council
FROM: Katie Koester, City Manager
DATE: June 22, 2016
SUBJECT: Resolution 16-076 Awarding a Contract for Legal Services to the Firm Birch Horton Bittner and Cherot

Birch Horton Bittner and Cherot have been providing legal services to the City of Homer for the past eight years and have developed a proficient understanding of our City code and community. Though the City's primary attorney Tom Klinkner is moving to part-time, Attorney Holly Wells is very familiar with Homer and is assuming the role of lead attorney for the City. Resolution 16-049 authorizes the City Manager to negotiate a new contract with the firm which is currently before you for approval.

The contract is substantially similar to our existing contract with a few minor changes:

Section 7:

- A. According to the existing contract, every two years a 5% increase is applied. This has been frozen for 2016 and we are operating under the same rates as 2014.
- B. The existing contract caps the attorney hours under the monthly retainer at 50. The cap has been raised to 65 attorney hours per month. This is beneficial to the City as demand on legal services ebbs and flows and a busy month can exceed the 50-hour cap.
- E. Even though the majority of non-litigation services are performed under the cap, we are charged for research fees, title insurance premiums, and other similar charges. Section 7E requires the firm to notify me if the cost of any request exceeds \$1,500. This allows some control over complicated requests that may involve a lot of research and extra expense.

The existing contract contains a 5% increase every two years. This contract changes it to a biennial increase that is the lesser of the Anchorage Consumer Price Index or 5%.

Legal services are one of our most important, but costly expenses. I am happy that we are able to curb increases and appreciate the important work Birch Horton Bittner and Cherot does for the City of Homer.

CONTRACT FOR GENERAL COUNSEL LEGAL SERVICES

Agreement dated as of August 1, 2016 between the CITY OF HOMER, an Alaska municipal corporation (“City”), and BIRCH, HORTON, BITTNER, INC., an Alaska professional corporation, d/b/a Birch, Horton, Bittner and Cherot (“Firm”).

Section 1. Definitions. In addition to the terms defined above, in this contract:

- A. “Council” means the City Council of the City.
- B. “Manager” means the City Manager of the City.

Section 2. Scope of Services.

A. The Firm shall act as general counsel to the City, to include without limitation the following:

- Serve as the legal advisor of and be responsible to the Council; advise the Manager and City Clerk concerning matters affecting the City Administration and perform other duties prescribed by the Council.
- Prepare legal documents, including but not limited to ordinances, resolutions, contracts, conveyances, leases, easements and legal opinions as needed.
- Be readily available for consultation by the Council, Manager and City Clerk.
- Provide limited representation in court and manage the activities of other attorneys who may represent the City in court.
- Assist the Manager in negotiations on the City’s behalf and handle other legal matters that may arise.
- Draft opinion letters regarding, among other things, the interpretation of the City Code, state and federal laws, and policies.
- Perform other such duties as may be prescribed for the City Attorney by ordinance or by direction of the Council and/or Manager.
- Work effectively with the Council, Manager, City Clerk and with all other public agencies and other entities with which the City has a legal relationship.
- Attend at least one Council meeting per month and others telephonically as requested.

B. All representation of the City shall continue until the matters or cases assigned are either closed out by mutual consent or are recalled by the Council.

C. The Firm shall not engage any consultant, expert, or other third-party service without the prior approval of the Manager or Council.

D. Provide toll-free telephone access to the City.

Section 3. Access to City Personnel. The Manager shall secure the cooperation of City personnel as necessary to assist the Firm’s performance hereunder.

Section 4. Contract Administrator. The Manager shall administer this contract on behalf of the City.

Section 5. Term.

A. Initial Term. This contract becomes effective when signed on behalf of both parties and shall continue in effect for four years.

B. Option to Extend. Council shall have the option to extend this Agreement for a one (1) year term commencing on the expiration of the Initial Term. The City must give Firm written notice of its election to extend. All the terms and conditions of this Agreement shall apply during any extended term. No additional options to extend shall be created by City's election to extend this Agreement.

Section 6. Attorney Assignment. Holly C. Wells is the Firm attorney who will be principally responsible for performing or supervising the work to be done by the Firm on the City's behalf and who will be the City's principal contact with respect to contract administration and billing. The responsible attorney will not be changed without the consent of the City. The responsible attorney may, in his or her discretion, assign additional Firm attorneys, paralegals, and law clerks to perform legal services under his or her supervision.

Section 7. Compensation. The Firm shall be compensated for services performed during the first two years of the term of this contract as follows:

A. A monthly fixed fee of \$11,500 to provide 65 hours of general counsel service per month plus travel to Homer for 12 Council meetings per year. This fee includes all travel time and travel-related expenses for attendance at the 12 Council meetings.

B. The following hourly rates for work above and beyond 65 hours per month or for specialized services (i.e., litigation): Shareholders and members: \$215; associates: \$189; paralegals: \$105.

C. For travel time between Homer and Anchorage above the contracted 12 trips, one-half the applicable hourly rate, plus actual out-of-pocket expenses.

D. Except for travel expenses described in subsection A of this section, the City shall reimburse the Firm for in-house expenses and third-party expenses incurred on the City's behalf. Such expenses may include applicable filing fees, recording fees, facsimile services, courier services, photocopying at \$0.20 per page, long distance telephone charges, postage, expedited mail or delivery services, travel expenses, service of process fees, deposition transcripts, stenographer fees, computer-assisted legal research fees, title insurance premiums, and other similar charges.

E. The Firm shall receive written consent from the City Manager or her designee for any and all costs estimated to exceed \$1,500 in one transaction for a single timekeeper.

Commencing August 1, 2018, and for the remainder of the term of this contract, the monthly retainer amount in A of this section and the hourly rates in B of this section shall increase by the cost of living increase as stated in the Consumer Price Index, All Urban Consumers, Anchorage, Alaska Area, All Items 2000 – present = 100 ("CPI-U"), as published by the United States Department of Labor, Bureau of Labor Statistics but shall not exceed 5%.

Section 8. Statements and Payment.

A. The Firm shall submit itemized monthly statements to the City for all fees and costs incurred during the preceding calendar month. Monthly statements shall identify the subject of the work performed and the time, to the nearest one-tenth of an hour, spent on each subject. Costs shall be itemized and described separately on each monthly statement.

B. Payment of monthly statements will be remitted to the Firm within 30 days. A late charge on amounts past due for 30 days or more will be assessed at the rate of .88% per month, or at the highest rate allowed by applicable law.

Section 9. Insurance. The Firm shall maintain in good standing the following insurance during the term of this contract, and shall furnish the City Manager with proof of the required insurance coverage before rendering any services under this contract:

A. Worker's compensation insurance as required by AS 23.30.045, including employer's liability protection not less than \$100,000 per person, \$100,000 per occurrence.

B. Comprehensive automobile liability insurance, covering all owned, hired and non-owned vehicles with coverage limits not less than \$300,000 per person/\$300,000 per occurrence.

C. Professional liability coverage for claims up to a minimum amount of \$1,000,000 per claim for the term of this contract, plus a three-year extended reporting period endorsement after the end of the contract.

Section 10. Records. Subject to the transfer of a file to another attorney at the City's request, the Firm shall retain and maintain all significant components of the files concerning each matter in which the Firm provides services to the City for a period of six years following the conclusion of representation of the City in the matter. During such time the Firm will afford City representatives reasonable access to each such file. At any time after the end of this six-year retention period, the Firm, in its discretion, may destroy the file and its contents without further notice to the City. The Firm will deliver to the City the originals of any documents in a file at the time the file is closed.

Section 11. Termination of Services. The Firm's services under Section 2 may be terminated:

A. For convenience by the City.

B. By mutual consent of the parties.

C. For cause, by either party where the other party fails in any material way to perform its obligations under this contract. Termination under this subsection is subject to the condition that the terminating party notify the other party of its intent to terminate, stating with reasonable specificity the grounds therefor, and the other party's failure to cure the default within 15 days after receiving the notice.

Section 12. Notices. Any notice pertaining to this contract shall be either personally delivered, faxed or mailed by prepaid first class registered or certified mail, return receipt requested as follows:

City: City of Homer
Attention: City Manager
491 East Pioneer Avenue
Homer, Alaska 99603
FAX: (907) 235-3140

Firm: Birch, Horton, Bittner and Cherot
Attn: Thomas F. Klinkner

1127 West 7th Avenue
Anchorage, Alaska 99501
FAX: (907) 276-3680

Section 13. Amendment. This contract may be amended only by a writing executed by each party.

Section 14. Integration. This instrument embodies the entire agreement of the parties. There are no promises, terms, conditions or obligations other than those contained herein; and this contract shall supersede all previous communications, representations or agreements, either oral or written, between the parties hereto.

IN WITNESS WHEREOF, the parties have executed this contract as of the date first written above.

CITY OF HOMER

BIRCH, HORTON, BITTNER and CHEROT

Mary E. Wythe, Mayor Pro Tempore

Holly C. Wells

ATTEST:

Jo Johnson, CMC, City Clerk

**CITY OF HOMER
HOMER, ALASKA**

City Manager

RESOLUTION 16-049

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
AUTHORIZING THE CITY MANAGER TO NEGOTIATE A NEW CITY
ATTORNEY CONTRACT WITH BIRCH HORTON BITTNER & CHEROT
FOR THE PERIOD OF AUGUST 1, 2016 THROUGH JULY 31, 2019.

WHEREAS, Birch Horton Bittner & Cherot (BHBC) has been the City's Attorney since August 1, 2008, selected and hired by the City Council; and

WHEREAS, BHBC has the expertise and experience of a national firm combined with the knowledge and understanding of Alaska's unique legal issues; and

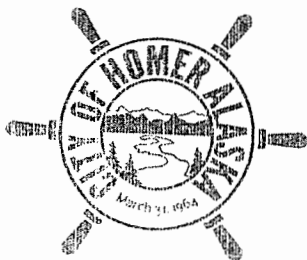
WHEREAS, BHBC has a number of attorneys on staff ranging from specialists in human resources to construction law that the City uses frequently; and

WHEREAS, It is the recommendation of administration that a new contract be negotiated for a three-year period from August 1, 2016 to July 31, 2019; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, authorizes the City Manager to negotiate a new City Attorney Contract with Birch Horton Bittner & Cherot for a three-year period from August 1, 2016 to July 31, 2019.

PASSED AND ADOPTED by the Homer City Council this 9th day of May, 2016.

CITY OF HOMER



Mary E. Wythe
MARY E. WYTHE, MAYOR

ATTEST:

Jo Johnson
JO JOHNSON, MMC, CITY CLERK

Fiscal information: Budgeted, Mayor and Council, Professional Services, 100.100.5210.

VISITORS

ANNOUNCEMENTS
PRESENTATIONS
BOROUGH REPORT
COMMISSION REPORTS

**CITY OF HOMER
HOMER, ALASKA**

MAYOR'S PROCLAMATION

July as Parks and Recreation Month

WHEREAS, Parks and recreation programs are an integral part of communities throughout this country, including the City of Homer; and

WHEREAS, Our parks and recreation are vitally important to establishing and maintaining the quality of life in our communities, ensuring the health of all citizens, and contributing to the economic and environmental well-being of a community and region; and

WHEREAS, Parks and recreation programs build healthy, active communities that aid in the prevention of chronic disease, provide therapeutic recreation services for those who are mentally or physically disabled, and also improve the mental and emotional health of all citizens; and

WHEREAS, Parks and recreation programs increase a community's economic prosperity through increased property values, expansion of the local tax base, increased tourism, the attraction and retention of businesses, and crime reduction; and

WHEREAS, Parks and recreation areas are fundamental to the environmental well-being of our community; and

WHEREAS, Parks and natural recreation areas improve water quality, protect groundwater, prevent flooding, improve the quality of the air we breathe, provide vegetative buffers to development, and produce habitat for wildlife; and

WHEREAS, Our parks and natural recreation areas ensure the ecological beauty of our community and provide a place for children and adults to connect with nature and recreate outdoors; and

WHEREAS, The U.S. House of Representatives has designated July as Parks and Recreation Month; and

WHEREAS, The City of Homer recognizes the benefits derived from parks and recreation resources.

NOW, THEREFORE, I, MARY E. WYTHER, Mayor of the City of Homer, do hereby proclaim July as:

PARKS AND RECREATION MONTH

in the City of Homer, Alaska.

IN WITNESS WHEREOF, I have hereunto set my hand and cause to be affixed the official seal of the City of Homer, Alaska, on this 27th day of June, 2016.

CITY OF HOMER

ATTEST:

MARY E. WYTHER, MAYOR

JO JOHNSON, MMC, CITY CLERK

CITY OF HOMER
HOMER, ALASKA

MAYOR'S PROCLAMATION

JULY 4TH PARADE 2016

WHEREAS, The Homer Chamber of Commerce hosts an Annual July 4th Parade along Pioneer Avenue in Downtown Homer and the theme this year is "*Celebrate Our Heritage*" to honor our Patriotic, Historical, and Present Day Culture and illustrate Homer's development and character as it has evolved over time; and

WHEREAS, The July 4th Parade will be held on Monday, July 4th starting at 6 p.m. with the parade route running along Pioneer Avenue in downtown Homer from Heath Street to Woodside Avenue; and

WHEREAS, The Grand Marshals are Scott and Cathy Ulmer, long time business and volunteer leaders in our community; and

WHEREAS, Ulmer's Drug & Hardware with new owners Patrick and Monica Mede is the prime sponsor along with business supporters Alaska USA Federal Credit Union, Serendipity Event Rental, LLC and the Judges Stand Sponsor, Bay Realty; and

WHEREAS, Prize categories include Adult Group, Children's Group, Bikes and Trikes, Animals, Antique Cars, Truck and Machinery and Best Use of Theme. Prizes will be "Homer Bucks" which are redeemable for cash value at 52 local Homer businesses, so parade contestant winners can shop locally.

NOW, THEREFORE, I, Mary E. Wythe, Mayor of Homer, do hereby proclaim Monday, July 4, 2016 as:

JULY 4TH PARADE 2016

and urge residents, businesses, organizations in our community, and visitors to join us to celebrate by attending the Parade.

IN WITNESS WHEREOF, I have hereunto set my hand and cause to be affixed the official seal of the City of Homer, Alaska, on this 27th day of June, 2016.

CITY OF HOMER

ATTEST:

MARY E. WYTHE, MAYOR

JO JOHNSON, MMC, CITY CLERK

Session 16-10, a Regular Meeting of the Homer Advisory Planning Commission was called to order by Chair Don Stead at 6:32 p.m. on June 15, 2016 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMISSIONERS HIGHLAND, BRADLEY, STEAD, AND BOS

ABSENT: COMMISSIONER STROOZAS, (EXCUSED), VENUTI

STAFF: CITY PLANNER ABOUD
DEPUTY CITY CLERK KRAUSE

APPROVAL OF AGENDA

Chair Stead called for a motion to approve the agenda.

HIGHLAND/BRADLEY - SO MOVED.

There was no discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

PUBLIC COMMENT

The public may speak to the Planning Commission regarding matters on the agenda that are not scheduled for public hearing or plat consideration. (3 minute time limit).

There was no public present for this meeting.

RECONSIDERATION

ADOPTION OF CONSENT AGENDA

All items on the consent agenda are considered routine and non-controversial by the Planning Commission and are approved in one motion. There will be no separate discussion of these items unless requested by a Planning Commissioner or someone from the public, in which case the item will be moved to the regular agenda and considered in normal sequence.

- A. Approval of the minutes of June 1, 2016 meeting
- B. Time Extension: Foothills Sub Sunset View Estates Addn. No. 2

Chair Stead requested a motion to approve the consent agenda as presented.

BRADLEY/HIGHLAND - SO MOVED.

There was a brief discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

PRESENTATIONS

REPORTS

- A. Staff Report PL 16-33, City Planner's Report

City Planner Abboud provided a summary of his report. He noted the following:

- City Council adopted the Flood Maps and rezone for the plat for the Pratt Museum; they approved the recommendations for the Hickerson cemetery extension, met with the Public Works Director and discussed the funding available to determine what amount of the new addition can be completed, he has hired back Shelly Rosencrans to fill the front counter position three days a week until December and he will evaluate their options at that time. Julie will be off July and August and Dotti will be working in the City Manager's Office Monday through Wednesday until the first of the year and then they will go from there.

Staff presented to the Economic Development Commission on the Comprehensive Plan Update at their meeting on June 7th; City Planner Abboud noted the public meeting on Tuesday, June 21st in Council Chambers on the Lake Street project. He also mentioned the possible funding available for Soundview Avenue sidewalk completion instead of HART funds, that AKDOT is still hearing about the Kachemak Drive Path.

City Planner Abboud requested a volunteer to attend the Council meeting on July 25th. There was a brief discussion on availability. Commissioner Bradley volunteered stating as of now her schedule was clear.

PUBLIC HEARINGS (*Testimony limited to 3 minutes per speaker. The Commission conducts Public Hearings by hearing a staff report, presentation by the applicant, hearing public testimony and then acting on the Public Hearing items- The Commission may question the public. Once the public hearing is closed the Commission cannot hear additional comments on the topic. The applicant is not held to the 3 minute time limit.*)

PLAT CONSIDERATION

A. Staff Report PL 16-31, Homer School Survey 2016 Replat Preliminary Plat

Chair Stead read the title into the record. City Planner Abboud referred to the map posted to the bulletin board behind him. City Planner Abboud touched on the following:

- Size of the existing lot is 33.12 acres that the application is intending to split into two parcels one at approximately 3.5 acres and the larger lot would be 29.5 acres.
- Zoning is Rural Residential and Scenic Gateway Corridor Overlay
there is a portion within 75 feet of the center line of the Sterling Highway
- Existing use is the Homer Middle School
- Surrounding Uses include Residential, Hotel, Restaurant, Office, vacant land and the HERC
- The Comprehensive Plan encourages high quality buildings and site design that complements Homer's beautiful natural setting
- Wetlands Discharge Slope and Upland Complex are found on site
- Flood hazards are undetermined but possible
- It is not within the Bridge Creek Watershed Protection District
- City Utilities are available

Staff Recommends: A 15 foot utility easement is required to added along right of way, and Adding a 20 foot easement on the drainage (10' either side of marked drainage)

There was no applicant present and no public present.

Commissioner Highland requested clarification on the intent of the use and the legal use of the school property by an outside source. She also inquired if the Addition of the 15 feet was to be included in the staff recommendations.

HIGHLAND/BOS - MOVED TO APPROVE STAFF REPORT HOMER SCHOOL SURVEY 2016 REPLAT WITH THE FOLLOWING STAFF RECOMMENDATIONS, ADD 15 FOOT UTILITY EASEMENT ALONG RIGHT OF WAY AND 20 FOOT EASEMENT ON THE DRAINAGE , 10 FEET ON EITHER SIDE OF MARKED DRAINAGE.

There was a brief discussion.

HIGHLAND/BOS - MOVED TO AMEND THE MOTION TO INCLUDE CORRECTION TO THE ANALYSIS TO CHANGE RESIDENTIAL OFFICE DISTRICT TO RURAL RESIDENTIAL AND THIS PLAT DIVIDES ONE LOT INTO TWO.

There was a brief discussion on including clarification on why they are dividing the lot into two.

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

Motion carried.

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

Motion carried.

PENDING BUSINESS

A. Staff Report PL 16-34 Towers

Chair Stead read the title into the record. City Planner Abboud explained that the City Council remanded this back to the Commission to address specific policies regarding including a mechanism to recover the cost of third party review and a bonding requirement for site remediation after a tower is no longer in use or presents a danger.

Commissioner Bos requested information on how or who would determine the insurance requirement. City Planner Abboud responded that he found the typical amounts are \$1 Million to \$3 million which Chair Stead noted was included in the ordinance, section 21.58.080 (a) lines 308-310. City Planner Abboud also commented on the bonding requirement in the amount of \$150,000, Section 21.58.090 (b), lines 333-334.

Commissioner Highland requested clarification on Section 21.58.040, 2., line 158, that a tower could be allowed outside of areas that other towers are placed, noting that this is a problem that Anchorage is currently dealing with; City planner Abboud responded that this is the instance where they would have to provide a report from a third party explaining why a tower could not be placed and why the proposed area is better or more appropriate.

Commissioner Highland expressed concern on having control over the number of towers that are built. City Planner Abboud responded that every application will be unique and there is no way to determine or predict the number of tower applications that they will have, they do their best to figure in the population, services, etc.

Commissioner Highland then questioned line regarding Bond Rating, line 312-313.

Commissioner Bos questioned the requirement outlined in Section 21.58.060 (a) 1 & 2, lines 250-258. City planner Abboud clarified that this is for when you exceeds these heights and will become part of the record and if anything comes up they can be addressed prior to coming before the commission.

HIGHLAND/BRADLEY - MOVED TO APPROVE STAFF REPORT PL 16-34, TOWERS AND MOVE IT TO PUBLIC HEARING.

There was no further discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Commissioner Bos requested if anyone has submitted any applications for wind turbines or similar things. City Planner Abboud responded that they haven't it is only usable apparently in limited areas of town.

NEW BUSINESS

INFORMATIONAL MATERIALS

A. City Manager's Report, June 8, 2016

There was no discussion

COMMENTS OF THE AUDIENCE (*Members of the audience may address the Commission on any subject. (3 minute time limit)*)

There was no audience.

COMMENTS OF STAFF

City Planner Abboud commented on attending the presentation by the Coast Guard regarding placement of a new larger cutter, the City Manager and the Harbormaster presenting Homer as the best choice. They were asking questions across a wide range, from the housing capacity to what is there to do in the area. They are planning for 2023 which is a ways out but to get the funding, etc. it is not that far away. So it would be an opportunity and economic engine for Homer. He added that it may enlarge the harbor too.

Deputy City Clerk Krause had no comments.

COMMENTS OF THE COMMISSION

Commissioner Highland presented a map that was worked on with Steve Baird regarding City of Homer Open Spaces, and opined that it should be included in the Comprehensive Plan Update. Chair Stead noted that the Diamond Creek Open Space has been renamed, and questioned whether Overlook Park was actually a park. Commissioner Highland stated that the Kachemak Bay Conservation Society is the manager and it is state owned so now is a state park. Commissioner Highland would like to include it when they work on the plan and consider including it in the parks section of the plan.

Commissioner Bradley had no comments.

Commissioner Bos commented that he was really looking forward to getting this towers ordinance moving along, hope everyone has been enjoying the fishing that going on and the weather has been glorious.

Chair Stead commented that he appreciates everyone being up on the packet and it was a good meeting and announced the next regular meeting for July 20, 2016.

ADJOURN

There being no further business to come before the Commission, the meeting adjourned at 7:24 p.m. The next regular meeting is scheduled for WEDNESDAY, JULY 20, 2016 at 6:30 p.m. in the City Hall Cowles Council Chambers. There is a worksession at 5:30 p.m. prior to the meeting.

Renee Krause, CMC, Deputy City Clerk

Approved: _____

From: [Richard and Marylou Burton](#)
To: [Department Clerk](#)
Subject: Kachemak Nordic Ski Club Thank You
Date: Wednesday, June 15, 2016 2:52:03 PM

Kachemak Nordic Ski Club

www.kachemaknordieskiclub.org

kachemaknordieskiclub@gmail.com

PO Box 44, Homer, AK 99603-0044

City of Homer

491 E. Pioneer Avenue

Homer, Alaska 99603

June 08, 2016

Dear Homer City Council,

Thank you for the support you have given the Kachemak Nordic Ski Club by providing money to the Homer Foundation for grants to non-profits. The money provided by the City of Homer Grants Program is being used to help offset the costs associated with maintaining and grooming the Homer area trails maintained by the ski club. These trails include a system of trails at Baycrest, Lookout Mountain, and the McNeil/Eveline area that are maintained and groomed for winter cross country skiing. We are also building and maintaining an accessible trail and viewing platform for summer and winter use at the Eveline State Recreation Site, which is managed by the ski club. We continue to work toward additional summer trail access at all of the areas we maintain. Additionally, money from this grant helps to fund work to improve our strategic and financial planning processes as well as our efforts to obtain larger grants that allow us to improve the facilities at our recreation areas. Being able to show support from our local government is critical in the evaluation of these grant requests. This year we were able to complete construction of our new Lookout Mountain facility that provides shelter for events as well as equipment storage.

We appreciate the support that the Homer Foundation and the City of Homer give to non-profit organizations. With the help of grants such as this, we can continue to provide excellent winter and summer outdoor recreational opportunities for children and adults in Homer as well as visitors to our area. It is very important that the city of Homer contribute to the funding of non-profits because they bring so much to our quality of life. Thank you again for your support.

Sincerely,

Kachemak Nordic Ski Club Board

Jan Spurkland – President

Nicky Szarzi – Vice president

Richard Burton – Treasurer

Mike Gracz – Secretary

Carlin Rauch

Andrew Peter

Stacey Buckelew

Derek Bynagle

Glenn Seaman

Pat Anis
 Pat Benn
 Thank you
 Karen
 Thank you
 Very much
 Beth
 A. Evans
 Thank you
 Valerie
 Thank you
 Linda
 Thank you
 Shirley
 Ted
 Karen
 Debbie Smith
 Dawn Nofor
 Vicki Rentmeester
 Nancy

Reed D...
 On...
 Mother

Once again - The Homer
 Food Pantry is grateful
 to the City of Homer
 for choosing to support
 non-profits in our town.

We are constantly
 serving the needy
 who come to us -
 grateful there is a
 place they can get
 food and find help.



HUFFINGTON POST

8 Quirky Spots Where You're Free To Be You And Me

06/04/2014 08:00 am ET | Updated Jun 13, 2014

- [Carly Ledbetter](#) Huffington Post Entertainment Writer

Just like Austin, TX, there are a few places around the globe that are decidedly weird and off-beat. If you're into that sort of thing (you know, eccentric art and a few ex-hippies wandering about) then we've got a groovy checklist for you:

1. Homer, Alaska



Way back when, the [New York Times](#) called this little Alaskan town the “cosmic hamlet by the sea.” But for some, like Homer’s community of “homesteaders and artists, fishermen and ex-hippies”, it’s simply [“the end of](#)

the road.” Be sure to make your way to Homer for the vibrant local art scene and do some fishing in the Halibut fishing capital of the world.

2. Sausalito, California



Everyone knows that the original hippie haven, Haight-Ashbury, is still thriving, but very few tourists know about the trippy Sausalito houseboat community that exists just across the Golden Gate. The houseboats are eccentric to say the least, and we suggest you rent one and do your best to blend in (and by that we mean “stand out”).

3. Christiania, Denmark



The “free state” of Christiania was started as a “social experiment” by artists and squatters who took over the abandoned military base in 1971. Now a “free state” within the city of Copenhagen, this liberated commune has its own flag and currency. If you’re not totally ready to commit your life to Christiania, no worries — just tour it the next time you’re exploring Denmark.

4. Goa, India



In the 60s and 70s, Goa was a hotspot for [hippie tribes and wild parties](#). But if you're just going to Goa to see the beach, you'll still have plenty to see and do on this [63-mile stretch of paradise](#).

5. Arcosanti, Arizona

[jonthurman](#)

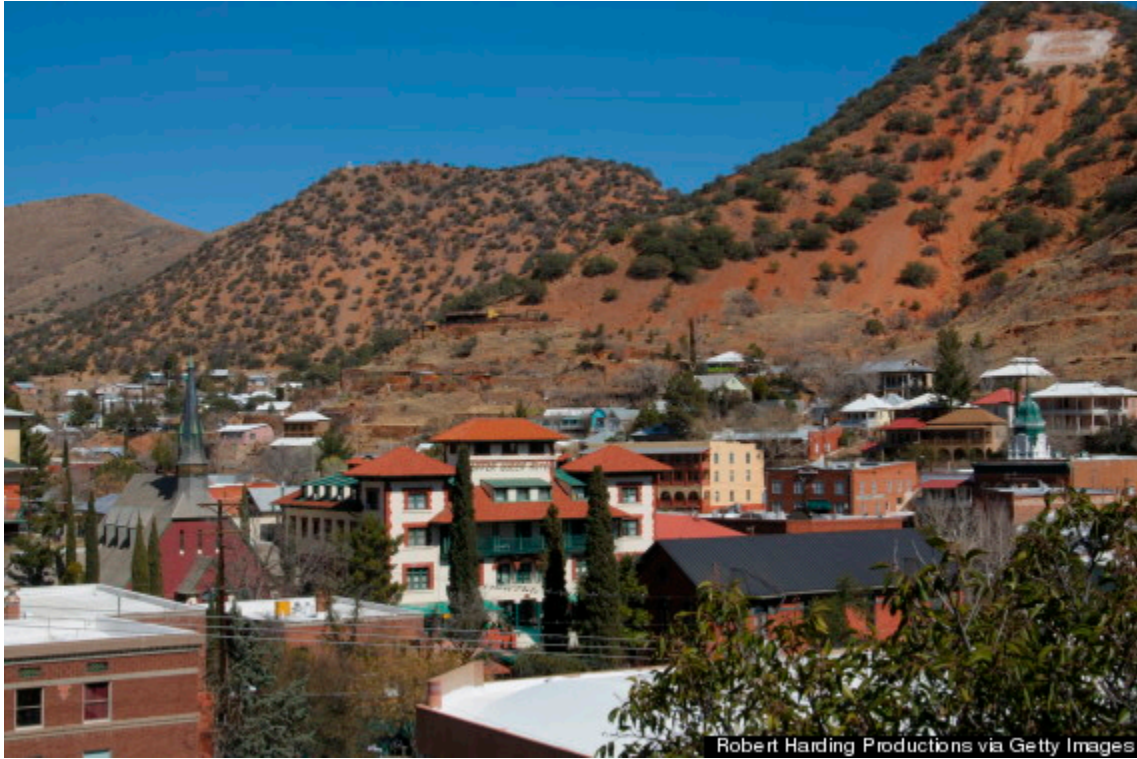
Occasionally described as an “experimental town”, Arcosanti’s name kinda gives it away that it’s a little hippie-ish. Now called an “[urban laboratory](#),” Arcosanti is made up of [7,000 volunteers who work on various projects](#). If you’re one of the [50,000 that regularly visit](#), it’s recommended that you [stop and stay awhile](#). And since we heard rumors of people who [sit around and make pie](#) all day — we’re totally in.

6. Salvation Mountain, California



Salvation Mountain is an extraordinary art mecca that was created by the late Leonard Knight. The mountain preaches a central message of love and is a groovy escape if you're looking to get out of Palm Springs for a few hours.

7. Bisbee, Arizona



Artists took over this quirky little town in the 1970s, when Bisbee was “reinvented as an artist’s colony.” Once known for mining silver and copper, Bisbee is now more famous for its beautiful houses built on cliffs, colorful rock faces, thriving art culture and.. uh... copious amounts of weed.

8. El Bolson, Argentina



The hippies started [coming to El Bolson in the 70s](#), and it's very clear why they chose this chunk of South American wilderness. It's not as clear why the town feels the need to clarify that it's a "[non-nuclear zone](#)," but you should still explore the area's excellent hiking trails, [nearby waterfall](#), and buy some [local artisan goods](#).

PUBLIC HEARING(S)

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

Ordinances 16-30(S-2)(A), 16-31, 16-32, 16-33, 16-34 and 16-35

A **public hearing** is scheduled for **Monday, June 27, 2016** 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.

Ordinances 16-30(S-2)(A), 16-31, 16-32, 16-33, 16-34 and 16-35 internet address:
<http://www.cityofhomer-ak.gov/ordinances>

Ordinance 16-30(S-2)(A), An Ordinance of the City Council of Homer, Alaska, Authorizing the City to Issue General Obligation Bonds in the Principal Amount of Not to Exceed \$12,000,000 to Finance the Acquisition and Construction of a Police Station; Amending HCC 9.16.010 to Provide for an Increase in the Rate of the City Sales Tax From 4.5% to 5.5% From April 1 Through September 30, With the Increase Providing Funds to Pay Debt Service on the General Obligation Bonds and Expiring on September 30 of the Year When the City Has Received Sufficient Funds From the Increase to Pay All of That Debt Service; and Submitting the Question of the Issuance of the Bonds and the Sales Tax Rate Increase to the Qualified Voters of the City at the October 4, 2016 Regular City Election. Smith.

Ordinance 16-31, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a Commercial Vessel Passenger Tax Program Pass Through Grant From the Kenai Peninsula Borough for Calendar Year 2015 in the Amount of \$27,055.00, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager.

Ordinance 16-32, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2016 Operating Budget by Appropriating \$64,149 From the Fire Donations Fund to Purchase an Advanced Patient Care Simulator. City Manager/Fire Chief.

Ordinance 16-33, An Ordinance of the City Council of Homer, Alaska, Amending HCC 21.41.040, Basis for Establishing Flood Hazard Areas, Adopting the Flood Insurance Study for the Kenai Peninsula Borough and Incorporated Areas, Alaska Dated October 20, 2016 With Accompanying Flood Insurance Rate Maps (Firms). Planning.

Ordinance 16-34, An Ordinance of the City Council of Homer, Alaska, Amending the Homer City Zoning Map to Rezone Portions of the Urban Residential (UR) and Residential Office (RO) Zoning Districts to Central Business (CB) Zoning District. Planning.

Ordinance 16-35, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2016 Operating Budget by Authorizing the Expenditure of \$65,000 for the Purchase of Two Used

Police Vehicles From the Police Fleet Reserves and Authorizing the City Manager to Execute the Appropriate Documents. City Manager.



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 at Homer City Clerk's Office. Copies of the proposed Ordinances are available for review at City Hall, the Homer Public Library, and the City's homepage - <http://clerk.ci.homer.ak.us>. Contact the Clerk's Office at City Hall if you have any questions. 235-3130, Email: clerk@ci.homer.ak.us or fax 235-3143.

Jo Johnson, MMC, City Clerk

Publish: Homer News: June 23, 2016

A handwritten signature in black ink, appearing to read "Jo Johnson".

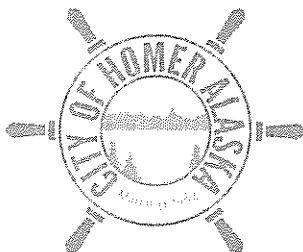
CLERK'S AFFIDAVIT OF POSTING

I, Renee Krause, Deputy City Clerk for the City of Homer, Alaska, do hereby certify that a copy of the Public Hearing Notice for **Ordinance 16-30(S-2)(A)**, Authorizing the City to issue General Obligation Bonds in the Principle Amount Not to Exceed \$12,000,000 to Finance the Acquisition and Construction of a Police Station; Amending HCC 9.16.010 to provide for an increase in the Rate of the City Sales Tax from 4.5% to 5.5% from April 1 through September 30, with the Increase Providing Funds to Pay debt Service on the general Obligation Bonds and Expiring on September 30 of the year when the City has Received Sufficient Funds from the Increase to Pay All That Debt Service and Submitting the Question of the Issuance of the Bonds and the Sales Tax Rate Increase to the Qualified Voters of the City at the October 4, 2016 Regular Election; **Ordinance 16-31**, Accepting and Appropriating a Commercial Vessel Passenger Tax Program Pass Through Grant From the Kenai Peninsula Borough for Calendar Year 2015 in the Amount of \$27,055.00; **Ordinance 16-32**, Amending the FY 2016 Operating Budget by Appropriating \$64,149 from the Fire Donations Fund to Purchase an Advanced Patient Care Simulator; **Ordinance 16-33**, Amending HCC 21.41.040, Basis for Establishing Flood Hazard Areas, Alaska dated October 20, 2016 with Accompanying Flood Insurance Rate Maps (FIRMS); **Ordinance 16-34**, Amending the Homer City Zoning Map to rezone Portions of the Urban Residential (UR) and Residential Office (RO) Zoning Districts to Central Business (CB) Zoning District; **ordinance 16-35**, Amending the FY 2016 Operating Budget by Authorizing the Expenditure of \$65,000 for the Purchase of Two Used Police Vehicles from the Police Fleet Reserves was distributed to the City of Homer kiosks located at City Clerk's Office, and the Homer Public Library on Friday, June 17, 2016 and posted the same on City of Homer Website on Wednesday, June 15, 2016.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal of said City of Homer this 17th day of June, 2016.



Renee Krause, CMC, Deputy City Clerk



ORDINANCE REFERENCE SHEET
2016 ORDINANCE
ORDINANCE 16-30

An Ordinance of the City Council of Homer, Alaska, Authorizing the City to Issue General Obligation Bonds in the Principal Amount of Not to Exceed \$12,000,000 to Finance the Acquisition and Construction of a Police Station and Improvements to the Fire Hall; Amending HCC 9.16.010 to Provide for an Increase in the Rate of the City Sales Tax From 4.5% to 5.5% From April 1 Through September 30, With the Increase Dedicated to Fund Public Safety Operations and Infrastructure, Including Construction of a Police Station and Renovation of a Fire Hall and Submitting the Question of the Issuance of Such Bonds and Such Sales Tax Rate Increase to the Qualified Voters of the City at the October 4, 2016 Regular City Election.

Sponsor: Mayor/Council

1. Council Regular Meeting May 23, 2016 Introduction
 - a. Memorandum 16-091 from City Attorney
2. Council Regular Meeting June 13, 2016 Public Hearing
 - a. Substitute Ordinance 16-30(S)
 - b. Memorandum 16-091 from City Attorney
 - c. Memorandum 16-092 from City Manager
3. Council Regular Meeting June 27, 2016 Public Hearing and Second Reading
 - a. Ordinance 16-30(S-2)(A) (as substituted and amended by Council June 13)
 - b. Memorandum 16-091 from City Attorney
 - c. Memorandum 16-092 from City Manager

**CITY OF HOMER
HOMER, ALASKA**

Smith

ORDINANCE 16-30(S-2)(A)

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA, AUTHORIZING THE CITY TO ISSUE GENERAL OBLIGATION BONDS IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$12,000,000 TO FINANCE THE ACQUISITION AND CONSTRUCTION OF A POLICE STATION; AMENDING HCC 9.16.010 TO PROVIDE FOR AN INCREASE IN THE RATE OF THE CITY SALES TAX FROM 4.5% TO 5.5% FROM APRIL 1 THROUGH SEPTEMBER 30, WITH THE INCREASE PROVIDING FUNDS TO PAY DEBT SERVICE ON THE GENERAL OBLIGATION BONDS AND EXPIRING ON SEPTEMBER 30 OF THE YEAR WHEN THE CITY HAS RECEIVED SUFFICIENT FUNDS FROM THE INCREASE TO PAY ALL OF THAT DEBT SERVICE; AND SUBMITTING THE QUESTION OF THE ISSUANCE OF THE BONDS AND THE SALES TAX RATE INCREASE TO THE QUALIFIED VOTERS OF THE CITY AT THE OCTOBER 4, 2016 REGULAR CITY ELECTION.

WHEREAS, The City of Homer (the "City") is in need of a new police station; and

WHEREAS, The City Council views the acquisition and construction of a new police station and related capital improvements authorized herein as necessary and beneficial to the community, and determines that to fund such improvements general obligation bonds of the City should be authorized, issued and sold; and

WHEREAS, The City Council also deems it necessary to increase the rate of the City sales tax to provide funds to pay debt service on such general obligation bonds, with the increase expiring when the City has received funds from the increase that are sufficient to pay all debt service on the general obligation bonds; and

WHEREAS, Under the provisions of AS 29.47.190 the City may incur general obligation debt only after a bond authorization ordinance is approved by a majority of those voting on the question at a regular or special election; and

WHEREAS, Under the provisions of AS 29.45.700(b) and AS 29.45.670, the City may increase the rate of its sales tax only after an ordinance authorizing the increase is approved by a majority of those voting on the question at a regular or special election.

41 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:
42

43 Section 1. It is hereby determined to be for a public purpose and in the public interest
44 of the City to incur general obligation bonded indebtedness in an amount not to exceed
45 Twelve Million Dollars (\$12,000,000) for the purpose of paying the cost of planning, designing,
46 and constructing a new police station and related capital improvements.
47

48 Section 2. The City is authorized to borrow the sum of Twelve Million Dollars
49 (\$12,000,000) to finance the capital improvements described in Section 1, and the borrowing
50 shall be evidenced by the issuance of general obligation bonds of the City. The full faith and
51 credit of the City are pledged for payment of the principal of and interest on the bonds, and
52 ad valorem taxes upon all taxable property in the City shall be levied without limitation as to
53 rate or amount to pay the principal of and interest on the bonds when due.
54

55 Section 3. Homer City Code 9.16.010 is amended to read as follows:
56

57 9.16.010 Levied.

58 a. A consumer's sales tax in the amount of three and three-quarters percent is levied
59 by the City on all sales, rents and services within the City except as the same may be
60 otherwise exempted by law.

61 b. An additional consumer's sales tax in the amount of three-quarters percent is
62 hereby levied by the City of Homer on all sales, rents and services within the City except as
63 the same may be otherwise exempted by law, for the purpose of funding debt retirement of
64 the sewer treatment plant improvements, and to the extent revenues from such tax exceed
65 such debt retirement obligations, for the purpose of funding water and sewer systems.

66 c. An additional consumer's sales tax in the amount of one percent is hereby levied by
67 the City of Homer on all sales, rents and services within the City from April 1 through
68 September 30, except as the same may be otherwise exempted by law, for the purpose of
69 paying debt service on the bonds authorized by Ordinance 16-30(S-2)(A). The additional
70 consumer's sales tax shall be levied only on sales, rents and services made on or before
71 September 30 in the year when the City has received funds from the tax that are sufficient to
72 pay all debt service on the bonds.
73

74 Section 4. The City shall submit the following proposition to the qualified voters of the
75 City at the October 4, 2016 regular City election. The proposition must receive an affirmative
76 vote from a majority of the qualified voters voting on the question to be approved.
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PROPOSITION NO. ____
GENERAL OBLIGATION BONDS FOR A NEW POLICE STATION
AND RELATED CAPITAL IMPROVEMENTS;
1.0% SALES TAX RATE INCREASE TO 5.5%

Shall the City of Homer incur debt and issue general obligation bonds in an amount not to exceed Twelve Million Dollars (\$12,000,000) to finance the planning, design and construction of a police station and related capital improvements; and shall the rate of City sales tax be increased by one percent (1.0%) to five and one-half percent (5.5%) from April 1 through September 30, for the purpose of paying debt service on the general obligation bonds, until September 30 in the year when the City has received funds from the tax that are sufficient to pay all debt service on the bonds?

The bonds shall be secured by a pledge of the full faith and credit of the City.
(Ordinance 2016-30(S-2)(A))

Section 5. The proposition, both for paper ballots and machine ballots, shall be printed on a ballot which may set forth other general obligation bond propositions, and the following words shall be added as appropriate next to a space provided for marking the ballot for voting by hand or machine:

PROPOSITION NO. _____

OYes
ONo

Section 6. Section 2 of this ordinance shall become effective only if the proposition described in Section 4 is approved by a majority of the qualified voters voting on the proposition at the October 4, 2016 regular City election. Section 3 of this ordinance shall become effective January 1, 2017, but only if the proposition described in Section 4 is approved by a majority of the qualified voters voting on the proposition at the October 4, 2016 regular City election. The remaining sections of this ordinance shall become effective upon passage.

Section 7. Section 3 of this Ordinance is of a permanent and general character and shall be included in the City Code. The remainder of this ordinance is not of a permanent nature and as such, shall not be codified.

117 ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER, ALASKA, this _____ day of
118 _____, 2016.

119
120 CITY OF HOMER

121
122
123 _____
124 MARY E. WYTHE, MAYOR

125
126 ATTEST:
127
128
129 _____
130 JO JOHNSON, MMC, CITY CLERK

131
132
133 AYES:
134 NOES:
135 ABSTAIN:
136 ABSENT:

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139 First Reading:
140 Public Reading:
141 Second Reading:
142 Effective Date:

143
144
145 Reviewed and approved as to form:

146
147
148 _____
149 Mary K. Koester, City Manager

150
151 Date: _____

Holly C. Wells, City Attorney

Date: _____



Birch Horton Bittner & Cherot
a professional corporation

MEMORANDUM 16-091

TO: KATIE KOESTER
CITY MANAGER
CITY OF HOMER

FROM: THOMAS F. KLINKNER

RE: SALES TAX DEDICATED TO FIRE DEPARTMENT OPERATING
COSTS

FILE NO.: 506,742.221

DATE: MAY 3, 2016

1. Summary and Conclusion

You have asked whether the City of Homer may authorize a sales tax increase whose proceeds are dedicated to fire department operating costs. I conclude that:

- No statute restricts the dedication of City sales tax proceeds.
- The “dedicated funds clause” in the Alaska Constitution prohibits, with exceptions, the dedication of the proceeds of a state tax or license to a special purpose, but it is uncertain whether it would prohibit by implication a dedication of City sales tax proceeds.
- If a single vote approves both a City sales tax increase and a dedication of its proceeds to a special purpose, the tax increase is unlikely to survive invalidity of the dedication.

2. Analysis

A. No Statute Restricts the Dedication of City Sales Tax Proceeds

AS 29.35.250(a) authorizes the City to “exercise any power not otherwise prohibited by law.” The City’s power to levy a sales tax is subject to AS 29.45.670, which provides that “[a] new sales and use tax or an increase in the rate of levy of a sales tax approved by ordinance does not take effect until ratified by a majority of the

voters at an election.”¹ However, no statute limits the City’s authority to dedicate sales tax proceeds for a particular purpose.

B. *It Is Uncertain Whether the “Dedicated Funds Clause” in the Alaska Constitution Prohibits the Dedication of City Sales Tax Proceeds*

The “dedicated funds clause” in the Alaska Constitution prohibits the dedication of “the proceeds of any *state* tax or license” (emphasis added) to any special purpose.² The dedicated funds clause does not address explicitly the dedication of the proceeds of a *municipal* tax. The Alaska Supreme has not decided whether the dedicated funds clause should be interpreted to prohibit by implication the dedication of the proceeds of a municipal tax. In the court’s only decision involving a municipal sales tax dedication the court declined to address the issue of the validity of the dedication:

We note that neither party addressed the issue of whether the ordinance [enacting the dedication] itself violates article XI, section 7 of the Alaska Constitution, prohibiting dedicated revenues. Our decision today should not be read as expressing any opinion on that question.³

Some aids to interpreting the Alaska Constitution support an argument that the dedicated funds clause was not intended to prohibit the dedication of the proceeds of a municipal tax. The report of the Finance Committee to the Alaska Constitutional Convention explained the purpose of the dedicated funds clause with specific reference to state government:

Even those persons or interests who seek the dedication of revenues for their own projects will admit that the earmarking of taxes or fees for other interests is a fiscal evil. But if allocation is permitted for one interest, the denial of it to another is difficult, and the more special funds are set up the more difficult it becomes to deny other requests until the point is reached

¹ AS 29.45.700(a) provides that “A city in a borough that levies and collects areawide sales and use taxes may levy sales and use taxes on all sources taxed by the borough in the manner provided for boroughs.” AS 29.45.650(a) authorizes a borough to levy and collect a sales tax on sales, rents, and on services provided in the borough, subject to the voter approval requirement in AS 29.45.670.

² Alaska Constitution art. IX, § 7 provides:

The proceeds of any state tax or license shall not be dedicated to any special purpose, except as provided in section 15 of this article or when required by the federal government for state participation in federal programs. This provision shall not prohibit the continuance of any dedication for special purposes existing upon the date of ratification of this section by the people of Alaska.

³ *City of Fairbanks v. Fairbanks Convention and Visitors Bureau*, 818 P.2d 1153, 1158 n. 7 (1991).

where neither the governor nor the legislature has any real control over the finances of the state. In one Rocky Mountain state the legislature is free to appropriate only 17 percent of the tax collections; the rest are dedicated. In Alaska at present, 27 percent of territorial funds are earmarked, primarily for school construction and roads.⁴

This explanation refers to preserving the governor's and the legislature's control of the state's finances. It makes no reference to local government. Moreover, the Alaska Constitution treats municipal taxation distinctly from state taxation: the former in article X regarding local government, and the latter in article IX regarding the finances of the state. Nevertheless, it remains uncertain whether a court would decide that the dedicated funds clause prohibits by implication a dedication of City tax revenues.

3. *The Sales Tax Increase Is Unlikely to Survive Invalidity of the Dedication*

I understand that the City voters will be presented with a single ballot proposition: to authorize a one percent increase in the City's sales tax, and to dedicate the proceeds of the increase to City fire department operating costs. A court decision that the dedication of the proceeds of the sales tax increase was invalid also probably would be fatal to the sales tax increase itself. In deciding whether to reject the sales tax increase along with the dedication of its proceeds, a court would consider (i) whether the tax increase alone could be given legal effect, and (ii) whether the voters intended that it be given effect.⁵ The first part of this test would be met easily, because the sales tax increase could be given legal effect without the dedication of its proceeds. However, it would be questionable at best whether the voters would have approved the sales tax increase without the dedication of its proceeds. Indeed, the motivation for combining the sales tax increase and dedication in one ballot proposition is to increase the probability that the voters will approve the increase.⁶

TFK/lcj

⁴ Quoted in V. Fischer, *Alaska's Constitutional Convention*, 145 (1975).

⁵ *Alaskans for a Common Language v. Kritz*, 170 P.3d 183, 213 (2007).

⁶ See, *Interior Cabaret, Hotel, Restaurant & Retailers Association v. Fairbanks North Star Borough*, 135 P.3d 1000, 1004 (Alaska 2006), in which the court acknowledged that including tax exemptions in a sales tax ballot proposition "may have made the sales tax more palatable to some voters."



City of Homer

www.cityofhomer-ak.gov

Administration

491 East Pioneer Avenue

Homer, Alaska 99603

(p) 907-235-8121 x2222

(f) 907-235-3148

Memorandum 16-092

TO: Mayor Wythe and Homer City Council
 FROM: Katie Koester, City Manager
 DATE: May 23, 2016
 SUBJECT: Data to accompany Ordinance 16-30

The purpose of this memo is to provide Council with information to frame Ordinance 16-30, a general obligation bond for public safety and seasonal sales tax increase.

Bond Terms

The chart below presents a variety of options for the cost of issuing a bond. Voters authorize a not to exceed number, the City can always bond for less than the voters authorize. The Bond Bank clusters many communities together. It would be tight to make a fall 2016 issuance, but the next available sale would be soon thereafter in February or March of 2017.

Amount Borrowed	Term	Interest Rate	Annual Payment	+ 1.25 Debt ratio	+ Increased O&M \$144,000
		As of 04/12/2016			
11.5m	20 years	Current (2.6586%)	\$727,482*	\$909,353	\$1,053,353
11.5m	20 years	Current + 50bps (3.0853%)	\$759,760*	\$949,700	\$1,093,700
11.5m	30 years	Current (3.427%)	\$595,516*	\$744,395	\$888,395
11.5m	30 years	Current + 50bps (3.777%)	\$631,392*	\$789,240	\$933,240
		As of 5/16/2016			
12m	20 years	Current (2.6586%)	\$843,780	\$1,054,725	\$1,198,725
12m	20 years	Current + 50bps (3.0853%)	\$872,688	\$1,090,860	\$1,234,860
12m	30 years	Current (3.35%)	\$635,000*	\$793,750	\$937,750
12m	30 years	Current + 50bps (3.85%)	\$676,000*	\$845,000	\$989,000
		Estimate (combined)			
13m	20 years	Current (2.6856%)	\$913,992	\$1,142,490	\$1,286,490
13m	20 years	Current + 50bps (3.0853%)	\$945,300	\$1,181,625	\$1,325,625
13m	30 years	Current (3.35%)	\$731,892	\$914,865	\$1,058,865
13m	30 years	Current + 50bps (3.85%)	\$774,312	\$967,890	\$1,111,890

*Actual figures run by Alaska Bond Bank. Non-asterisk numbers are estimates based on online bond calculator tool and less arcuate.

Sales Tax Value by Tenths of a Percent

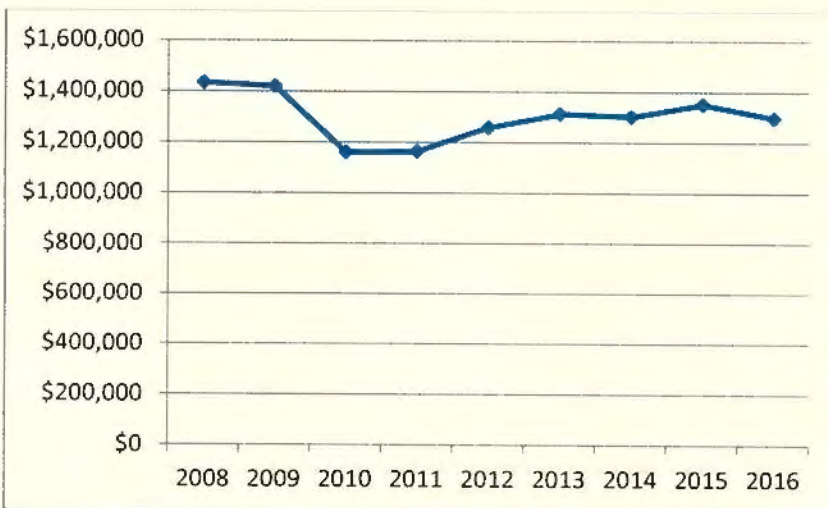
2015 Seasonal Sales Tax Value April – September (6mo)	
1%	\$1,222,000
0.90%	\$1,099,800
0.80%	\$977,600
0.70%	\$855,400
0.60%	\$733,200
0.50%	\$611,000

2015 Sales Tax Value	
1%	\$1,666,642
0.90%	\$1,499,978
0.80%	\$1,333,314
0.70%	\$1,166,649
0.60%	\$999,985
0.50%	\$833,321

First Quarter Sales Tax Revenue

First quarter sales tax is down just over 4% from last year's first quarter data. The 2016 budget is based on a 2% decrease in sales tax revenue for 2016.

January – March Historical Sales Tax Revenue



Year	Jan - March
2008	1,433,659
2009	1,419,869
2010	1,161,059
2011	1,164,786
2012	1,259,037
2013	1,313,448
2014	1,302,726
2015	1,352,305
2016	1,297,705

2015 Property Tax Returns (Budget vs. Actual)

Property tax receipts for 2015 actual are up \$40,000 from budgeted. This is just shy of 1.5%: \$2,890,000 up from budgeted number of \$2,855,000.

Can two questions (a tax increase and authority to bond, for example) be combined on one ballot?

From Attorney Klinkner:

The question of combining a proposition to issue bonds with a proposition to impose a tax to pay debt service on the bonds has not been addressed by courts in Alaska. However, while courts in other states may disapprove the combination of two unrelated questions in a single ballot proposition, this disapproval does not extend to ballot propositions that combine the question of issuing bonds with the question of levying a tax to pay the bonds. Courts have consistently approved such a combination. Indeed, some have held that the combination of the two questions is required. As a court in Texas explained:

The bonds and the tax [to pay the bonds] both had to be voted on. There could not be one without the other. Any voter who was in good faith for the bonds was also for the tax, and one against the tax was also against the issuance of the bonds. The voters were not entitled to have these two inextricably joined matters submitted separately so that they might cast unintelligent votes of being for the one and against the other.

As far as I could determine, the City bonds for the library were authorized (by Ordinance 04-030(A)) without any proposition for a sales tax increase for their payment being submitted to the voters. Alternate ordinances that would have combined the bond proposition with a proposition for a sales tax increase apparently failed at introduction.

Timing for Bond Ordinance

Staff has been operating under the assumption that the City of Homer is required to submit a ballot proposition to the U.S. Department of Justice 90 days before a regular election for preclearance as part of the Voting Rights Act. However, the Department of Justice requirement to review all bond propositions was overturned by the U.S. Supreme Court in 2013, thus negating the need to have propositions in place by July 1. This gives Council until the August 8th meeting to adopt a final proposition for placement on the October ballot.

ORDINANCE REFERENCE SHEET
2016 ORDINANCE
ORDINANCE 16-31

An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a Commercial Vessel Passenger Tax Program Pass Through Grant From the Kenai Peninsula Borough for Calendar Year 2015 in the Amount of \$27,055.00, and Authorizing the City Manager to Execute the Appropriate Documents.

Sponsor: City Manager

1. Council Regular Meeting June 13, 2016 Introduction
 - a. Email from Brenda Ahlberg, KPB Community & Fiscal Projects Manager
 - b. Letter from City Manager Koester to KPB Mayor Navarre
 - c. KPB Ordinance 2015-19-25
 - d. KPB Grant Agreement
 - e. KPB Financial Progress Report

2. Council Regular Meeting June 27, 2016 Public Hearing and Second Reading
 - a. Email from Brenda Ahlberg, KPB Community & Fiscal Projects Manager
 - b. Letter from City Manager Koester to KPB Mayor Navarre
 - c. KPB Ordinance 2015-19-25
 - d. KPB Grant Agreement
 - e. KPB Financial Progress Report

38 Appropriation:

39	<u>Account</u>	<u>Description</u>	<u>Amount</u>
40		KPB CVPT Pass Through Grant for 2015	\$27,055.00

41
42 Section 2. The City Manager is authorized to execute the appropriate documents.

43
44 Section 3. This ordinance is a budget ordinance only, is not permanent, and shall not
45 be codified.

46
47 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this _____ day of
48 _____, 2016.

49
50 CITY OF HOMER
51
52 _____
53 MARY E. WYTHE, MAYOR

54 ATTEST:
55
56 _____
57 JO JOHNSON, MMC, CITY CLERK

58
59 YES:
60 NO:
61 ABSTAIN:
62 ABSENT:
63
64 First Reading:
65 Public Hearing:
66 Second Reading:
67 Effective Date:

68
69 Reviewed and approved as to form:
70
71 _____
72 Mary K. Koester, City Manager
73
74 Date: _____
75 _____
76 Holly C. Wells, City Attorney
77
78 Date: _____



City of Homer

www.cityofhomer-ak.gov

Office of the City Manager

491 East Pioneer Avenue

Homer, Alaska 99603

citymanager@cityofhomer-ak.gov

(p) 907-235-8121 x2222

(f) 907-235-3148

February 22, 2016

Mayor Mike Navarre
Kenai Peninsula Borough
144 N. Binkley Street
Soldotna, AK 99669

Delivered Electronically

Re: 2015 Cruise Passenger Tax Receipts

Dear Mayor Navarre:

I am writing to confirm that the City of Homer wishes to receive the 2015 Commercial Vessel Passenger Tax receipts from the Borough. It is our understanding that you will be sponsoring an ordinance that would make the Borough's share of these tax receipts for vessel landings in Homer available to the City. The City appreciates that and understands that the amount to be passed through for the FY 2015 is \$27,055.00.

The City of Homer recognizes that these funds must be used for Port and Harbor improvements that directly benefit the cruise ship passengers. The City agrees to comply with the provisions contained in AS43.52.200 - 43.52.295 and former SB 256 and HB 310. The 2015 funds will be used towards upgrading the Deep Water Dock North mooring buoy; the ships use this mooring every time they visit our port, and a recent survey of this system revealed the need for a complete replacement of the buoy and its attachments. The cruise ship head tax funds being requested will not cover all the costs for this project, but the Port and Harbor has a reserve fund to aid in funding the rest. Our goal is to have the new system in place prior to the first ship arrival in May 2016.

Thank you for your time and support. Please do not hesitate to contact me if you have any questions.

Sincerely,

Katie Koester
City Manager

Cc: KPB Community & Fiscal Project Manager

From: [Katie Koester](#)
To: [Jo Johnson](#)
Subject: FW: CY2015 CPV Tax Allocation
Date: Thursday, June 02, 2016 3:30:42 PM
Importance: High

From: Ahlberg, Brenda [mailto:bahlberg@kpb.us]
Sent: Monday, February 08, 2016 10:00 AM
To: Katie Koester; Bryan Hawkins; 'jli@ci.homer.ak.us'
Cc: Misty Worland; Department Finance
Subject: CY2015 CPV Tax Allocation
Importance: High

Greetings all:

I will be preparing the ordinance for the 2015 Commercial Passenger Vessel Tax allocations. The allocation for Homer is \$27,055. Please email me a letter describing the intended use of funds for eligible projects as define by statutes AS 43.52.200 - 43.52.295.

You may email me the letter before February 22nd to meet our packet deadline. I'd like to introduce the ordinance at the March 8th meeting.

Feel free to call if you have questions. ☺B

Brenda Ahlberg

Community & Fiscal Projects Manager
KPB IMT-III Public Information Officer

Kenai Peninsula Borough
144 N. Binkley St., Soldotna Alaska 99669
907-714-2153 office
907-714-2377 fax
907-231-6505 mobile
bahlberg@kpb.us

www.borough.kenai.ak.us



Introduced by: Mayor
Date: 03/08/16
Hearing: 04/05/16
Action: Enacted
Vote: 9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH
ORDINANCE 2015-19-25**

**AN ORDINANCE APPROPRIATING COMMERCIAL PASSENGER VESSEL TAX
PROCEEDS RECEIVED FROM THE STATE OF ALASKA IN THE AMOUNT OF
\$474,225 AND ALLOCATING \$447,170 TO THE CITY OF SEWARD AND
\$27,055 TO THE CITY OF HOMER**

WHEREAS, in the August 22, 2006 state election, the voters approved the initiative in Ballot Measure 2, enacting AS 43.52.200 – 43.52.295, which imposed a tax on travel aboard certain cruise ships travelling in Alaska waters; and

WHEREAS, the Alaska legislature has authorized the sharing of Commercial Passenger Vessel (CPV) excise tax collections with eligible ports of call in the State; and

WHEREAS, CPV excise tax collections are derived from taxes imposed on cruise ship passengers; and

WHEREAS, the City of Seward and City of Homer are eligible ports of call for receiving CPV funds; and

WHEREAS, when the eligible ports of call are cities located in a borough then the cities and the borough each receive \$2.50 for each passenger; and

WHEREAS, the total amount received by the borough from the State of Alaska for the 2015 calendar CPV programs was \$474,225; and

WHEREAS, the City of Seward and City of Homer have requested that funds received by the borough that are derived from cruise ship passengers in each city be appropriated to each city for port improvement projects; and

WHEREAS, the intended use of these funds by the cities of Seward and Homer will comply with AS 43.52.230(b), federal legislation and court rulings that permit the use of these funds for port facilities, harbor infrastructure, and other services provided to the commercial passenger vessels and the passengers on board those vessels;

NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. That the mayor is authorized to execute grant agreements and any other documents deemed necessary to expend the funds and to fulfill the intents and purposes of this ordinance.

SECTION 2. That \$474,225 received from the State of Alaska in FY2016 for the commercial passenger vessel excise tax collection program be appropriated from the miscellaneous grant fund balance to account 271.94910.16CPV.43011, contract services, for payment to the City of Seward in the amount of \$447,170 and to the City of Homer in the amount of \$27,055 to be used for port facilities, harbor infrastructure and other services provided to the CPV's and their passengers.

SECTION 3. This ordinance shall become effective immediately upon enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 5TH DAY OF APRIL, 2016.

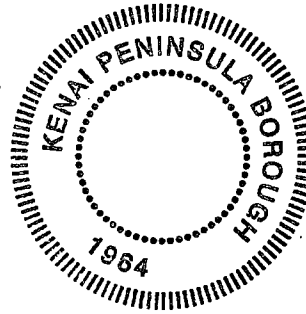


Blaine Gilman, Assembly President

ATTEST:



Joni Blankenship, MMC, Borough Clerk



Yes: Bagley, Cooper, Dunne, Holmdahl, Johnson, Knopp, Ogle, Welles, Gilman

No: None

Absent: None



KENAI PENINSULA BOROUGH

GRANT AGREEMENT

Total Grant Funds
\$27,055

Authorizing Ordinance
O2015-19-25

KPB Account Number
271.94910.16CPV.43011

Total Grant Award
\$27,055

Project Title
Commercial Passenger Vessel Tax Program

Funding Source
State

Grantee		Borough Contact Person	
Name	DUNS# 040171563	Name	
City of Homer	EIN# 92-0030963	Brenda Ahlberg, Community & Fiscal Projects Manager	
Mailing Address		Mailing Address	
491 E. Pioneer Avenue		144 N. Binkley Street	
City/State/Zip		City/State/Zip	
Homer AK 99603		Soldotna, AK 99669	
Contact Person		Email	
Katie Koester, City Manager		bahlberg@kpb.us	
Phone	Fax	Phone	Fax
235-8121	235-3148	714-2153	714-2377

The Kenai Peninsula Borough (*hereinafter* "Borough") and City of Homer (*hereinafter* "Grantee") agree as set forth herein.

Section I: The Borough shall pay Grantee for the performance of the project work under the terms outlined in this agreement. The amount of the payment is based upon project expenses incurred, which are authorized under this agreement. In no event shall the payment exceed \$27,055.

Section II: The Grantee shall perform all of the work required by this agreement.

Section III: The work to be performed under this agreement begins 04/05/16 and shall be completed no later than 06/30/2017.

Section IV: the agreement consists of this page and the following attachments:

- A. Scope of Work and Use of Funds
- Payment Method and Reporting Requirements
- Standard Provisions
- B. Financial/Progress Report
- C. Signature Authorization Form
- Certificate(s) of Insurance – *provided by Grantee*

Section V: The Community & Fiscal Projects Manager shall control the original, including any attachments filed.

Grantee	Borough
Signature:	Signature:
Authorized Signatory Name and Title Katie Koester, City Manager	Authorized Signatory Name and Title Mike Navarre, Mayor
Date:	Date:
	Attest: Johni Blankenship, Borough Clerk

Approved as to form and legal sufficiency:

Holly Montague, Deputy Borough Attorney

KPB Grant Agreement

City of Homer - Commercial Passenger Vessel Tax Program CY2015 Funds

Scope of Work and Use of Funds

Project Description: The purpose of this Borough Grant is to provide funding through the State of Alaska Commercial Passenger Vessel Tax Program, *hereinafter* referred to as CPVT, to the City of Homer, *hereinafter* referred to as “Grantee.” The Grantee will use the funds for port and harbor projects impacted by cruise ship landings as governed by the Alaska Statutes (see “Source of Funds, page 2).

Project Management

1. The project will be managed by the Grantee.
2. The City Manager, or such other person(s) as indicated on Attachment C, shall be designated as the representative to receive or make all communications regarding the performance or administration of this agreement. The Borough Community & Fiscal Projects Manager, or such other person(s) as designated by the Borough Mayor, is hereby designated as the representative of the Borough to receive or make all communications, payment requests, and reports regarding the performance or administration of this agreement, and who approves payment under this agreement. The parties may change their representative upon written notification to the other party.

Key Contact Information

Brenda Ahlberg, Community & Fiscal Projects
714-2153 • bahlberg@kpb.us
Kenai Peninsula Borough
144 N. Binkley St.
Soldotna AK 99669

Project Approval

The Assembly approved and appropriated CPVT funds from calendar year 2014 in the amount of \$27,055 to the Grantee through KPB Ordinance 2015-19-25. Grantee shall cite KPB account number **271.94910.16CPV.43011** in correspondence and reporting forms.

Grant funds, or any earnings there from, may be spent only for the purposes of the grant project as described above. Any monies used for purposes not authorized by this agreement shall be refunded to the Borough immediately after such expenditures, with or without demand by the Borough. Request to amend the budget shall be submitted to the Community & Fiscal Projects Manager no less than ninety (90) days prior to performance period end date.

Project Performance Period

Period: The performance period shall be effective for the period commencing on April 05, 2016 and ending on June 30, 2017. The Grantee must liquidate all obligations not later than June 30, 2017. The Borough shall have no obligation for payment of services rendered by the Grantee which are not performed within this specified period.

Request to Extend: Any determination to extend the project performance period is solely at the discretion of the Borough. A request to amend the performance period should be submitted not later than ninety (90) days prior to the established end date.

Funding

1. Source of Funds:
 - a. This project is being funded in full through the State of Alaska Department of Commerce, Community & Economic Development, "Commercial Passenger Vessel Tax Program" (CPVT) as governed by AS 43.52.200 - 43.52.295.
 - b. All unexpended grant funds as of the end of the grant period must be returned to the Borough. Funds will be considered obligated if they have actually been expended or encumbered prior to the end date of the performance period.
2. Condition for Receipt of Funds: The Grantee shall comply with AS 43.52.230 (b), federal legislation and court rulings that permit the use of these funds for port facilities, harbor infrastructure, and other services provided to the commercial passenger vessels and the passengers on board those vessels.
3. Funds, or earnings there from, shall not be expended for the purposes of lobbying activities before the Borough Assembly, the Alaska State Legislature or U.S. Congress.

Payment Terms and Reporting Requirements

1. Payments:
 - a. The Grantee will be compensated for up to and not exceeded \$27,055 as determined by the State of Alaska for projects identified in the City of Homer's request letter dated February 22, 2016 and approved by Kenai Peninsula Borough Ordinance 2015-19-25.
 - b. Under no circumstances will funds be released to the Grantee unless all required reporting is current.
2. Reporting Requirements:
 - a. The Borough's approval of the proposed expenditures shall not be construed to mean that the Borough is liable in any manner whatsoever if it is determined by an agency or court of competent jurisdiction that the city's project does not satisfy the statutory criteria.
 - b. Upon completion of the projects, but no later than thirty days thereafter the agreement end date, the Grantee shall provide a detailed written report to the Borough administration and assembly, explaining the use of these funds and their compliance with statutory requirements.

- c. The Grantee agrees to refund any such amounts, including principal, interest, costs, fees, fines, or other charges, if it is determined by a court of competent jurisdiction that the Grantee's expenditure of the funds does not meet the statutory criteria.
- d. This agreement is not to be construed as entitlement to city receiving the future allocation of the Borough's CPVT.
- e. Failure to meet the reporting requirements set forth in this agreement may result in the Borough withholding future allocations of the borough's grant of CPVT funds.

Mail OR Email Narrative and Fiscal Reports to:

Brenda Ahlberg, Community & Fiscal Projects Manager
Kenai Peninsula Borough
144 N. Binkley St., Soldotna AK 99669
(907) 714-2153 • bahlberg@kpb.us

Standards for Financial Management

Financial Management System:

1. The Grantee will maintain an accounting system and a set of accounting records that at a minimum, allows for the identification of individual projects by source of revenue and expenditures related to this project.
2. All costs will be supported by source documentation. Grantee shall retain all contracts, invoices, materials, payrolls, personnel records, conditions of employment, and other data relating to matters covered by this agreement for a period of three years after the completion date of the agreement, or until final resolution of any audit findings, claims, or litigation related to the grant.
3. The Grantee's accounting records will be the basis for generating financial reports which must reflect accurate and complete data. In addition, financial records must be properly closed out at the end of the project period and all reports submitted in a timely manner.

Procurement Standards

The Grantee agrees to use a competitive process when making procurements for goods and services. These standards include but are not limited to the following:

1. Grantee may use its own procurement policies provided that they adhere to the applicable standards;
2. Grantee shall maintain a code of conduct which shall govern the performance of its officers, employees or agents in contracting with or expending grant funds; and
3. All procurement transactions shall be conducted in a manner so as to provide for maximum open and free competition.

Audits and Monitoring

Audits:

1. Provisions of 2 AAC 45.010 shall apply to a Borough Grantee receiving a grant of \$100,000 or more from the Borough. An audit in compliance with 2 AAC 45.010 shall be

required on the performance of the grant conditions. Such audit report shall be due to the Borough no later than 30 days after the audit is completed, or 6 months after the expiration of the grant, whichever is sooner. A copy of a federal single audit report may be submitted to fulfill the requirements of this section.

2. An annual audited financial statement, certified by a Certified Public Accountant, shall be submitted by a Borough Grantee receiving a grant less than \$100,000 from the Borough. Such financial statement shall be due no later than 6 months from the termination of this agreement.
3. Grantees receiving less than \$100,000 from the Borough and receiving payments on a reimbursable basis are exempt from the audit requirements.

Monitoring:

1. The Grantee may receive an on-site review from the Borough, or its authorized representatives, in addition to reviews from State of Alaska personnel representing the AK Department of Commerce, Community & Economic Development. Monitoring staff may review project and financial activity relating to the terms of this agreement. Upon request, the Borough shall be given full and complete access to all information related to the performance period of this agreement to ensure compliance with the project activities and consistently applied costs.
2. The Grantee shall provide the Borough and its authorized representatives all technical staff, assistance and information needed to enable the Borough or the State personnel to perform its monitoring function. This assistance from the Grantee includes, but is not limited to, information about the Grantee's project operation, accounting and data-base systems.

Program and Financial Deficiencies:

1. Through audits, reviews, monitoring or other means, the Borough may find the Grantee to have program or financial deficiencies in the performance of the agreement. Such deficiencies may include, but are not limited to, the areas of accounting, financial controls, budgeting, and/or project compliance issues. If deficiencies are found, the Borough may require the Grantee to take corrective action and to submit a written corrective action plan to address identified deficiencies. All corrective action plans must be accepted by the Borough or its authorized representatives. Any corrective action must be satisfactorily completed within thirty days from the date of written notification.
2. The Borough, in its sole discretion, may require the Grantee to submit periodic written verification that measures have been taken to implement the corrective action. If the Grantee fails to demonstrate its compliance with the approved corrective action plan within the time constraints set by the Borough, the Borough may, at its option, exercise its rights to terminate the agreement. The Borough may exercise any of the other rights and remedies available to it at law or in equity.

Standard Provisions

1. **No Maintenance or Further Funding Responsibility:** By signing this agreement, Grantee certifies that it will not ask the Borough to operate or maintain its program, except as may be otherwise agreed to in writing signed by both parties. Grantee understands, acknowledges and agrees that the Borough shall not be responsible for any services, programs, maintenance, operations, or further funding to Grantee, or actions related thereto, and has

not, and will not assume any such responsibility, all of such to be the sole and exclusive responsibility of Grantee.

2. **Defense and Indemnification:** The Grantee shall indemnify, defend, save and hold the Borough, its elected and appointed officers, agents and employees, harmless from any and all claims, demands, suits, or liability of any nature, kind or character including costs, expenses, and attorneys fees resulting from Grantee or Grantee's officers, agents, employees, partners, attorneys and suppliers' performance or failure to perform this agreement in any way whatsoever. This defense and indemnification responsibility includes claims alleging acts or omissions by the Borough or its agents, which are said to have contributed to the losses, failure, violations, or damage. However, Grantee shall not be responsible for any damages or claim arising from the sole negligence or willful misconduct of the Borough, its agents, or employees. Grantee shall also not be required to defend or indemnify the Borough for damage or loss that has been found to be attributed to an independent party directly responsible to the Borough under separate written contract. If any portion of this clause is voided by law or court of competent jurisdiction, the remainder of the clause shall remain in full force and effect.
3. **Insurance:** Grantee shall purchase at its own expense and maintain in force at all times during the term of this agreement Commercial General Liability and Automobile Insurance. Such policies are to include bodily injury, personal injury, and property damage with respect to the property and the activities conducted by Grantee in which coverage shall not be less than \$1,000,000 per occurrence or such higher coverage as specified by the Borough. The policy shall name the Borough as an additional insured. Borough approval shall be required for the amount of any deductible or self-insured retention.

Additionally, Grantee shall purchase and maintain at its own expense worker's compensation and employers liability insurance for all employees per Alaska State Statutes who are performing work under this agreement.

Proof of Insurance: *Grantee shall deliver to the Borough certificates of insurance along with Grantee's signature on this agreement. The certificates shall indicate the Borough as an additional insured. This insurance shall be primary and exclusive of any other insurance by the Borough. Failure to provide the certificate of insurance required by this section, or a lapse in coverage, is a material breach of the terms of this agreement entitling the Borough to terminate this agreement.*

4. **Relationship of Parties:** Nothing herein contained shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent, or of partnership, or of joint venture between the parties hereto, it being understood and agreed that neither method of computation of payment nor any other provision contained herein, nor any acts of the parties hereto, shall be deemed to create any relationship between the parties hereto other than the relationship of Borough and independent Grantee of funds.
5. **No Exclusive Service; No Property Interest:** The Grantee understands, acknowledges and agrees that all supplies, materials and equipment purchased with the grant funds shall be and shall remain the property of the Grantee, subject to all applicable State statutes and Federal regulations.

6. **Termination.** The Borough may terminate this agreement, by written notice, when it is in the best interest of the Borough. In the event that Grantee does not perform the tasks as required in this agreement, or does not submit any required reports for verification of performance, the Borough may exercise its option to terminate this agreement.
7. **Permits, Taxes and Adherence to Local, State, and Federal Laws:** Signing of this agreement does not, in any manner, excuse Grantee from complying with any other law, Alaska state statute or regulation, or Borough ordinance or regulation. Grantee must in all cases adhere to all local, state and federal laws and regulations that pertain to public funds, to the services performed pursuant to this agreement, and related to wages, taxes, social security, workers compensation, nondiscrimination, licenses, permits, and registration requirements. Grantee shall pay all taxes pertaining to its performance under this agreement, and shall acquire and maintain in good standing all permits, licenses and other entitlements necessary to the performance under this agreement.
8. **Jurisdiction; Choice of Law:** Any civil action arising from this agreement shall be brought in the superior court for the Third Judicial District of the State of Alaska at Kenai. The law of the State of Alaska shall govern the rights and obligations of the parties.
9. **Non-Waiver:** The failure of the Borough at any time to enforce a provision of this agreement shall in no way constitute a waiver of the provisions, nor in any way affect the validity of this agreement or any part thereof, or the right of the Borough thereafter to enforce each and every protection hereof. No conditions or provisions of this grant agreement can be waived unless approved by the Borough in writing. Waiver by the Borough of any non-compliance by Grantee, or excusing or extending performance, shall not be considered a waiver of any other rights of the Borough or a waiver of the right to terminate in the event of future breaches.
10. **No Third-Party Beneficiary:** This agreement is intended solely for the benefit of each party hereto. Nothing contained herein shall be construed or deemed to confer any benefit or right upon any third party.
11. **Environmental Requirements:** The Grantee must comply with all environmental standards, to include those prescribed under State of Alaska and Federal statutes and Executive Orders.
12. **Entire Agreement:** This agreement represents the entire and integrated agreement between the Borough and Grantee, and supersedes all prior, inconsistent negotiations, representations or agreements, whether written or oral. This agreement may be amended only by written instrument signed by both the Borough and Grantee.



KENAI PENINSULA BOROUGH

144 North Binkley Street • Soldotna, Alaska 99669-7599

PHONE: (907) 714-2153 • **FAX:** (907) 714-2377

EMAIL: bahlberg@kpb.us

FROM: City of Homer
KPB ACCOUNT: 271.94910.16CPV.43011

Contract Amount: \$27,055
Ending: 06/30/2017

Financial / Progress Report

Submit Report To:	Project Name: Commercial Passenger Vessel Tax Program
Brenda Ahlberg	Date:
Community & Fiscal Projects Manager	Report No.:
Kenai Peninsula Borough	Quarter From:
144 N. Binkley St., Soldotna, AK 99669	To:

FINANCIAL REPORT:

Cost Category	Authorized Budget	Expenditures from Last Report	Expenditures This Period	Total Expenditures to Date	Balance of Funds
	\$ -				
Personnel		-	-		\$ -
Travel		-	-	-	\$ -
Contractual	27,055.00	-	-	-	\$ 27,055.00
Supplies		-	-	-	\$ -
Other		-	-	-	\$ -
		-	-	-	\$ -
TOTALS	\$ 27,055.00	-	\$ -	\$ -	\$ 27,055.00

Advance funding	\$ 27,055.00
Expenditures applied to advance	\$ -
Remaining Advance Balance	\$ 27,055.00

PROGRESS REPORT: Describe activities that have occurred during this reporting period. Describe any challenges you may have experienced, any foreseen problems, and/or any special requests. Attach additional pages.

Reference: City of Homer's request letter February 22, 2016 and approved by Kenai Peninsula Borough Ordinance 2015-19-25.

Grantee Certification: I certify that the above information is true and correct, and that expenditures have been made for the purpose of, and in accordance with, applicable grant agreement terms and conditions.

Signature: _____ Date: _____

Printed Name and Title: _____

Signature Authorization Form

Grant Program: Commercial Passenger Vessel Tax Program - State Pass Thru Funding

Agreement Number: 271.94910.16CPV.43011

Effective Date 04/05/16

Name of Grantee City of Homer

DUNS# and Tax ID# **DUNS # 040171563 TAX ID# 92-0030963**

Point of Contact Information

Program Manager, Chief Financial Officer, and Signatory Official must be three (3) different individuals.

Primary and Alternate Signatories: Grant Award/Amendments and Grant Reports

Program Manager Name Brian Hawkins
Individual managing the project

PM Address 491 E. Pioneer Ave., Homer, AK 99603

PM Telephone 907-235-3160

PM Fax 907-235-3152

PM Email bhawkins@ci.homer.ak.us

Chief Financial Officer Name John Li
Authorized to certify financial expenditures and records

CFO Address 491 E. Pioneer Ave. Homer, AK 99603

CFO Telephone 907-235-8121

CFO Fax 907-235-3140

CFO Email jli@ci.homer.ak.us

Signatory Official Name Katie Koester
City Manager

Signatory Official Address 491 E. Pioneer Ave., Homer AK 99603

Signatory Official Telephone 907-235-8121

Signatory Official Fax 907-235-3140

Signatory Official Email kkoester@ci.homer.ak.us

Signatures required by each of the above-named individuals.

Project Manager
Signature and Date

Chief Financial Officer
Signature and Date

Signatory Official
Signature and Date



KENAI PENINSULA BOROUGH

144 North Binkley Street • Soldotna, Alaska 99669-7599
PHONE: (907) 714-2153 • **FAX:** (907) 714-2377
EMAIL: bahlberg@kpb.us

FROM: City of Homer
KPB ACCOUNT: 271.94910.16CPV.43011

Contract Amount: \$27,055
Ending: 06/30/2017

Financial / Progress Report

Submit Report To: Brenda Ahlberg Community & Fiscal Projects Manager Kenai Peninsula Borough 144 N. Binkley St., Soldotna, AK 99669	Project Name: Commercial Passenger Vessel Tax Program Date: Report No.: Quarter From: To:
--	--

FINANCIAL REPORT:

Cost Category	Authorized Budget	Expenditures from Last Report	Expenditures This Period	Total Expenditures to Date	Balance of Funds
	\$ -				
Personnel		-	-		\$ -
Travel		-	-	-	\$ -
Contractual	27,055.00	-	-	-	\$ 27,055.00
Supplies		-	-	-	\$ -
Other		-	-	-	\$ -
		-	-	-	\$ -
TOTALS	\$ 27,055.00	-	\$ -	\$ -	\$ 27,055.00

Advance funding	\$ 27,055.00
Expenditures applied to advance	\$ -
Remaining Advance Balance	\$ 27,055.00

PROGRESS REPORT: Describe activities that have occurred during this reporting period. Describe any challenges you may have experienced, any foreseen problems, and/or any special requests. Attach additional pages.

Reference: City of Homer's request letter February 22, 2016 and approved by Kenai Peninsula Borough Ordinance 2015-19-25.

Grantee Certification: I certify that the above information is true and correct, and that expenditures have been made for the purpose of, and in accordance with, applicable grant agreement terms and conditions.

Signature: _____ Date: _____

Printed Name and Title: _____

ORDINANCE REFERENCE SHEET
2016 ORDINANCE
ORDINANCE 16-32

An Ordinance of the City Council of Homer, Alaska, Amending the FY 2016 Operating Budget by Appropriating \$64,149 From the Fire Donations Fund to Purchase an Advanced Patient Care Simulator.

Sponsor: City Manager/Fire Chief

1. Council Regular Meeting June 13, 2016 Introduction
 - a. Memorandum 16-096 from Fire Chief as backup
2. Council Regular Meeting June 27, 2016 Public Hearing and Second Reading
 - a. Memorandum 16-096 from Fire Chief as backup

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

3 City Manager/
4 Fire Chief

5 **ORDINANCE 16-32**

6
7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
8 AMENDING THE FY 2016 OPERATING BUDGET BY
9 APPROPRIATING \$64,149 FROM THE FIRE DONATIONS FUND TO
10 PURCHASE AN ADVANCED PATIENT CARE SIMULATOR.

11
12 WHEREAS, Training of the fire department's emergency medical service personnel is
13 an essential and ongoing function of the department; and

14
15 WHEREAS, Realism in training of medical personnel is crucial for gaining practical
16 experience for a wide range of basic and advanced medical procedures; and

17
18 WHEREAS, The fire department's current SimMan advanced patient care simulator is
19 now obsolete, with no additional parts or repair available from the manufacturer; and

20
21 WHEREAS, A majority of the membership of the department supports the purchase of
22 the advanced patient care simulator from the Fire Donations Fund; and

23
24 WHEREAS, The 'Fire Donations Fund' contains monies donated to the Fire Department
25 over the years by individuals and estates expressly for lasting and meaningful purposes and
26 has a current balance of \$102,000.

27
28 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

29
30 Section 1. The Homer City Council hereby amends the FY 2016 Operating Budget by
31 appropriating \$64,149 from the Fire Department Donation Account for the purchase of an
32 advanced care patient simulator.

33
34 Revenue:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
802-0000-2710	Fire Department Donations	\$64,149

35
36
37
38 Expenditure:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
150-5901	Fire Department-Capital Equipment	\$64,149

42 Section 2. This is a budget amendment ordinance only, is not permanent in nature,
43 and shall not be codified.

44

45 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this _____ day of June, 2016.

46

47

CITY OF HOMER

48

49

50

MARY E. WYTHE, MAYOR

51

52

53 ATTEST:

54

55

56

57

JO JOHNSON, MMC, CITY CLERK

58

59

60

61 AYES:

62 NOES:

63 ABSTAIN:

64 ABESNT:

65

66

67 First Reading:

68 Public Reading:

69 Second Reading:

70 Effective Date:

71

72

73 Reviewed and approved as to form:

74

75

Mary K. Koester, City Manager

76

77

Date: _____

78

Holly C. Wells, City Attorney

Date: _____



City of Homer

www.cityofhomer-ak.gov

Volunteer Fire Department

604 East Pioneer Ave
Homer, Alaska 99603

fire@cityofhomer-ak.gov

(p) 907-235-3155

(f) 907-235-3157

Memorandum 16-096

TO: Katie Koester, City Manager
FROM: Robert Painter, Chief
DATE: May 25, 2016
SUBJECT: Replacement of Patient Simulator

The Fire Department would like to replace its now obsolete advanced patient care simulator with a new simulator. The Laerdal SimMan we purchased through donations more than 10 years ago has officially been “retired” by Laerdal, who is no longer manufacturing replacement parts or providing service for this model of training manikin. While we can still see some usefulness from this manikin it is basically non-repairable when it fails. I have conducted much research on advanced care manikins prior to recommending the first purchase and still feel that the product from Laerdal is the most cost effective one available at this time. Over the last 10 years several improvements to the system have made the new version even more attractive and useful for training of our emergency medical personnel at all levels, but especially our advanced care providers. Having a consolidated patient simulator to use allows us to practice realistic scenarios, in real time, in “real” locations and can completely encompass the patient care continuum even into the emergency department at the hospital. These same manikins are currently in use by the Kenai Peninsula College Paramedic Program in Soldotna and I have met with their Paramedic Program Coordinator about their impressions of the newer versions of the manikin. Overall they are pleased with the ease of use and advantages that the new model have over the previous model we have. They would even like to share with us patient care scenarios that they have developed in exchange for ones we develop (these manikins are computer programmed and can mimic physical responses like “real” patients).

Due to our experience and long history using the Laerdal line of products and the fact that other Kenai Peninsula departments and agencies also use the same product(s), and since Laerdal is the only distributor of the SimMan line of products nationwide, we would like to sole-source this purchase. We believe that this model, SimMan Essentials, though not the premier model being offered, is more than sufficient for our needs.

We are proposing to use monies donated to the Fire Department over the years by individuals and estates expressly for “lasting” and “meaningful” purposes. The current Fire Donations Fund balance is \$102,000, of which we are requesting a total of \$64,149 to fund this acquisition. This cost includes the training manikin, the patient care monitor, dedicated instructors laptop, webcam, an extended care (3 year) warranty, and a 2-day class for up to 8

of our personnel to learn how to best use the manikin. A majority of the members have voted to support this purchase with donation money, with only 1 “no” vote received.

ORDINANCE REFERENCE SHEET
2016 ORDINANCE
ORDINANCE 16-33

An Ordinance of the City Council of Homer, Alaska, Amending HCC 21.41.040, Basis for Establishing Flood Hazard Areas, Adopting the Flood Insurance Study for the Kenai Peninsula Borough and Incorporated Areas, Alaska Dated October 20, 2016 With Accompanying Flood Insurance Rate Maps (Firms).

Sponsor: Planning

1. Council Regular Meeting June 13, 2016 Introduction
 - a. Memorandum 16-102 from City Planner as backup
 - b. Staff Reports and Meeting Minutes

1. Council Regular Meeting June 27, 2016 Public Hearing and Second Reading
 - a. Memorandum 16-102 from City Planner as backup
 - b. Staff Reports and Meeting Minutes

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

3 Planning

4 **ORDINANCE 16-33**

5
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
7 AMENDING HCC 21.41.040, BASIS FOR ESTABLISHING FLOOD
8 HAZARD AREAS, ADOPTING THE FLOOD INSURANCE STUDY FOR
9 THE KENAI PENINSULA BOROUGH AND INCORPORATED AREAS,
10 ALASKA DATED OCTOBER 20, 2016 WITH ACCOMPANYING FLOOD
11 INSURANCE RATE MAPS (FIRMS).

12
13 WHEREAS, The City must participate in the National Flood Insurance Program to be
14 eligible for emergency federal funding in case of disaster; and

15
16 WHEREAS, Federal Insurance Administration in a scientific and engineering report
17 entitled “The Flood Insurance Study” for the Kenai Peninsula Borough and Incorporated
18 Areas, dated October 20, 2016; and

19
20 WHEREAS, As part of the program the Homer maps have been updated; and

21
22 WHEREAS, The Flood Insurance Rate Maps dated October 20, 2016 must be adopted
23 by the City in order for the City to continue to participate in the floodplain program; and

24
25 WHEREAS, The City’s floodplain code was reviewed by FEMA and found to be in
26 compliance with the requirements of the National Flood Insurance Program; and

27
28 WHEREAS, The Homer Advisory Planning Commission conducted a public hearing on
29 June 1, 2016, and recommend that the City Council adopt this ordinance.

30
31 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

32
33 Section 1. HCC 21.41.040, Basis for establishing flood hazard areas, is amended to read
34 as follows:

35
36 21.41.040 Basis for establishing flood hazard areas. The areas of special flood hazard
37 identified by the Federal Insurance Administration in a scientific and engineering report
38 entitled “The Flood Insurance Study for the **Kenai Peninsula Borough and Incorporated**
39 **Areas**, Alaska,” dated **October 20, 2016**, with accompanying Flood Insurance Rate Maps
40 (FIRM), are hereby adopted by reference and declared to be a part of this ordinance. The
41 Flood Insurance Study and FIRM are on file in the Planning Department.

42
[Added language bold and underlined. Deleted language stricken through.]



City of Homer

www.cityofhomer-ak.gov

Planning

491 East Pioneer Avenue
Homer, Alaska 99603

Planning@ci.homer.ak.us

(p) 907-235-3106

(f) 907-235-3118

Memorandum 16-102

TO: MAYOR WYTHE AND HOMER CITY COUNCIL
THROUGH: KATIE KOESTER, CITY MANAGER
FROM: RICK ABBOUD, CITY PLANNER
DATE: June 2, 2016
SUBJECT: HOMER FLOOD CODE

Introduction: The flood maps and accompanying code regarding regulation of the floodplain allow citizens of Homer to qualify for federally guaranteed flood insurance. Additionally, Homer's participation allows the city qualify for federal funds for disaster assistance and hazard mitigation. The adoption of the maps and code is a requirement for participation in the flood insurance program.

Maps: FEMA initiated a new study of the lands northward of the Homer Spit, as these lands were not updated in the last study in 2013. As a result of the study, new maps have been produced that more accurately portray the actual flood risks. The draft maps nearly always show a new risk that is less than that of the previous maps, which is a more accurate measure of the current conditions.

Several notices to the property owners in the areas subject to change have gone out with invitations to attend a workshop with FEMA and to attend a public hearing at the Planning Commission. The Planning website has dedicated space to provide information about the proposed maps and process. All feedback we have had with land owners has been positive.

Code: The flood regulations have been recently updated to meet current FEMA standards, so the only proposed changes to the code involve the reference to the new maps with effective date of October 20, 2016. The effective date is prescribed by FEMA. Adoption of the code amendments are to be made prior to the effective date as a requirement for continued participation in the flood program.

The requirements for adopting title 21 have been addressed as follows.

Per HCC 21.95.040, the Planning Department shall review each amendment to title 21. This review is complete and addressed in memorandum to the Planning Commission.

Additionally, Per HCC 21.95.060, the Planning Commission shall review each proposed amendment to title 21. This review is now complete. At the June 1st Regular Meeting of the

Planning Commission, a motion was approved to forward the changes to the flood code to the City Council.

Recommendation:

The Homer Advisory Planning Commission and Planning Department recommend adoption of the amended Flood Prone Areas.

Attachments:

1. Draft Ordinance
2. HAPC minutes 6.1.16 w/laydown
3. Staff Report 16-29 w/attachments

Homer Advisory Planning Commission
Regular Meeting Minutes excerpt
June 1, 2016- unapproved

A. Staff Report Pl 16-29 Draft Ordinance 16-xx, Amending HCC 21.41.040 Basis for Establishing Flood Hazard Areas

City Planner Abboud reviewed the staff report.

Chair Stead opened the public hearing.

Katherine Carsow, city resident, commented in support of the draft ordinance. She explained that on the old map her property on Ocean Drive is less than 2 feet into old flood zone and to date it has cost them more \$12,000 in flood insurance. She urged them to please pass this because every month that goes by costs money and there is no threat to the house that warrants that much money.

There was brief discussion that the new maps won't go into effect until the date on the map.

There were no further comments and the hearing was closed.

VENUTI/BRADLEY MOVED THAT THE PLANNING COMMISSIONS APPROVES THE DRAFT ORDINANCE AMENDING HCC 21.41.040 BASIS FOR ESTABLISHING FLOOD HAZARD AREAS AND FORWARDS IT TO CITY COUNCIL FOR PUBLIC HEARING AND ADOPTION.

There was brief discussion that this seems very straight forward and should be moved on to Council.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

file copy

Julie Engebretsen

From: Chris Logan <chrisloganrn@hotmail.com>
Sent: Wednesday, June 01, 2016 9:32 AM
To: Department Planning
Subject: Support of draft ordinance 16-xx

Dear Mr. Abboud and the Homer Advisory Planning Commission-
Please accept this email as written comments in support of the adoption of the ordinance regarding the flood insurance study and Flood Insurance Rate Maps.
I am a homeowner in Old Towne on Charles Way.

Thank you for your work and attention to this important matter.

Sincerely
Chris Logan
254 Charles Way
Homer, Alaska
907-982-0513

RECEIVED

JUN - 1 2016

CITY OF HOMER
PLANNING/ZONING



City of Homer

www.cityofhomer-ak.gov

Planning
491 East Pioneer Avenue
Homer, Alaska 99603

Planning@ci.homer.ak.us
(p) 907-235-3106
(f) 907-235-3118

Staff Report PL 16-29

TO: Homer Advisory Planning Commission
FROM: Rick Abboud, City Planner
DATE: June 1, 2016
SUBJECT: Draft Ordinance 16-xx, Amending HCC 21.41.040 Basis for establishing flood hazard areas.

Requested Action: Conduct a public hearing and recommend that City Council adopt the ordinance.

Introduction: The Federal Emergency Management Agency (FEMA) has issued new floodplain maps for the Homer Spit which represents the 1% chance of a flood event happening in any given year.

The map adoption process is two-fold; the maps themselves must be adopted and the City's Floodplain code must be updated. FEMA backed flood insurance policies are only available to citizens in communities that participate in the National Flood Insurance Program (NFIP). Homer is a NFIP community so the City must adopt these new maps and the code amendments by October 20, 2016. The first step is for the HAPC to review the map and code amendments, and then forward a recommendation to the City Council for adoption.

Analysis: FEMA is updating flood maps in Homer as part of a borough-wide effort to update flood hazards. Our maps update the flood levels on property found along Kachemak Bay the are east and west of the Spit in the Old Towne, Beluga Slough, and Beluga Lake Areas. Most all of the area adjusts the elevations to a lower level that currently designated. The only proposed change to our written code is a reference to the new maps as those dated October 20, 2016. No other code language is changing.

How to read the Maps: The maps show areas that may be affected by a 1% chance of a flood event in any given year. These maps also state the type of flood zone; an **A** zone or **V** zone. If there is a number following the letter, that is the elevation at which flooding is expected to occur, which is known as the Base Flood Elevation (BFE). The "**AE**" zone denotes areas of shallow flooding with the Base Flood Elevation determined. The "**VE**" zone denotes areas in the Velocity (wave action) zone, with Base Flood Elevation determined. For example, a property that is within a "**VE24**" zone is in the "Velocity zone with and Base Flood Elevation of 24 feet."



General summary of the new maps: The changes on the maps represent a more “favorable” level of flood hazard for property owners. This will mean that they may have reduced rates for flood insurance on existing properties where the flood hazards have been mapped at a lower level and new properties may not have to be built as high to comply with current maps.

Staff Recommendation: Conduct a public hearing and recommend that City Council adopt the ordinance.

Attachments

Memo 16-05
Ordinance 16-xx
Public notice



City of Homer

www.cityofhomer-ak.gov

Planning

491 East Pioneer Avenue
Homer, Alaska 99603

Planning@ci.homer.ak.us

(p) 907-235-3106

(f) 907-235-3118

Memorandum 16-05

TO: Homer Advisory Planning Commission

FROM: Rick Abboud

DATE: May 19, 2016

SUBJECT: Draft Ordinance 16-xx, adopting Flood Insurance Rate Maps (FIRM) dated October 20, 2016 and amending HCC 21.41 Flood Prone Areas.

This memo contains the planning staff review of the zoning code amendment as required by HCC 21.95.040.

21.95.040 Planning Department review of code amendment. The Planning Department shall evaluate each amendment to this title that is initiated in accordance with HCC 21.95.010 and qualified under HCC 21.95.030, and may recommend approval of the amendment only if it finds that the amendment:

a. Is consistent with the comprehensive plan and will further specific goals and objectives of the plan.

Staff response: The proposed amendments are consistent with the Comprehensive Plan and support several objectives in the Land Use Chapter including; developing clear and well-defined land use regulations, requiring development practices that protect environmental functions, and encouraging high quality site design and buildings.

b. Will be reasonable to implement and enforce.

Staff response: The proposed amendment provide a clear direction to the delineation of lands for regulation and clear guidelines for the development of those lands as recommended by the Federal Emergency Management Agency (FEMA).

c. Will promote the present and future public health, safety and welfare.

Staff response: The proposed amendments have been crafted with the specific goal of protecting life and property in relation to scientifically identified and delineated hazards to the citizens of Homer Alaska.

d. Is consistent with the intent and wording of the other provisions of this title.

Staff response: The amendments have been reviewed by the City Attorney and are deemed consistent with the intent and wording of the other provision of this title.

21.95.010 Initiating a code amendment.

Staff response: The code amendment was initiated by the City Planner as permitted by HCC 21.95.010(d)

21.95.030 Restriction on repeating failed amendment proposals.

Staff response: This section of code is found to be not applicable.



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Planning

491 East Pioneer Avenue
Homer, Alaska 99603

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(p) 907-235-3106

(f) 907-235-3118

May 19, 2016

Dear Property Owner,

You are being sent this letter because your property may be in a mapped floodplain. The Federal Emergency Management Agency (FEMA) has provided Homer with updated Flood Insurance Rate Maps (FIRMs). The City of Homer will be adopting these maps which affect properties along Kachemak Bay that are **east and west of the Spit, in the Old Towne area, and the Beluga Slough and Beluga Lake area**. The Spit is not included because it was updated in 2013.

How will these map changes affect you?

If you have flood insurance, the new maps may affect your flood insurance rates. If you are planning new construction on your property, the new maps may affect how the new structure is built, and how much the building must be elevated above the flood zone.

What do the maps depict?

The maps show areas that may be affected by a 1% chance of a flood event in any given year. These maps also state the type of flood zone; an **A** zone or **V** zone. If there is a number following the letter, that is the elevation at which flooding is expected to occur, which is known as the Base Flood Elevation (BFE). The "**AE**" zone denotes areas of shallow flooding with the Base Flood Elevation determined. The "**VE**" zone denotes areas in the Velocity (wave action) zone, with Base Flood Elevation determined. For example, a property that is within a "**VE24**" zone is in the "Velocity zone with and Base Flood Elevation of **24** feet."

Where can I find more information?

Call or visit the Planning Office at City Hall, or visit our website. Information includes the flood maps, information on flood insurance and how best to protect yourself from a flood hazard. <http://www.cityofhomer-ak.gov/planning/coastal-flood-maps-permits-and-flood-information>.

Sincerely,

Rick Abboud, AICP

City Planner

907-235-3106

Att:

Public Notice

Vicinity Map of mapped Flood Hazard Areas

PUBLIC NOTICE

Public notice is hereby given that the City of Homer will hold a public hearing by the Homer Advisory Planning Commission on Wednesday, June 1, 2016 at 6:30 p.m. at Homer City Hall, 491 East Pioneer Avenue, Homer, Alaska on the following matters:

Draft Ordinance 16-xx, Amending HCC 21.41.040 Basis for establishing flood hazard areas. This ordinance will adopt "The Flood Insurance Study for the Kenai Peninsula Borough and Incorporated Areas, Alaska," dated October 20, 2016 with accompanying Flood Insurance Rate Maps (FIRM).

The new maps update the regulated flood hazard areas within the City of Homer. The areas included in this map update are properties along Kachemak Bay that are east and west of the Spit, in the Old Towne area, and the Beluga Slough and Beluga Lake area. The Flood Insurance Study and the FIRM are available for review in the Planning Office. The updated floodplain maps can also be found at www.cityofhomer-ak.gov/planning

Anyone wishing to present testimony concerning these matters may do so at the meeting or by submitting a written statement to the Homer Advisory Planning Commission, 491 East Pioneer Avenue, Homer, Alaska 99603, by 4:00 p.m. on the day of the meeting.

The draft ordinance and updated maps are available for review at the City of Homer Planning and Zoning Office located at Homer City Hall. For additional information, please contact City Planner Rick Abboud in the Planning and Zoning Office at 235-3106.

Vicinity Map Homer 2016 New floodmapping

New flood designations and elevations in YELLOW.
Old designations in GREY.

205


VE27

VE32

VE24

VE34

Legend

-  New 2016 Flood Mapping
-  Old (2013) Flood Mapping
-  City Limits

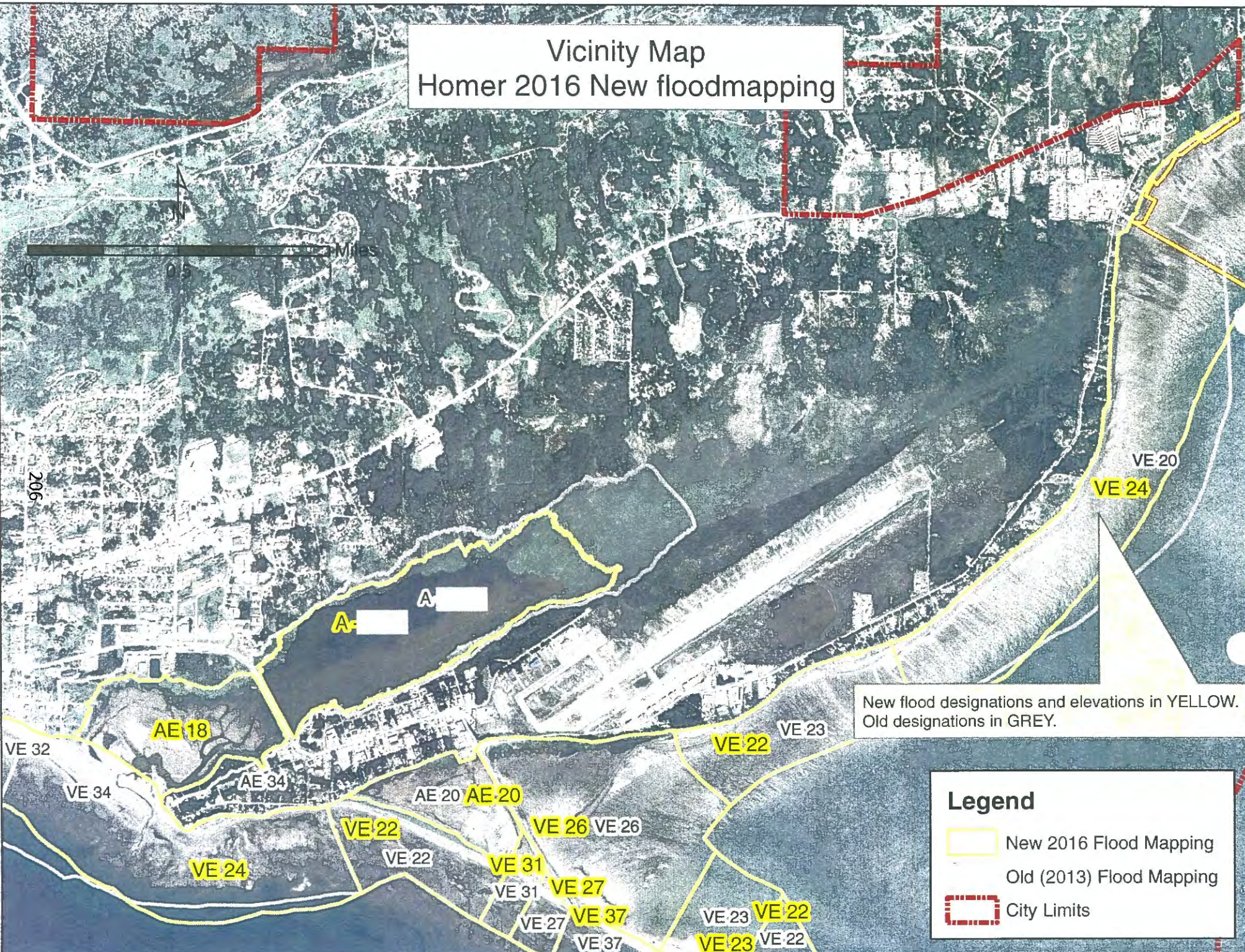


Vicinity Map Homer 2016 New floodmapping





0.5 Miles

206



New flood designations and elevations in YELLOW.
Old designations in GREY.

Legend

-  New 2016 Flood Mapping
-  Old (2013) Flood Mapping
-  City Limits

ORDINANCE REFERENCE SHEET
2016 ORDINANCE
ORDINANCE 16-34

An Ordinance of the City Council of Homer, Alaska, Amending the Homer City Zoning Map to Rezone Portions of the Urban Residential (UR) and Residential Office (RO) Zoning Districts to Central Business (CB) Zoning District.

Sponsor: Planning

1. Council Regular Meeting June 13, 2016 Introduction
 - a. Memorandum 16-103 from City Planner as backup
 - b. Staff Reports and Meeting Minutes

2. Council Regular Meeting June 27, 2016 Public Hearing and Second Reading
 - a. Memorandum 16-103 from City Planner as backup
 - b. Staff Reports and Meeting Minutes

**CITY OF HOMER
HOMER, ALASKA**

Planning

ORDINANCE 16-34

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
AMENDING THE HOMER CITY ZONING MAP TO REZONE
PORTIONS OF THE URBAN RESIDENTIAL (UR) AND RESIDENTIAL
OFFICE (RO) ZONING DISTRICTS TO CENTRAL BUSINESS (CB)
ZONING DISTRICT.

WHEREAS, The Pratt Museum, through its Director/CEO Diane Converse, filed a petition application seeking to amend the zoning map to rezone 3779 Barlett Street in Homer, Alaska, Parcel ID 17510129, from partially URD, partially CBD, and partially ROD to wholly CBD; and

WHEREAS, The Homer Planning Department reviewed the petition, found that the petition application was complete and the criteria for amending the zoning map had been met; and

WHEREAS, The Homer Advisory Planning Commission held a public hearing on the amendment to the zoning map described herein on May 4, 2016 as required by Homer City Code 21.95.060(c); and

WHEREAS, The Homer Advisory Planning Commission found that (i) the proposed amendment to the zoning map is consistent with the Homer Comprehensive Plan and will further specific goals and objectives of the Plan; (ii) the proposed amendment to the zoning map applies a zoning district that is better suited to the property that is the subject of the amendment than the districts that the amendment will replace; and (iii) the amendment to the zoning map is in the best interest of the public, considering the effect of development resulting from the amendment, and the cumulative effect of similar development, on property within and in the vicinity of the area subject to the amendment and on the community, including without limitation effects on the environment, transportation, public services and facilities, and land use patterns; and

WHEREAS, The City Council adopts the findings by the Homer Advisory Planning Commission and has determined that these findings are sound.

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

41 Section 1. The Homer Zoning Map is amended to transfer the parcel listed on the
42 attached Exhibit A from the UR zoning district, RO zoning district, and the CB zoning district to
43 the CB zoning district as shown on the attached Exhibit B.
44

45 Section 2. The City Planner is authorized to note on the Homer Zoning Map the
46 amendments enacted by this ordinance as required by Homer City Code 21.10.030(b).
47

48 Section 3. This is a non-Code ordinance of a permanent nature and shall be noted in
49 the ordinance history of Homer City Code 21.10.030.
50

51 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ____ day of _____,
52 2016.
53

54 CITY OF HOMER
55

56
57 _____
58 MARY E. WYTHE, MAYOR
59

60 ATTEST:
61

62
63 _____
64 JO JOHNSON, MMC, CITY CLERK
65

66
67 AYES:

68 NOES:

69 ABSTAIN:

70 ABSENT:
71

72
73 First Reading:

74 Public Reading:

75 Second Reading:

76 Effective Date:
77
78
79
80

81 Reviewed and approved as to form:

82

83

84 _____

85 Mary K. Koester, City Manager

86

87 Date: _____

Holly C. Wells, City Attorney

Date: _____



City of Homer

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Planning

491 East Pioneer Avenue
Homer, Alaska 99603

Planning@ci.homer.ak.us

(p) 907-235-3106

(f) 907-235-3118

Memorandum 16-103

TO: MAYOR WYTHE AND HOMER CITY COUNCIL

THROUGH: KATIE KOESTER, CITY MANAGER

FROM: RICK ABBOUD, CITY PLANNER

DATE: JUNE 2, 2016

SUBJECT: Draft Ordinance Amending Central Business (CBD), Residential Office (RO), and Urban Residential Districts (UR).

Introduction

A petition was received by the Planning Office requesting a zoning change. The City Planner has reviewed the proposed amendment and the HAPC has held a public hearing on May 4, 2016 regarding this issue. Public testimony was provided by two citizens at the meeting who supported the proposed zoning changes.

Why

The Pratt Museum had purchased several of the neighboring lots and combined them into one lot. The neighboring lots were zoned Urban Residential and Residential Office, while the part of the lot with the existing structures was zoned as Central Business District. Obtaining consistent zoning for the entire lot allows them to proceed with their current plans to replace the existing structure. After an approval of a zoning change, the Pratt would be able to apply for a CUP for the replacement structure and other associated improvements proposed for the lot.

The proposed rezone represents a contiguous expansion of the Central Business District. This proposal encourages business growth in the central area of the city, as found as an Objective in the comprehensive plan.

Staff and Planning Commission recommendation:

With one Commissioner recused and another absent, the Commission voted unanimously in favor, 5-0 recommending the adoption of the Draft Ordinance by the City Council.

Attachments:

1. Draft Ordinance
2. HAPC minutes 5.4.16
3. Staff Report 16-22 w/attachments

sometimes it's tough to prove as development happens in an area. He thinks what is being recommended is appropriate.

Commissioner Venuti asked Mr. McGuire about about the drainage work on his property and Mr. McGuire gave a brief explanation.

Deputy City Clerk Jacobsen reminded the commission that the public hearing was closed and the time for questioning the audience ended.

HIGHLAND/VENUTI MOVED TO ADD CONDITION 5 THAT THE SITE DRAINAGE BE DIRECTED TO RUN OFF TO THE AREAS DESIGNATED ON THE SITE PLAN ON PAGE 17 OF THE PACKET.

There was brief discussion.

VOTE (Amendment): YES: HIGHLAND, ERICKSON, VENUTI, STROOZAS, BRADLEY, BOS

Motion carried.

Commissioner Venuti asked if they need to add a condition specific to Fire Marshall approval. City Planner Abboud said he will have to get something from the Fire Marshall before he can permit it, so it isn't necessary to add a condition.

VOTE (Main motion): YES: BOS, HIGHLAND, ERICKSON, VENUTI, STROOZAS, BRADLEY

Motion carried.

B. Staff Report PL 16-22 Pratt Museum Zoning Map Amendment

Commissioner Bradley stated she has a conflict of interest as an employee of the Pratt Museum.

HIGHLAND/BOS MOVED THAT COMMISSIONER BRADLEY HAS A CONFLICT OF INTEREST.

There was no discussion.

VOTE: YES: ERICKSON, STROOZAS, BOS, HIGHLAND, VENUTI

Commissioner Bradley left the table.

City Planner Abboud reviewed the staff report.

Bill Smith and Patrice Krant, members of the Pratt Museum Board addressed the Commission. Mr. Smith explained that Diane Converse, Museum Director, was ill and could not attend tonight. He explained the museum has been working on a plan to improve the facility for a number of years. They need to consolidate into one district before they can apply for their CUP. Mr. Smith spoke briefly of the stages of the development touching on some information specific to the site plan.



City of Homer

www.cityofhomer-ak.gov

Planning
491 East Pioneer Avenue
Homer, Alaska 99603
Planning@ci.homer.ak.us
(p) 907-235-3106
(f) 907-235-3118

Staff Report PL 16-22

TO: Homer Advisory Planning Commission
FROM: Rick Abboud, City Planner
DATE: May 4, 2016
SUBJECT: Draft Ordinance amending Central Business (CBD), Residential Office (RO), and Urban Residential Districts (UR).

Requested Action: Conduct a public hearing and make a recommendation on the City Council on the proposed zoning map changes.

Applicant: Diane Converse, Pratt Museum Director/CEO

Location: 3779 Barlett Street, Homer AK
Parcel ID: 17510129
Size of Existing Lot: 9.79 acres
Zoning Designation: UR, RO, CBD
Existing Land Use: Museum
Surrounding Land Use: North: Residential
South: Commercial/Residential
East: Commercial/Church
West: School

Wetland Status: Woodard Creek runs through and other wetlands are found on the west side of the property.
Flood Plain Status: Not in a designated floodplain.
BCWPD: Not within the Bridge Creek Watershed Protection District
Utilities: Public utilities service the site.
Public Notice: Notice was sent to 35 property owners of 51 parcels as shown on the KPB tax assessor rolls.

GENERAL INFORMATION

This ordinance proposes a zoning map amendment to cure a lot that is currently spit-zoned as CBD, RO, and UR. The designation of CBD for the entire lot is requested. The Pratt Museum has been acquiring property over the years in order to support a new museum building. The proposed location of the new structure places part of the building in the UR zone, which has



City of Homer

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Planning

491 East Pioneer Avenue
Homer, Alaska 99603

Planning@ci.homer.ak.us

(p) 907-235-3106

(f) 907-235-3118

MEMORANDUM

TO: Homer Advisory Planning Commission

FROM: Rick Abboud, City Planner

DATE: May 4, 2016

SUBJECT: Draft Ordinance 16-xx Amending the Zoning Map to rezone portions of the Urban Residential and Residential Office Districts to Central Business District.

This memo contains the planning staff review of the rezoning application submitted by the Pratt Museum on April 7, 2016 ("Museum Application" or the "Application"). The Museum Application requests an amendment to the zoning map that would place the Pratt Museum wholly in the Central Business District instead of portions of the Museum in the Urban Residential and Residential Office Districts.

Code Citations

When certain requirements are met, a property owner may request an amendment to the Homer zoning map. Specifically, Homer City Code 21.95.020 states that a petition of property owners may apply for a zoning map amendment where the proposed amendment would either (1) apply to an area not less than two acres, including half the width of any abutting street or alley rights-of-way; or (2) reclassify the area to a zoning district that is contiguous to the area or separated from the area only by a street or alley right-of-way. Any petition for an amendment to the zoning map must represent lots that include more than 50% of the area (excluding rights-of-way) that is the subject of the proposed amendment. Additionally, a petition must include the following:

- A. The following statement on each page of the petition: "Each person signing this petition represents that the signer is a record owner of the lot whose description accompanies the signature; that the signer is familiar with the proposed zoning map amendment and the current zoning district of the lot; and that the signer supports the City Council's approval of the amendment."
- B. The name of each record owner, the legal description and the Borough tax parcel number of each lot that is the subject of the proposed amendment.
- C. A map showing the lots comprising the area that is the subject of the proposed amendment, all lots contiguous to the boundary of that area, and the present zoning and proposed zoning of each such lot; and
- D. A statement of the justification for the proposed amendment. [Ord. 10-58, 2011].



City of Homer

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Planning
491 East Pioneer Avenue
Homer, Alaska 99603

Planning@ci.homer.ak.us
(p) 907-235-3106
(f) 907-235-3118

Rezoning Application

For Staff Use Only

Fee Amount:	Received by:	Planning Commission Public Hearing Date:
Date application accepted as complete:		HAPC approval or denial date:

APPLICANT INFORMATION

Name: Diane Converse, Museum Director/CEO Phone Number: 907-435-3333

Address: Pratt Museum 3779 Bartlett Street Homer, AK 99603

Property Owner (if different than applicant)

Name: Homer Society of Natural History, Inc. dba Pratt Museum Phone Number: 907-235-8635

Address: 3779 Bartlett Street Homer, AK 99603

RECEIVED

APR - 7 2016

CITY OF HOMER
PLANNING/ZONING

PROPERTY INFORMATION (if more than one lot, list on separate page)

Street Address: 3779 Bartlett Street Lot size: 9.790 AC Tax parcel number: 17510129

Legal Description: T 6S R 13W SEC19 Seward Meridian HM2012057 Pratt Sub Tract 1

Circle one: Is City water available? YES City Sewer? YES Electrical Service? YES

What is the existing use of the property? community education and other museum functions, public trails

What is the proposed use of the property? Same as existing use and eventually with a new museum building, a daylighted creek and more trails

What structures or land uses exist on the neighboring properties? (Examples: residential, commercial, vacant)
List the zoning of these adjacent lots.

Structures/land use	Zoning
North: <u>homes / residence</u>	<u>Residential Office & Urban Residential</u>
South: <u>offices / business</u>	<u>Central Business & Urban Residential</u>
East: <u>offices, retail stores / business</u>	<u>Central Business & Residential Office</u>
West: <u>vacant Homer school survey land / trails</u>	<u>Urban Residential</u>



KPB Parcel Viewer


Printed: Apr 07, 2016



Petition

Proposed amendment:	The Pratt Museum at 3779 Bartlett Street consists of one parcel which is 9.79 acres. Currently the parcel is a part of three zoning districts, the Central Business, the Urban Residential and the Residential Office Districts. This request is to change the zoning of the entire property, T 6S R 13W SEC 19 SEWARD MERIDIAN HM 2012057 PRATT SUB TRACT 1 to the Central Business District.
HCC 21.95.020 (e) (3) (a)	"Each person signing this petition represents that the signer is a record owner of the lot whose description accompanies the signature; that the signer is familiar with the proposed zoning map amendment and the current zoning district of the lot; and that the signer supports the City Council's approval of the amendment."
Statement of Justification	As a natural part of the growth and development of the Pratt Museum, a non-profit and volunteer organization, there has developed a need to replace the current building within the existing museum property. The current museum property consists of one parcel in three different zoning districts, CBD, UR, and RO. In order to remain relevant to the community, the public needs the museum to keep its facilities up to date, ADA compliant and reliable as an educational science, art, and cultural resources and local historical repository. The Pratt parcel includes public trails, some ADA accessible, with Woodard Creek improvements planned as a central feature. These features are desirable for the public and will enhance as part of the new work.

220

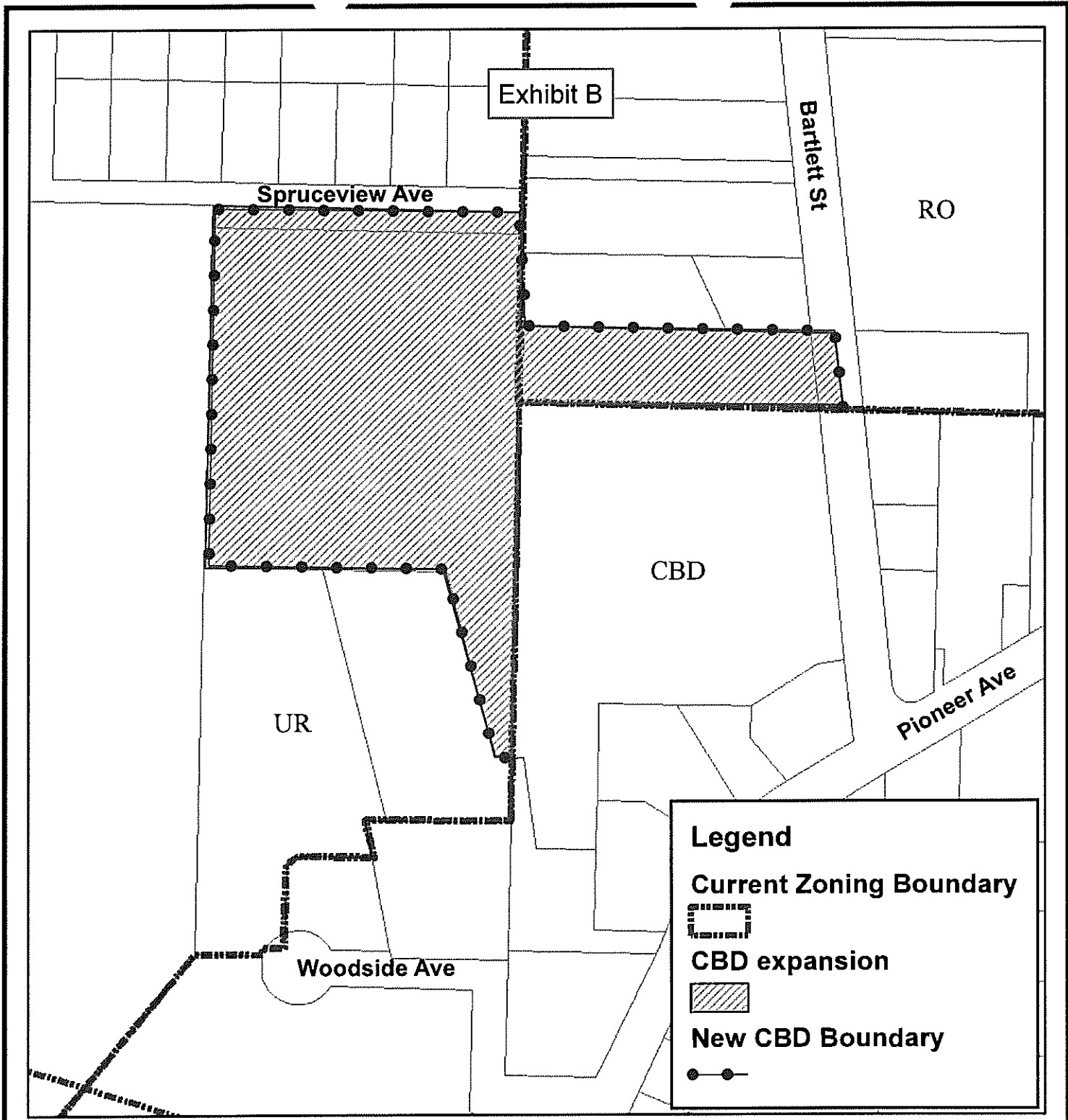
Printed Name	Signature of Property Owner or Designated Representative	Legal Description	Tax parcel number
Diane Converse	 7/13/16	T 6S R 13W SEC 19 SEWARD MERIDIAN HM 2012057 PRATT SUB TRACT 1	17510129

MY SIGNATURE MEANS I AM IN FAVOR OF THIS AMENDMENT


Exhibit A


Tax Parcel 17510129. Rezone from Urban Residential District, Residential Office District to Central Business District.


Legal Description: T6S R13W Sec 19 Seward Meridian HM 2012057 Pratt Sub Tract 1



Legend

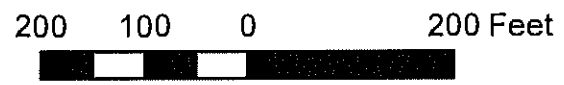
Current Zoning Boundary


CBD expansion


New CBD Boundary




City of Homer
 Planning and Zoning Department
 4/29/2016



*Disclaimer:
 It is expressly understood the City of Homer, its council, board, departments, employees and agents are not responsible for any errors or omissions contained herein, or deductions, interpretations or conclusions drawn therefrom.*

PUBLIC HEARING NOTICE

Public notice is hereby given that the City of Homer will hold a public hearing by the Homer Advisory Planning Commission on Wednesday, May 04, 2016 at 6:30 p.m. at Homer City Hall, 491 East Pioneer Avenue, Homer, Alaska, on the following matter:

A Public Hearing, as required by HCC 21.95.060, regarding a proposed amendment to the official Homer City Zoning Map to expand the Central Business District north-eastward to include the 9.79 acre tract at 3779 Bartlett Street, currently the Pratt Museum land at T 6S R 13W SEC 19 Seward Meridian HM 2012057 PRATT SUB TRACT 1.

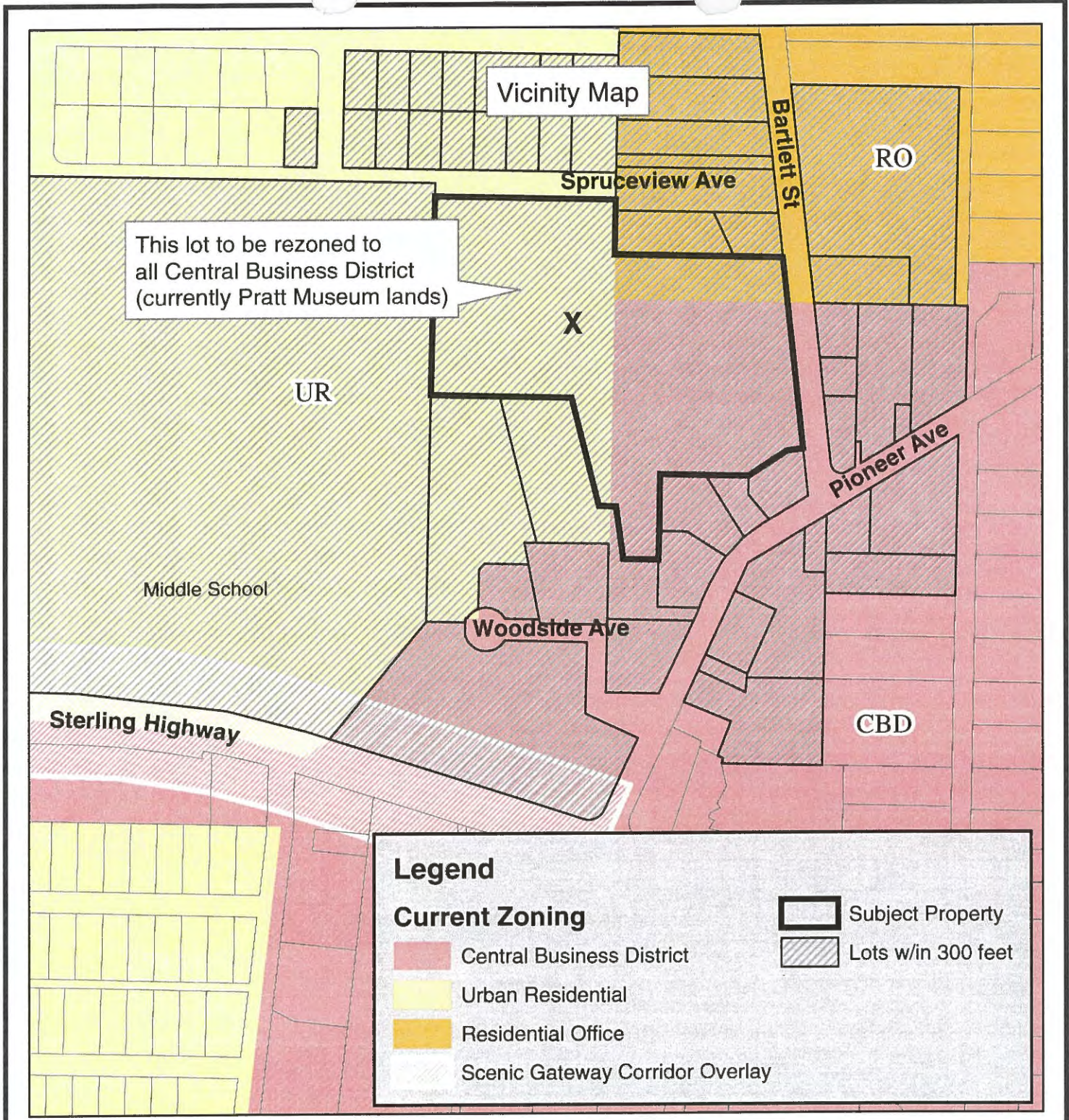
Anyone wishing to present testimony concerning this matter may do so at the meeting or by submitting a written statement to the Homer Advisory Planning Commission, 491 East Pioneer Avenue, Homer, Alaska 99603, by 4:00 p.m. on the day of the meeting.

The complete proposal is available for review at the City of Homer Planning and Zoning Office located at Homer City Hall. For additional information, please contact Rick Abboud at the Planning and Zoning Office, 235-3106.

NOTICE TO BE SENT TO PROPERTY OWNERS WITHIN 300 FEET OF PROPERTY.

.....

VICINITY MAP ON REVERSE



City of Homer
 Planning and Zoning Department

4/19/2016

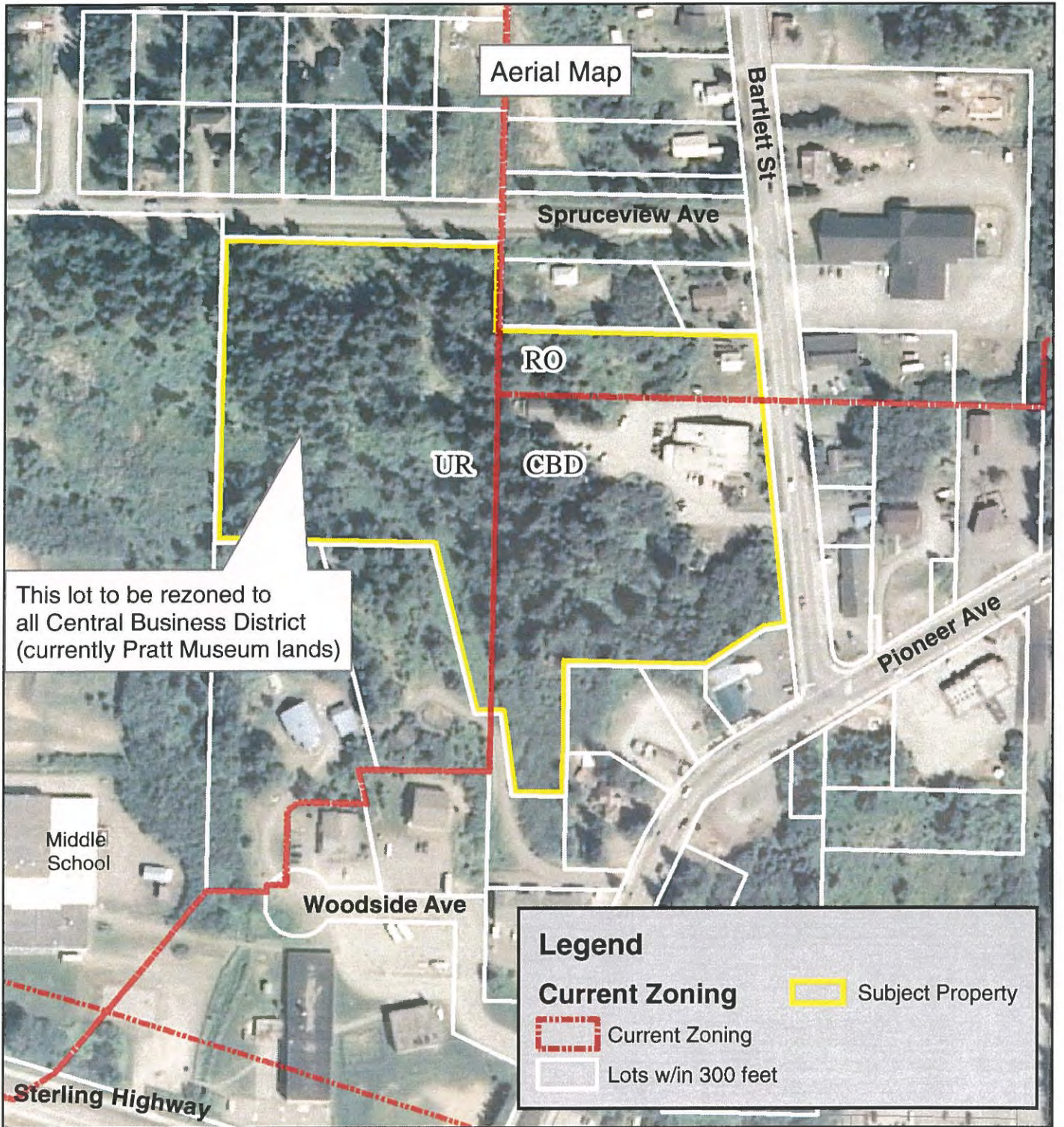
Request for Rezoning

Marked lots are w/in 300 feet and property owners notified.

300 150 0 300 Feet



Disclaimer:
 It is expressly understood the City of Homer, its council, board, departments, employees and agents are not responsible for any errors or omissions contained herein, or deductions, interpretations or conclusions drawn therefrom.



Legend

Current Zoning Current Zoning

Lots w/in 300 feet

Subject Property



City of Homer
 Planning and Zoning Department
 4/19/2016

Request for Rezoning



Disclaimer:
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Laydown 5/4/2016

ORDINANCE REFERENCE SHEET
2016 ORDINANCE
ORDINANCE 16-35

An Ordinance of the City Council of Homer, Alaska, Amending the FY 2016 Operating Budget by Authorizing the Expenditure of \$65,000 for the Purchase of Two Used Police Vehicles From the Police Fleet Reserves and Authorizing the City Manager to Execute the Appropriate Documents.

Sponsor: City Manager

1. Council Regular Meeting June 13, 2016 Introduction
 - a. Memorandum 16-104 from Police Lieutenant as backup
 - b. Photo of police cars

1. Council Regular Meeting June 27, 2016 Public Hearing and Second Reading
 - a. Memorandum 16-104 from Police Lieutenant as backup
 - b. Photo of police cars

**CITY OF HOMER
HOMER, ALASKA**

City Manager

ORDINANCE 16-35

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
AMENDING THE FY 2016 OPERATING BUDGET BY AUTHORIZING
THE EXPENDITURE OF \$65,000 FOR THE PURCHASE OF TWO
USED POLICE VEHICLES FROM THE POLICE FLEET RESERVES AND
AUTHORIZING THE CITY MANAGER TO EXECUTE THE
APPROPRIATE DOCUMENTS.

WHEREAS, Police officers put many miles on their vehicles and need to respond quickly to incidents which demands dependable and high functioning vehicles; and

WHEREAS, The department is currently operating two vehicles with over 150,000 miles and another five vehicles with over 100,000 miles on them; and

WHEREAS, Vehicles are often out of service for maintenance which is costly and compromises the officers' ability to respond to calls; and

WHEREAS, The Homer Police Department requested two new patrol vehicles in the 2016 capital budget cycle that were denied due to budget uncertainty; and

WHEREAS, An amount of \$85,000 was transferred into the Police Fleet Reserves account in the 2016 budget process to cover the anticipated and necessary future expense of vehicle replacement for the department; and

WHEREAS, The opportunity to purchase two used vehicles from the State of Alaska due to the dismantling of the Bureau of Highway Patrol Traffic Team is available if the City acts quickly; and

WHEREAS, Purchasing used vehicles and re-purposing existing equipment in the vehicles will allow the City to purchase the vehicles at substantial savings.

38 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

39

40 Section 1. The City Council hereby amends the FY 2016 Operating Budget by
41 appropriating \$65,000 from the Police Fleet Reserves for the purchase of two used patrol
42 vehicles.

43

44 Expenditure:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
152-0382	Two patrol vehicles	\$65,000

47

48 Section 3. This is a budget amendment ordinance, is temporary in nature, and shall
49 not be codified.

50

51 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA this ____ day of _____, 2016.

52

53 CITY OF HOMER

54

55

56

MARY E. WYTHE, MAYOR

57

58 ATTEST:

59

60

61 JO JOHNSON, MMC, CITY CLERK

62

63

64

65 YES:

66 NO:

67 ABSTAIN:

68 ABSENT:

69

70

71 First Reading:

72 Public Hearing:

73 Second Reading:

74 Effective Date:

75 Reviewed and approved as to form:

76

77 _____

78 Mary K. Koester, City Manager

79

80 Date: _____

81

82 Fiscal Note: \$65,000 from Police Fleet Reserves.

Holly C. Wells, City Attorney

Date: _____



City of Homer

www.cityofhomer-ak.gov

Police Department

4060 Heath Street
Homer, Alaska 99603

police@cityofhomer-ak.gov

(p) 907-235-3150

(f) 907-235-3151

Memorandum 16-104

TO: Katie Koester, City Manager
FROM: Will Hutt, Lieutenant
DATE: June 1, 2016
SUBJECT: Police Vehicle Purchase

We are requesting funds to purchase two used Ford Police Interceptor AWD vehicles. The Explorer purchased in 2014 is working out very well and is realizing much better fuel economy than our current four wheel drive vehicles. It is also realizing comparable mileage to the other sedans used by HPD while providing greater access to areas that are difficult or impossible to reach without four wheel drive. As vehicles need replacing, HPD has been replacing sedans with SUV's.

The extreme age of the current fleet requires that we start replacing the older vehicles. We are currently utilizing a 1998 model and a 2000 model which require expensive maintenance due to high mileage. Five vehicles in our fleet are more than 13 years old.

While researching the cost of 2016 year models I found two surplus SUV's through the State of Alaska DOT fleet program. These two vehicles are able to be procured at a price that is lower than the Explorer purchased by HPD in 2014; this is due to the dismantling of the State of Alaska Bureau of Highway Patrol traffic team. These two particular vehicles are part of the State surplus which enables the City to procure them at a reduced cost. A new SUV with the same police package will cost us \$29,000 through the state's contract for Ford police vehicles. They are the 2015 model with 2000+/- miles on them.

\$85,000 was transferred to the fleet reserves in the 2016 budget in anticipation of fleet replacement. Normally this expenditure would come as part of a mid-year budget amendment, however, we need to act quickly as this is a onetime opportunity.

We plan on outfitting the Explorers through Alaska Safety in Anchorage. Alaska Safety is the primary outfitter for most public safety agencies in Alaska. They have negotiated favorable contracts with all of the major suppliers of public safety equipment and offer the best pricing available. Due to the fact that we can utilize the radios, radar and TraCS Toughbook computer equipment from the old vehicles, we will realize a cost savings on the outfitting of each vehicle of approximately \$4,500.

We request Council authorization to purchase two aforementioned Ford Explorers with the police package from DOT fleet management program for \$25,000 each, and to outfit them through Alaska Safety for approximately \$7,500 each.



ORDINANCE(S)

CITY MANAGER'S REPORT



City of Homer

www.cityofhomer-ak.gov

Office of the City Manager

491 East Pioneer Avenue
Homer, Alaska 99603

citymanager@cityofhomer-ak.gov

(p) 907-235-8121 x2222

(f) 907-235-3148

Memorandum

TO: Mayor Wythe and Homer City Council
FROM: Katie Koester, City Manager
DATE: June 22, 2016
SUBJECT: City Manager's Report - June 27, 2016

Power Surge at Police and Fire Departments

On Tuesday evening the Fire Department and Police Station experienced power surges. While back-up systems at the Police Department protected major infrastructure, the Fire Department had damage to several systems. An electrician will assess final damage and facilitate repairs as soon as possible. However, in light of the pending building remodel/upgrade, an analysis of the cost of providing building-wide "surge" protection should be analyzed and included if budget allows. This incident highlights the need for major maintenance to protect our most critical infrastructure.

Updates from ADOT

On Tuesday, June 21st, Alaska Department of Transportation was in Homer to meet with City officials and held a public meeting on Lake Street and Pioneer Avenue improvements. I have attached materials from the public meeting but wanted to give Council a brief update on the projects that are important to our region and the City.

Pioneer Avenue

As Council is aware, improvements to Pioneer Avenue have been reduced to what DOT calls a '1R project' - pavement rehabilitation only. This means they will not be dealing with drainage or other issues that plague our main thoroughfare. When the project was being sold as a major rehabilitation, the City committed to taking over maintenance. When it was downgraded to pavement rehabilitation in 2014 Council passed Resolution 14-063(A) declining to take over maintenance of Pioneer without major drainage and right-of-way issues addressed. The project will improve the curb ramps to ADA standard, but not improve the actual sidewalks. This is a federal requirement but may leave some scratching their heads when the sidewalk in between the improved approaches is still in a state of disrepair that makes it difficult for people with mobility challenges. The pavement rehabilitation project is scheduled for construction in 2018.

DOT also brought up our contract with the State for maintaining Pioneer. We have been providing snow removal, sanding, and sweeping on Pioneer Avenue since the 90's under a contract with the State. It costs us more than the \$34,000 we receive from

the State for this contract (which has not increased since 1999), however, because it is our main thoroughfare and the community demands a higher level of service than DOT is willing to provide the City makes up the difference. DOT officials implied that they may not continue the contract with the City as they continue to experience operational cuts. I anticipate a time when we may have to let DOT take back over maintenance of Pioneer which will be problematic for businesses and residents as the level of service would be far inferior to what the City provides (less regular plowing and sanding, no plowing the sidewalks, etc.). I will be keeping a close eye on this and keep you in the loop as it has a great impact on the very heart of our town.

Lake Street

DOT is moving forward with comprehensive improvements to Lake Street. As a '3R' project, this will receive significantly more attention than Pioneer including drainage improvements and pedestrian amenities. The new paths and sidewalks will greatly improve the east side of Homer and tie into the City's Waddell Way improvements. Construction is expected to begin in 2018. See project fact sheet attached for more information.

Intersection of Sterling Highway and Main Street

DOT is currently in right-of-way acquisition for this intersection, which they anticipate taking up to two years. Best case scenario, construction will begin in 2018, however according to DOT 2019 is more likely.

SPARC and Parks and Recreation Powers

Kenai Peninsula Borough has expressed a desire early on to support the SPARC indoor recreational facility by allowing the structure to be constructed on Borough land. However, leasing the land for less than fair market value raised issues of conveying a public asset for a private purpose as well as the borough not having recreational powers within the city of Homer. It was proposed that the Kenai Peninsula Borough lease the land to the City of Homer which has recreational powers and the city in turn could sublet the property to SAH Soccer, Inc. (SAH). I was hesitant to endorse that approach as I was concerned about an additional layer of complication for the project. The Borough determined it would be more efficient and straightforward for the Kenai Peninsula Borough to assume a limited portion of the City's recreation powers for the purpose of leasing the borough land to the Soccer Association of Homer for an indoor facility. This would avoid dual approval processes and another layer of government in administering the lease over the next 20-30 years. The transfer of a power from a city to a second class borough is authorized by AS 29.25.010(7) and AS 29.35.310. The Kenai Peninsula Borough Assembly passed Ordinance 2016-20 on June 21st authorizing the lease to SPARC and accepting a transfer of limited recreational powers from the City of Homer for the sole purpose of the SPARC facility. The City of Homer will follow up with introduction of an ordinance at the July meeting transferring limited recreational powers to the Borough.

Financial Disclosure Form

With the passage of Ordinance 16-26, all elected officials and candidates will be required to fill out the attached form as a supplemental to Schedule B detailing business interests of immediate family members as defined in Homer City Code.

Process for Natural Gas HSAD Fine Abatement

Some Councilmembers have expressed a desire for the natural gas special assessment district fines to be waived for certain individuals under certain conditions. The City has received complaints that property owners did not receive their mail, had a death in the family, or they have been out of state and refuse to pay the penalties. In the rare instance (1) that staff can prove that the property owner did not receive notice, City error is an adequate reason to waive those fines. However, we are statutorily obligated to send mail to the address the Kenai Peninsula Borough has on record. Staff has struggled extensively with a recommendation that would allow a fine abatement process, remain fair, and not present a massive work load for staff – we have found no easy solution. The draft resolution attached is a first attempt to establish a procedure; however it has many deficiencies including:

- opening up the City to liability many years from now of someone claiming to have not received their mail and requesting abatement
- fine abatement has the potential to be perceived as arbitrary
- what about people (approximately 40) who have paid their fines but may have petitioned if they knew the opportunity was available?
- there is no way to prove that someone did not receive mail: It becomes a 'he said she said' debate with Council as arbitrator
- the more procedures and exceptions we add to the assessment, the more difficult it becomes for staff to administer. Right now it takes up at least half a position in Finance, more during billing cycles

I would like to discuss the draft resolution and get input from Council during Committee of the Whole, time permitting.

Enc:

Fact sheets from ADOT on Lake Street Rehabilitation and East End Road Pavement Preservation

KPB Ordinance 2016-20 and accompanying memo

Supplemental to Schedule B form for elected officials

Letter of non-objection for painting peonies on Pioneer

Draft letter objecting to KPB proposition to eliminate a dedicated seat for a City of Homer resident on the KPB Planning Commission

Draft resolution establishing a fine abatement procedure for the Natural Gas Special Assessment District



**ALASKA DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES**



FACT SHEET

**Homer Lake Street Rehabilitation
Project No: Z524610000**

Project Scope

The Alaska Department of Transportation and Public Facilities (DOT&PF), in cooperation with the Federal Highway Administration (FHWA), is proposing to rehabilitate Lake Street between the Sterling Highway and Pioneer Avenue/East End Road. The purpose of this project is to extend the service life of the roadway, improve pedestrian and bicycle facilities, and improve general safety and drainage. The proposed work will include:

- Rehabilitate 2,500 feet of pavement
- Widen the road to the west and add designated bike lanes to both sides of the road
- Improve the Sterling Hwy intersection
- Reconstruct curb/gutter and sidewalk on the east side of the road
- Re-establish existing ditches
- Improve drainage by replacing failing culverts
- Acquire Right-of-Way interests as needed
- Relocate utilities as needed



Current Status

This fall DOT&PF plans to begin the process of appraising property required for construction. The design process is ongoing and focusing on utility design and relocation.

Schedule

Construction is expected to begin in 2018, but is dependent upon completion of Right-of-Way acquisition, funding allocations, and obtaining permits. The next design review is scheduled for late Fall of this year.

For more information contact:

Carla Smith, P.E., Project Manager
DOT&PF, Highway Design Section
Tel: 907-269-0544
E-mail: carla.smith@alaska.gov

Breanna Mahoney, Environmental Impact Analyst
DOT&PF, Environmental Section
Tel: 907-269-0538
E-mail: breanna.mahoney@alaska.gov

Visit the project website, provide us your comments, and be added to the mailing list at:
<http://dot.alaska.gov/creq/hlsr/index.shtml>

The DOT&PF operates Federal Programs without regard to race, color, national origin, sex, age, or disability. Full Title VI Nondiscrimination Policy: dot.alaska.gov/tvl_statement.shtml. To file a complaint go to: dot.alaska.gov/cvirts/tilevi.shtml.

The DOT&PF complies with Title II of the Americans with Disabilities Act of 1990. Individuals with disabilities who may need auxiliary aids, services, and/or special modifications to participate in this public meeting should contact Jill Reese, 1-907-269-0772 or TDD number 711. Requests should be made at least 5 days before the accommodation is needed to make any necessary arrangements.

The Alaska Department of Transportation and Public Facilities oversees 249 airports, 11 ferries serving 35 communities, 5,619 miles of highway and 720 public facilities throughout the state of Alaska. The mission of the department is to "Keep Alaska Moving through service and infrastructure."

Updated 6/13/2015



FACT SHEET

HOMER: EAST END ROAD MP 5.5-12.6 PAVEMENT PRESERVATION

Project No. Z585140000/0414(014)

The Alaska Department of Transportation and Public Facilities (DOT&PF) is proposing to resurface approximately 7 miles of East End Road from MP 5.5 (Waterman Road) to MP 12.6 (McNeil Canyon Elementary School).

Project Scope

The purpose of this project is to eliminate ruts, extend the service life of the roadway, and reduce maintenance costs. The traveling public will receive the safety benefits of a rut-free pavement surface, new pavement markings, improved guardrail, and improved signage. This project will include the following:

- New asphalt pavement overlay
- Road structure improvements in select areas
- Road drainage improvements
- Improving or replacing guardrail and guardrail end treatments
- Improving or replacing signs and striping
- Vegetation clearing

Current Work

The project design is substantially complete and the project will be advertised for competitive construction bids, and constructed in conjunction with the Sterling Highway: Beluga Lake Dam Improvement project.

Schedule

Construction – anticipated start in spring of 2017.

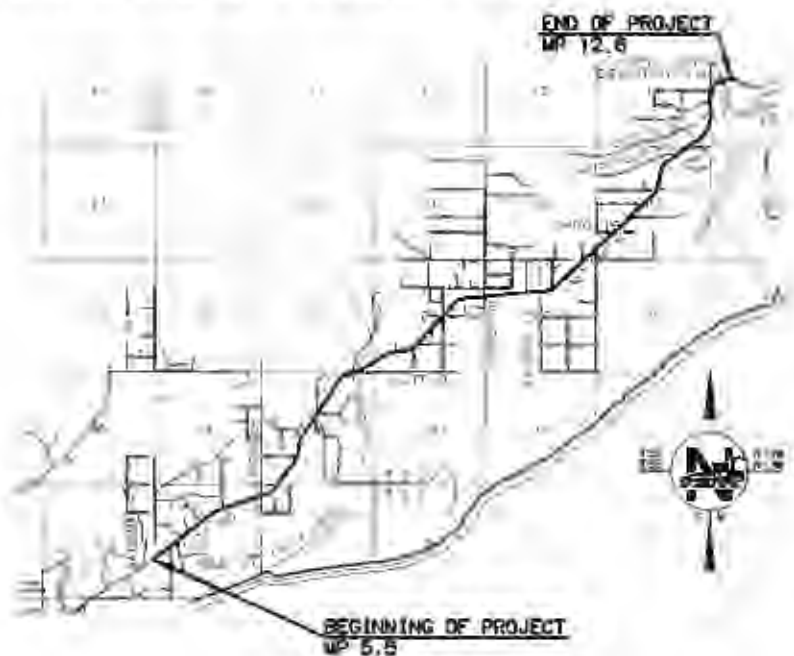
For more information

Please contact the project team with questions, concerns, comments, or compliments.

Project Team

Cynthia Ferguson, P.E.
Project Manager
DOT&PF
(907) 269-0589
cynthia.ferguson@alaska.gov

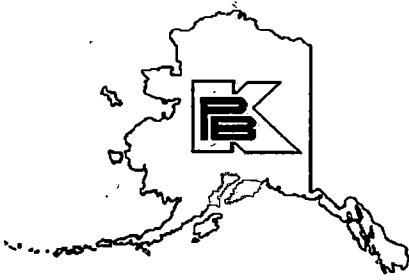
Lou Bassler, P.E.
Consultant Team Project Manager
WHPacific, Inc.
(907) 339-6518
lbassler@whpacific.com



The DOT&PF operates Federal Programs without regard to race, color, national origin, sex, age, or disability. Full Title VI Nondiscrimination Policy: dot.alaska.gov/tvl_statement.shtml. To file a complaint go to: dot.alaska.gov/civits/tllavi.shtml.

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KENAI PENINSULA BOROUGH

144 North Binkley St., Soldotna, Alaska 99669-7520
1-800-478-4441 • 907-714-2205 • Fax 907-714-2378
www.kpb.us/land • lmweb@kpb.us

MIKE NAVARRE
BOROUGH MAYOR

MEMORANDUM

TO: Blaine Gilman, Assembly President
Kenai Peninsula Borough Assembly Members

THRU: Mike Navarre, Mayor *MN*
Craig C. Chapman, Finance Director *CC*
Max Best, Planning Director *MB*

FROM: Marcus A. Mueller, Land Management Officer *MA*

CC: Sean Dusek, KPBSD Superintendent

DATE: May 26, 2016

SUBJECT: Ordinance 2016-20 An Ordinance Authorizing a Negotiated Lease at Less Than Fair Market Value to SAH Soccer, Inc., dba Soccer Association of Homer of Approximately 3.5 Acres of Borough Land Adjacent to the Homer Middle School for the Development, Management and Maintenance of a Year-Round Indoor Field aka "South Peninsula Athletic and Recreation Center"

The Kenai Peninsula Borough and Kenai Peninsula Borough School District were approached by the Soccer Association of Homer with an inquiry regarding allowing for the development of a year-round indoor field on land owned by the borough and partially integrated in the Homer Middle School campus. The resulting stakeholder process led to the proposal contained in the attached ordinance. This proposal involves platting a self-contained tract of land embracing an old softball field and leasing that parcel to the Soccer Association of Homer to implement their plan. The lease additionally provides permission for common use of the ingress, egress and parking area which serves the school and school grounds. The proposed term is 20 years with a 10-year renewal option at rate of \$1.00 per year.

The borough's leasing format approves specified use through approval of a development plan, therefore the plan documents referenced in the lease compose the scope of the uses that would be authorized by the lease, along with a provision that allows for development plans to be modified over time consistent with the nature of the original lease.

This lease will benefit the school district by making available an indoor recreational facility to the school district for school purposes during designated hours for a negotiated fee. Promoting wellness in the community is consistent with the Kenai Peninsula Hospital service area purposes. Upon termination of the lease valuable site improvements will remain on the parcel.

Your consideration of this ordinance is appreciated.

Introduced by: Mayor
Date: 06/07/16
Hearing: 06/21/16
Action:
Vote:

**KENAI PENINSULA BOROUGH
ORDINANCE 2016-20**

AN ORDINANCE AUTHORIZING A NEGOTIATED LEASE AT LESS THAN FAIR MARKET VALUE WITH SAH SOCCER, INC. DBA SOCCER ASSOCIATION OF HOMER OF APPROXIMATELY 3.5 ACRES OF BOROUGH LAND ADJACENT TO THE HOMER MIDDLE SCHOOL FOR THE DEVELOPMENT, MANAGEMENT AND MAINTENANCE OF A YEAR-ROUND INDOOR FIELD AKA “SOUTH PENINSULA ATHLETIC AND RECREATION CENTER”

WHEREAS, SAH Soccer, Inc. dba Soccer Association of Homer has developed a plan to establish an indoor athletic field termed the South Peninsula Athletic and Recreation Center (SPARC) within the City of Homer; and

WHEREAS, the City of Homer commissioned the 2015 Parks, Art, Recreation and Culture (PARC) Needs Assessment which identified space needs for year-round indoor activities, including those within the scope of the SPARC indoor field; and

WHEREAS, the Soccer Association of Homer has proposed to locate the SPARC indoor field adjacent to the Homer Middle School, repurposing a softball field area; and

WHEREAS, a proposal review process employed by borough and school district staff identified that a privately sponsored indoor field could be compatible and partially integrated with the school campus, while separate in its ownership, operation, and maintenance under a lease; and

WHEREAS, the Soccer Association of Homer has applied for a negotiated lease at less than fair market value and has commissioned a survey plat of an approximately 3.5 acre area proposed for lease for the purpose of the development, management and maintenance of an indoor field facility that would be open to the public through a standard operating program, available for school district use at agreed-upon times, with a priority to league soccer activities; and

WHEREAS, the City of Homer’s comprehensive plan Goal 5, Objective B, Implementation Item 3, supports establishment of a community recreation center; and

WHEREAS, the Kenai Peninsula Borough’s comprehensive plan Goal 4.10 Objective 2 Implementation Action B, provides support in planning for recreational use of borough land including by lease to private operators with provisions for public use; and

WHEREAS, the Kenai Peninsula Borough Board of Education at its regularly scheduled meeting of June 6, 2016 recommended _____; and

WHEREAS, the KPB Planning Commission at its regularly scheduled meeting of June 13, 2016 recommended _____;

NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULABOROUGH:

SECTION 1. Pursuant to KPB 17.10.100 (I) and 17.10.120 (D), the Assembly finds that leasing approximately 3.5 acres of borough land more particularly described in Section 2 below at less than fair market value to the Soccer Association of Homer for the development, management, and maintenance of an indoor field is in the best interest of the borough based on the following findings of fact:

The Soccer Association of Homer’s plan to construct, operate and maintain an indoor field would provide year-round recreation, health, and wellness opportunities to groups, including the general public, external to borough and school district operations and expense.

The Soccer Association of Homer’s plan is consistent with public interests expressed in the KPB Comprehensive Plan, City of Homer Comprehensive Plan and the 2015 Parks, Art, Recreation, and Culture Needs Assessment.

The Soccer Association of Homer’s plan at the subject location is compatible with other adjacent borough and school district uses.

The Soccer Association of Homer’s plan will benefit the school district by providing access at a negotiated rate to an indoor recreation facility for students throughout the school year; and

Repurposing of the infrequently-used/former softball field area to active year-round uses creates new opportunities for health and wellness in the community at large; and

Upon termination of the lease, the borough property will retain valuable site improvements provided by the Soccer Association of Homer.

SECTION 2. Subject land is described as follows:

An approximately 3.5 acre portion of Tract 1 Homer School 1999 City Addition, substantially as portrayed by the preliminary plat a copy of which is attached to this ordinance, subject to recording of final plat.

SECTION 3. That the Assembly makes an exception to KPB 17.10.090 requiring classification prior to disposal. This exception is based on the following findings of facts pursuant to KPB 17.10.230:

1. Special circumstances or conditions exist.
 - A. KPB 17.10.080(A) states classification of property is for review, plan implementation and management purposes. The classification system designates the most appropriate uses for land and thereby guides borough management of such lands and implementation actions to provide for the identified uses. Classification immediately prior to disposal of borough land that has been specified for a certain use does not accomplish these purposes.
 - B. The land use will be restricted by the terms of the lease.
 - C. The proposed lease will facilitate a land use consistent with the prior field uses.
 - D. The property is zoned by the City of Homer such that uses must conform to that zoning and applicable conditional use permitting processes.
2. That the exception is necessary for the preservation and enjoyment of a substantial property right and is the most practical manner of complying with the intent of this chapter.
 - A. This ordinance authorizes subject land to be leased to the Soccer Association of Homer on a non-competitive basis, at other than market value, pursuant to KPB 17.10.100(I) and 17.10.120(D). Classification will be redundant and not serve a useful purpose based on the findings of No. 1 above.
3. That the granting of the exception will not be detrimental to the public welfare or injurious to other property in the area.
 - A. The use of the subject land for indoor field purposes will benefit the public welfare and is consistent with prior field uses.
 - B. The land is suitable for the proposed use and is compatible with adjacent

land uses, subject also to city of Homer Zoning Codes.

SECTION 4. That the Assembly additionally makes an exception to KPB 17.10.110 requiring notice of a disposition of land. This exception is based on the following findings of facts pursuant to KPB 17.10.230:

1. Special circumstances or conditions exist.
 - A. The purpose of advertising, pursuant to KPB 17.10.110, is to notify the public of an opportunity to purchase or lease KPB land. However, because the authorization of this ordinance is for a sole source lease, advertising will not serve a useful purpose.
2. That the exception is necessary for the preservation and enjoyment of a substantial property right and is the most practical manner of complying with the intent of this chapter.
 - A. Making an exception to advertising, pursuant to KPB 17.10.110, will not affect any substantial property right as this is public land with previous seasonal field uses.
3. That the granting of the exception will not be detrimental to the public welfare or injurious to other property in the area.
 - A. Making an exception to advertising, pursuant to KPB 17.10.110, will not be detrimental or injurious to any public or private parties as leasing the subject land is suited for the development of a year-round field and is compatible with the surrounding land use and supported by other city of Homer planning and zoning processes.

SECTION 5. Based on the foregoing, after the final plat of the subject property is recorded, the mayor is hereby authorized, pursuant to KPB 17.10.100 (I) and 17.10.120 (D) to lease the land described in Section 2 above to SAH Soccer, Inc. dba Soccer Association of Homer for a term of 20 years with a 10-year renewal option at \$1/year. The Soccer Association of Homer shall be responsible for all surveying and platting costs. The authorization is for lease solely to the Soccer Association of Homer and it may not assign any rights to negotiate or enter an agreement for lease with any other person or entity without obtaining prior approval in accordance with the lease.

SECTION 6. That the mayor is authorized to execute a lease substantially similar to the one attached to this ordinance after the final plat to the subject property is recorded, and to sign any other documents necessary to effectuate this ordinance.

SECTION 7. That the Soccer Association of Homer shall have 365 days to execute the lease document from the effective date of this ordinance.

SECTION 8. That this ordinance shall take effect immediately upon its enactment.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS * DAY
OF * 2016.**

Blaine Gilman, Assembly President

ATTEST:

Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:

CITY OF HOMER
2015 PUBLIC OFFICIAL CONFLICT OF INTEREST DISCLOSURE STATEMENT
ELECTED OFFICIAL SCHEDULE B SUPPLEMENTAL

SCHEDULE B
BUSINESS INTERESTS

Pursuant to Homer City Code 1.18.043(a)(2) Elected Officials are required to file business interests of immediate family members. The definition of immediate family members is expanded in Schedule B Supplemental to include a wider range of family members.

Business Interests

If NONE reportable, check box ►

Report business interests even if they were **NOT** a source of income to family members to include a stepchild, a parent, step-parent, sibling, or grandparent of the elected official or a parent or sibling of the elected official's spouse during the reporting period. Include non-profit corporations, businesses, associations, professional trade groups and other non-profit organizations.

- List each business in which a stepchild of the elected official, a parent, step-parent, sibling, or grandparent of the elected official or a parent or sibling of the elected official's spouse was a partner, proprietor or employee during the reporting period.

► **Name of filer, to include a stepchild, a parent, step-parent, sibling, or grandparent of the elected official or a parent or sibling of the elected official's spouse:**

Business name: _____

Business address: _____

Nature of interest: _____

Description of business activity: _____

► **Name of filer, to include a stepchild, a parent, step-parent, sibling, or grandparent of the elected official or a parent or sibling of the elected official's spouse:**

Business name: _____

Business address: _____

Nature of interest: _____

Description of business activity: _____

CITY OF HOMER
2015 PUBLIC OFFICIAL CONFLICT OF INTEREST DISCLOSURE STATEMENT
ELECTED OFFICIAL SCHEDULE B SUPPLEMENTAL

SCHEDULE B
BUSINESS INTERESTS

► **Name of filer, to include a stepchild, a parent, step-parent, sibling, or grandparent of the elected official or a parent or sibling of the elected official's spouse:**

Business name: _____

Business address: _____

Nature of interest: _____

Description of business activity: _____

► **Name of filer, to include a stepchild, a parent, step-parent, sibling, or grandparent of the elected official or a parent or sibling of the elected official's spouse:**

Business name: _____

Business address: _____

Nature of interest: _____

Description of business activity: _____

► **Name of filer, to include a stepchild, a parent, step-parent, sibling, or grandparent of the elected official or a parent or sibling of the elected official's spouse:**

Business name: _____

Business address: _____

Nature of interest: _____

Description of business activity: _____

CITY OF HOMER
2015 PUBLIC OFFICIAL CONFLICT OF INTEREST DISCLOSURE STATEMENT
ELECTED OFFICIAL SCHEDULE B SUPPLEMENTAL

SCHEDULE B
BUSINESS INTERESTS

► **Name of filer, to include a stepchild, a parent, step-parent, sibling, or grandparent of the elected official or a parent or sibling of the elected official's spouse:**

Business name: _____

Business address: _____

Nature of interest: _____

Description of business activity: _____

► **Name of filer, to include a stepchild, a parent, step-parent, sibling, or grandparent of the elected official or a parent or sibling of the elected official's spouse:**

Business name: _____

Business address: _____

Nature of interest: _____

Description of business activity: _____

► **Name of filer, to include a stepchild, a parent, step-parent, sibling, or grandparent of the elected official or a parent or sibling of the elected official's spouse:**

Business name: _____

Business address: _____

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Description of business activity: _____

CITY OF HOMER
2015 PUBLIC OFFICIAL CONFLICT OF INTEREST DISCLOSURE STATEMENT
ELECTED OFFICIAL SCHEDULE B SUPPLEMENTAL

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► **Name of filer, to include a stepchild, a parent, step-parent, sibling, or grandparent of the elected official or a parent or sibling of the elected official's spouse:**

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Business address: _____

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Description of business activity: _____

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Business address: _____

Nature of interest: _____

Description of business activity: _____

CITY OF HOMER
2015 PUBLIC OFFICIAL CONFLICT OF INTEREST DISCLOSURE STATEMENT
ELECTED OFFICIAL SCHEDULE B SUPPLEMENTAL

SCHEDULE B
BUSINESS INTERESTS

► **Name of filer, to include a stepchild, a parent, step-parent, sibling, or grandparent of the elected official or a parent or sibling of the elected official's spouse:**

Business name: _____

Business address: _____

Nature of interest: _____

Description of business activity: _____

► **Name of filer, to include a stepchild, a parent, step-parent, sibling, or grandparent of the elected official or a parent or sibling of the elected official's spouse:**

Business name: _____

Business address: _____

Nature of interest: _____

Description of business activity: _____

► **Name of filer, to include a stepchild, a parent, step-parent, sibling, or grandparent of the elected official or a parent or sibling of the elected official's spouse:**

Business name: _____

Business address: _____

Nature of interest: _____

Description of business activity: _____



City of Homer

www.cityofhomer-ak.gov

Office of the City Manager

491 East Pioneer Avenue
Homer, Alaska 99603

citymanager@cityofhomer-ak.gov

(p) 907-235-8121 x2222

(f) 907-235-3148

June 16, 2016

Pioneer Avenue Revitalization Task Force

C/O Karin Marks and Asia Freeman

Delivered electronically

RE: City of Homer letter of non-objection to Pioneer Avenue demonstration pavement painting project

Dear Pioneer Avenue Revitalization Task Force members,

I am writing to provide the City of Homer's non-objection to your proposal for Kady Perry to paint a demonstration section of Pioneer Avenue sidewalk in front of Bay Realty as part of your Peonies on Pioneer effort.

The project has been described as enhancing pedestrian safety and making for a more robust and friendly experience for businesses along Pioneer Avenue. Kady cites that the painting will address a problem of a lack of marking on Pioneer Avenue's sidewalks indicating where to enter a business parking lot. We understand that the design will be a peony stencil which will be applied to the sidewalk, but will be blank where driveways cross the sidewalk to enter business parking lots.

When presented to City Council, concern was raised that eliminating the sidewalk paint where driveways cross the sidewalk is not a pedestrian safety measure. If the sidewalk design were to continue across driveways, then motorists would be cautioned to slow their speed when turning in, benefitting both pedestrian and motorist safety.

Thank you for your efforts to make Pioneer a more inviting and unique place. The City is supportive and excited about the community art element of this project. However, as conceived now, the City considers this a sidewalk art project, and should not be portrayed as a pedestrian safety measure. If the project progresses beyond the pilot phase, it would be great to make sure it achieves both goals: making Pioneer more attractive and safe for pedestrians.

Sincerely,

Katie Koester

City Manager

Cc: Danika Simpson, Right of Way Agent II
AK DOT&PF
P.O. Box 196900
Anchorage AK 99519-6900



City of Homer

www.cityofhomer-ak.gov

491 East Pioneer Avenue
Homer, Alaska 99603

(p) 907-235-8121

(f) 907-235-3140

Date: June 22, 2016

Blaine Gilman, Assembly President
Kenai Peninsula Borough Assembly Members
144 North Binkley Street
Soldotna, Alaska 99669

Re: Opposition to Ord. 16-25 to Reduce the Planning Commission Membership

The City of Homer opposes Ordinance 16-25 which if passed would reduce the size of the Kenai Peninsula Borough Planning Commission to nine members. We recognize the need to reduce the size of the commission, but combining communities that are geographically separated by water leaves some communities without proper representation.

The City of Homer and the City of Seldovia have vastly different economies, soils, topography and access. Combining Homer and Seldovia reduces oversight and does not provide adequate representation.

Thank you for your consideration.

Respectfully submitted,

Mary Beth Wythe, Mayor
City of Homer
491 E. Pioneer Avenue
Homer, AK 99603

Cc: Mayor Navarre and Kenai Peninsula Borough Assembly

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**CITY OF HOMER
HOMER, ALASKA**

RESOLUTION 16-xx

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HOMER, ALASKA, AUTHORIZING THE COUNCIL TO WAIVE FOR GOOD CAUSE THE PENALTY DUE ON SPECIAL ASSESSMENTS IN THE HOMER NATURAL GAS DISTRIBUTION SPECIAL ASSESSMENT DISTRICT THAT BECOME DELINQUENT ON OR BEFORE JULY 1, 2016, AND THAT ARE BROUGHT CURRENT ON OR BEFORE JULY 15, 2016 UNDER THE TERMS OF RESOLUTION 16-052.

WHEREAS, On May 9, 2016, the Council adopted Resolution 16-052, which permitted the reinstatement of delinquent assessments in the Homer Natural Gas Distribution Special Assessment District (“District”) that are brought current on or before July 1, 2016; and

WHEREAS, To bring a delinquent assessment current on or before July 1, 2016 under the terms of Resolution 16-052, a property owner must pay (i) the delinquent assessment installment plus a penalty of ten percent (10%) of the total assessment amount and interest on the total assessment amount at a rate of ten and one-half percent (10.5%) per annum, and (ii) the assessment installment that is due on July 1, 2016; and

WHEREAS, It has come to the attention of the Council that there may be circumstances constituting good cause for waiving the penalty that must be paid to bring a delinquent assessment current under the terms of Resolution 16-052; and

WHEREAS, The purpose of this resolution is to provide a procedure for the Council, upon application of the owner of property that is subject to a delinquent assessment in the District to waive the penalty that must be paid to bring a delinquent assessment current under the terms of Resolution 16-052.

NOW, THEREFORE, BE IT RESOLVED that the Council, upon application of the owner of property that is subject to a delinquent assessment in the District to waive the penalty that must be paid to bring a delinquent assessment current under the terms of Resolution 16-052, may waive the penalty for good cause under the following procedure.

1. On or before July 15, 2016, the owner of property that is subject to a delinquent assessment in the district must submit an application for penalty waiver to the Finance Director, stating the following:
 - a. The name and address of the property owner;
 - b. The Kenai Peninsula Borough tax parcel number for the property that is the subject of the delinquent assessment; and

46 c. A statement under oath of the facts and circumstances that constitute good
47 cause for the Council to waive the penalty.

48 2. The application shall be accompanied by a payment of the amount that is required
49 to bring the assessment current under the terms of Resolution 16-052, including the penalty that
50 Resolution 16-052 prescribes for that purpose.

51 3. For the purpose of this resolution, good cause for waiving the penalty includes,
52 without limitation, the following:

53 a. Proof that the property owner did not receive an assessment statement. It
54 shall be presumed that the property owner did not receive an assessment statement if the
55 City's records show that the assessment statement was mailed to an address that is not the
56 property owner's correct mailing address.

57 b. Proof that the property owner would qualify for an assessment deferment
58 under HCC 17.04.190, but did not apply for such a deferment.

59 c. Proof that the property owner died, or suffered a physical or mental
60 disability that substantially impaired the management of the property owner's affairs.

61 4. The Council will act on all waiver applications at its July 25, 2016 regular
62 meeting. If the Council grants a waiver application, the City will refund the waived penalty to
63 the property owner.

64 5. The granting of a waiver application does not waive any other penalty or payment
65 requirement with regard to a special assessment in the District.

66
67 PASSED AND ADOPTED by the Homer City Council on this ___ day of June 2016.

68
69 CITY OF HOMER

70
71

72
73 _____
74 MARY E. WYTHER, MAYOR

75 ATTEST:

76

77
78 _____
79 JO JOHNSON, MMC, CITY CLERK

80
81 Fiscal Note:

CITY ATTORNEY REPORT

COMMITTEE REPORTS

PENDING BUSINESS

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

3 City Manager/
4 Finance Director

5 **RESOLUTION 16-063**

6
7 A RESOLUTION OF THE HOMER CITY COUNCIL MAINTAINING THE
8 WATER AND SEWER FEES AT THE 2016 RATE AND UPDATING THE
9 HOMER FEE SCHEDULE ACCORDINGLY.

10
11 WHEREAS, Water and sewer utility services shall be reviewed annually and amended,
12 as necessary, to take effect as of July 1, 2016 with the first billing cycle to take effect following
13 July 1; and

14
15 WHEREAS, The Homer City Council reviewed the current rate model and
16 recommended no rate changes for the period of July 1, 2016 through June 30, 2017.

17
18 NOW, THEREFORE, BE IT RESOLVED by the City Council of Homer, Alaska, that the
19 water and sewer fees be maintained at the 2016 rate and the Homer Fee Schedule be updated
20 as follows:

21
22 WATER AND SEWER FEES:

23
24 Public Works - 235-3170
25 City Hall - 235-8121
26 Billing - 235-8121 x2240

27
28 (The following fees have been set by the following legislative enactment HCC Title 14, new fees set
29 forth in Resolution 14-060, Ordinance 13-30(A), Resolution 15-074(A-2), 13-048 (S-2)(A-3), Ordinance
30 11-43, Resolution 11-094(S), Resolution 11-062(A), Resolution 09-47(S)(A), Resolution 09-48(S)(A),
31 Resolution 07-119 (A), Resolution 07-120(A), Ordinance 06-62(A), Resolution 06-04, Resolution 05-125,
32 Resolution 05-122, Resolution 05-121(A), Resolution 05-09, Resolution 04-95, Resolution 04-94(S)(A),
33 Resolution 03-159, Resolution 02-80, Resolution 01-80(A), Resolution 00-123, Resolution 00-34,
34 Ordinance 00-02, Ordinance 97-17(A), amending the rates set forth in Ordinance 97-5(S)(A), with
35 amendments by Ordinance 97-7, Ordinance 97-13 and Ordinance 97-14).

36
37 A 15% admin. fee for replacement parts for water/sewer services, functions, pressure reducing valves,
38 sewer saddles, any Public Works Department stock item for resale to public.

39
40 Establishing service includes a one-time disconnect - \$75

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

43
44 Service calls, inspections and repairs during normal operating hours in excess of one hour labor:
45 actual labor costs by City plus equipment and materials.

46
47 Service calls, inspections and repairs after normal operating hours or on weekends/holidays: \$50
48 minimum plus equipment and materials or actual cost incurred by City, whichever is greater.

49

50 SEWER FEES:

51 Sewer Connection and Extension Permit Fee

52

53 Single Family \$255

54 Multi-Family/Commercial \$330

55

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

57

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

60

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

67

68 Commercial - Any user not defined as Residential.

69

70 Sewer Rate Schedule.

71

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

75

76

77

78

79

Rates

Table I

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

80
81

Rates

Table II

Sewer ONLY Customers	Sewer	
	Fees/Rate/Usage	Per Customer Per Month
Lift-Station Customer	\$0.0232/Gal	\$81.20
Non-Lift-Station Customer	\$0.0157/Gal	\$54.95
Monthly Service	\$5.00/customer/mo.	\$5.00
Pumping Fee (<i>If Applicable</i>)	\$7.75/customer/mo.	\$7.75
Assumption: Avg. Sewer Usage	3500 Gal/Mo.	

82 Customer classification definitions for determining sewer rates:

83

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

88

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

91

92 Sewer System Dischargers (Sewer ONLY customers): Customers who use sewer service only shall be
 93 charged a monthly fee of \$5 plus sewer usage fee based on assessed volume of 3,500 gallons per
 94 month multiplied by the applicable sewage rate (see Table II). Kachemak City Local Improvement

95 District (LID) members have contributed to the initial cost of the sewer treatment plant and the
96 collection system. For Kachemak City LID dischargers connected within the LID, the City of Homer
97 shall bill Kachemak City in one single bill at the Lift-Station Zone Rate of \$93.95 (\$81.20 +\$5 +\$7.75)
98 per month per customer. Kachemak City shall be responsible for payment to the City of Homer.
99

100 Domestic sewer service customers who use large quantities of City water in addition to their domestic
101 use shall be allowed, with the Public Works Director's approval, to install an additional water meter on
102 the domestic water use line for the purpose of metering and charging for domestic sewer system use.
103 Sewer system use will be billed monthly.
104

105 The City will allow, upon approval by Public Works and a permit from the Public Works Department, a
106 second water usage meter – called a seasonal sewer meter – for each customer that desires to
107 measure the flow of City water that is not discharged to the sewer system during the summer growing
108 season, June 15 through September 15. Rates noted above do not apply.
109

110 Seasonal Sewer Meter Fee is \$251.75.
111

112 WATER FEES:

113 Water Connection Fee
114

115 Single Family \$300

116 Multi-Family/Commercial \$375
117

118 Customer classification definitions for determining water connection and extension permit fees:
119

120 Single Family Residential – A unit providing housing for one household; with less than 25% of the
121 building area used for business or commercial purposes.
122

123 Multi-Family Residential- A building or lot occupied by more than one household: contained within
124 one building or several building within one complex. Examples of multi-family units includes
125 duplexes, four-plexes and up, apartments, condominiums, co-housing projects, and multiple
126 structures on one lot (where units are normally rented or occupied for longer than one month at a
127 time). Examples of units not considered as multi-family include hotels, motels, B&B's seasonal
128 rooms/cabins (where units are routinely rented or occupied for less than one month at a time.)
129

130 Commercial - Any user not defined as Residential.
131

132 Water Rate Schedule.

133

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

137

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

138

139 Customer classification definitions for determining water rates:

140

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

143

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

145

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

153

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

158

159

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161

162

163 Meter Size Deposits.

164

<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

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

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

176
177 PASSED AND ADOPTED by the City Council of Homer, Alaska, this 23rd day of May, 2016.

178
179 CITY OF HOMER

180
181
182
183 _____
MARY E. WYTHE, MAYOR

184 ATTEST:
185
186
187 _____
188 JO JOHNSON, MMC, CITY CLERK

189
190 Fiscal Note: Revenue amounts defined in CY2016 budget.

191

1 CITY OF HOMER
2 HOMER, ALASKA

3 City Manager/
4 Finance Director
5 Mayor

6 RESOLUTION 16-063(S-2)

7
8 A RESOLUTION OF THE HOMER CITY COUNCIL MAINTAINING THE
9 WATER AND SEWER FEES AT THE 2016 RATE AND **AMENDING**
10 **THE SEWER FEES FOR SEWER ONLY CUSTOMERS AND**
11 **KACHEMAK CITY CUSTOMERS AND** UPDATING THE HOMER FEE
12 SCHEDULE ACCORDINGLY.

13
14 WHEREAS, Water and sewer utility services shall be reviewed annually and amended,
15 as necessary, to take effect as of July 1, 2016 with the first billing cycle to take effect following
16 July 1; and

17
18 WHEREAS, The Homer City Council reviewed the current rate model and
19 recommended no rate changes **for water fees** for the period of July 1, 2016 through June 30,
20 2017; **and**

21
22 **WHEREAS, The Homer City Council reviewed the current rate model and**
23 **recommended amending the sewer fees for sewer only customers and Kachemak City**
24 **sewer only customers to a sewer usage fee based on assessed volume of 3,000 gallons**
25 **per month multiplied by the applicable sewage rate (see Table II).**

26
27 **WHEREAS, The Homer City Council recommended removing the \$5 monthly**
28 **service charge for Kachemak City customers and billing one \$5 monthly service charge**
29 **to cover all Kachemak City sewer customers, with Kachemak City being responsible for**
30 **payment to the City of Homer.**

31
32 NOW, THEREFORE, BE IT RESOLVED by the City Council of Homer, Alaska, that the
33 water and sewer fees be maintained at the 2016 rate **and the sewer fees for customers and**
34 **Kachemak City customers be amended** and the Homer Fee Schedule be updated as follows:

35
36 WATER AND SEWER FEES:

37
38 Public Works – 235-3170
39 City Hall – 235-8121
40 Billing – 235-8121 x2240

42 (The following fees have been set by the following legislative enactment HCC Title 14, new fees set
43 forth in Resolution 14-060, Ordinance 13-30(A), Resolution 15-074(A-2), 13-048 (S-2)(A-3), Ordinance
44 11-43, Resolution 11-094(S), Resolution 11-062(A), Resolution 09-47(S)(A), Resolution 09-48(S)(A),
45 Resolution 07-119 (A), Resolution 07-120(A), Ordinance 06-62(A), Resolution 06-04, Resolution 05-125,
46 Resolution 05-122, Resolution 05-121(A), Resolution 05-09, Resolution 04-95, Resolution 04-94(S)(A),
47 Resolution 03-159, Resolution 02-80, Resolution 01-80(A), Resolution 00-123, Resolution 00-34,
48 Ordinance 00-02, Ordinance 97-17(A), amending the rates set forth in Ordinance 97-5(S)(A), with
49 amendments by Ordinance 97-7, Ordinance 97-13 and Ordinance 97-14).

50

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

53

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

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

57

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

60

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

63

64 SEWER FEES:

65 Sewer Connection and Extension Permit Fee

66

67 Single Family \$255

68 Multi-Family/Commercial \$330

69

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

71

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

74

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

81

82 Commercial – Any user not defined as Residential.

83

84 Sewer Rate Schedule.

85

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

89

90

Rates

Table I

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

91

92

Rates

Table II

Sewer ONLY Customers	Sewer	
	Fees/Rate/Usage	Per Customer Per Month
Lift-Station Customer	\$0.0232/Gal	\$81.20 \$69.60
Non-Lift-Station Customer	\$0.0157/Gal	\$54.95
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 (If Applicable)	\$7.75/customer/mo.	\$7.75
Assumption: Avg. Sewer Usage	3500 3000 Gal/Mo.	

93 Customer classification definitions for determining sewer rates:

94

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

99

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

102 Sewer System Dischargers (Sewer ONLY customers): Customers who use sewer service only shall be
103 charged a monthly fee of \$5 plus sewer usage fee based on assessed volume of ~~3,500~~ **3,000** gallons per
104 month multiplied by the applicable sewage rate (see Table II). Kachemak City Local Improvement
105 District (LID) members have contributed to the initial cost of the sewer treatment plant and the
106 collection system. For Kachemak City LID dischargers connected within the LID, the City of Homer
107 shall bill Kachemak City in one single bill at the Lift-Station Zone Rate of ~~\$93.95~~ ~~\$88.95~~ ~~\$77.35~~
108 (~~\$81.20~~ ~~+\$5~~ **69.60**+\$7.75) per month per customer. Kachemak City shall **be billed a \$5 monthly**
109 **service charge to cover all Kachemak City sewer customers and shall** be responsible for payment
110 to the City of Homer.

111

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

116

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

121

122 Seasonal Sewer Meter Fee is \$251.75.

123

124 WATER FEES:

125 Water Connection Fee

126

127 Single Family \$300

128 Multi-Family/Commercial \$375

129

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

131

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

134
 135 Multi-Family Residential- A building or lot occupied by more than one household: contained within
 136 one building or several building within one complex. Examples of multi-family units includes
 137 duplexes, four-plexes and up, apartments, condominiums, co-housing projects, and multiple
 138 structures on one lot (where units are normally rented or occupied for longer than one month at a
 139 time). Examples of units not considered as multi-family include hotels, motels, B&B’s seasonal
 140 rooms/cabins (where units are routinely rented or occupied for less than one month at a time.)

141
 142 Commercial - Any user not defined as Residential.

143
 144 Water Rate Schedule.

145
 146 All water utility services shall be billed according to the following schedule. This schedule is for
 147 monthly water service and is in addition to any charges for connecting or disconnecting the service,
 148 installation of the service or any assessment of the improvements.

149

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

150
 151 Customer classification definitions for determining water rates:

152
 153 Bulk Water Customers: The bulk water customers are the resellers of water or water users who
 154 purchase water from the water plant directly and are not in the metered water distribution system.

155
 156 Non-Bulk Customers: All customers who receive water from the metered water distribution system.

157
 158 Multi-Units: An additional \$5 monthly charge shall apply to each of the units of a building or lot
 159 occupied by more than one household or commercial entity contained within one building or several
 160 buildings within one complex. Examples of multi-family units include duplexes, four-plexes and up,
 161 apartments, condominiums, co-housing projects, and multiple structures on one lot (where units are
 162 normally rented or occupied for longer than one month at a time). Examples of units not considered

163 as multi-family include hotels, motels, and B&B's seasonal rooms/cabins (where units are routinely
164 rented or occupied for less than one month at a time.)

165
166 This fee applies to all multi-unit structures defined in the sewer section of this for apartments, rental
167 units or multi-unit buildings where each unit would have one or more restrooms and are intended to
168 be rented on a monthly basis where there is only one meter installed, excluding a rental building
169 restroom used for shared or public use.

170
171 Meter Size Deposits.

<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

173
174 \$750 meter deposit shall apply to metered fire hydrant connections. The deposit will be returned
175 when the meter is returned undamaged. This deposit may be waived upon the recommendation of
176 the Public Works Superintendent.

177
178 If a bulk water customer purchases a meter from the City for measuring the quantity of water
179 purchased, it shall be exempt from the monthly meter service charge. It is the responsibility of the
180 bulk water customer to maintain that meter so the City can accurately determine the amount of water
181 being purchased. In the event the meter fails, it is the bulk water customer's responsibility, at its
182 expense, to repair it or purchase a replacement meter from the City. The City may at any time test the
183 meter for accuracy.

184
185 PASSED AND ADOPTED by the City Council of Homer, Alaska, this _____ day of
186 _____, 2016.

187
188 CITY OF HOMER
189
190
191 _____
192 MARY E. WYTHE, MAYOR
193
194

195 ATTEST:

196

197

198 _____

199 JO JOHNSON, MMC, CITY CLERK

200

201 ~~Fiscal Note: Reducing gallon multiplier to 3,000 results in \$17,000 less for sewer revenue.~~
202 ~~Dropping \$5 service charge per Kachemak City sewer customer results in \$6,720 less revenue~~
203 ~~(113 customers @ \$5).~~

204 **Fiscal Note: Reducing the per gallon multiplier from 3,500 to 3,000 for all sewer only**
205 **customers results in \$18,514 less for sewer revenue. Dropping the \$5 service charge for**
206 **Kachemak City sewer customers results in \$6,720 less revenue (currently there are 113**
207 **Kachemak City customers and approximately 20 other sewer only customers in City**
208 **limits).**



City of Homer

www.cityofhomer-ak.gov

Office of the City Manager

491 East Pioneer Avenue

Homer, Alaska 99603

citymanager@cityofhomer-ak.gov

(p) 907-235-8121 x2222

(f) 907-235-3148

Memorandum 16-093

TO: Honorable Mayor Wythe and Homer City Council
FROM: Katie Koester, City Manager
DATE: May 23, 2016
SUBJECT: Resolution 16-063: Water Sewer Rates

The purpose of this memo is to provide information on average residential water usage in 2015 for Council's consideration of Resolution 16-063, setting water and sewer rates for July 1, 2016 through June 30, 2017.

- City of Homer had approximately 265 residential customers who consume less than 1000 gallons per month in 2015.
- 1034 residential customers consume between 1000 to 10000 gallons per month, with an average of 2976 gallons per month.
- Among the above 1034 customers, 667 of them consume between 2000 to 8000 gallons per month, on average of 3556 gallons per month.



City of Homer

www.cityofhomer-ak.gov

Office of the City Manager

491 East Pioneer Avenue
Homer, Alaska 99603

citymanager@cityofhomer-ak.gov

(p) 907-235-8121 x2222

(f) 907-235-3148

Memorandum 16-107

TO: Honorable Mayor Wythe and Homer City Council
FROM: Katie Koester, City Manager
DATE: June 8, 2016
SUBJECT: Resolution 16-063: Water Sewer Rates

The purpose of this memo is to provide information on sewer rates in Kachemak City for Council's consideration of Resolution 16-063, setting water and sewer rates for July 1, 2016 through June 30, 2017.

How much water does the average residential Homer customer use? 3,000 gallons a month (after removing low usage outliers)

- City of Homer had approximately 265 residential customers who consume less than 1,000 gallons per month in 2015.
- 1,034 residential customers consume between 1,000 to 10,000 gallons per month, with an average of 2,976 gallons per month.
- Among the above 1,034 customers, 667 of them consume between 2,000 to 8,000 gallons per month, on average of 3,556 gallons per month.

Right now the City of Homer bills Kachemak City as if each customer uses 3,500 gallons of water. Kachemak City has argued that their users are more conservative than this average given that households, for the most part, use hauled water.

How much would the system lose if we reduced the per gallon charge to Kachemak City Households to 3,000 gallons? \$17,000

Excluding customers who consume on average less than 1,000 gallons per month (such as seasonal households), the average residential water usage in Homer is approximately 3,000 gallons per month. If Resolution 16-063 reduces the average water usage number for Kachemak City to 3,000 gallons, it will reduce revenue to the Sewer system by \$17,000. There are 1,774 billed customers (excluding non-metered Kachemak City residents).^{*} If you were to spread the \$17,000 equally among those users, it would be a cost of just under \$10 annually per billed customer, or just over a 1% increase in sewer rates. However, there is a surplus in the utility fund for 2015, though it is 50% under target that Council set last year for sewer reserves.

Does Kachemak City pay City of Homer sales tax? No – but they may be required to in the future.

The City of Homer bills Kachemak City in one lump sum for non-metered customers. In turn, Kachemak City bills each customer and collects KPB sales tax. We bill metered customers (17) directly, but also do not charge City of Homer sales tax. This is based on advice from the Borough that sales tax is charged where the service is rendered. As you may recall from the presentation from Larry Persily with the Borough, this part of tax code – how to charge sales tax when a service is multi-jurisdictional, is very confusing. The Borough Administration is including clarification to that part of code as part of their tax code clean up. Under the proposed language, if the work is performed in two different jurisdictions (the sewer is pumped in Kachemak City but treated in Homer, for example), 100% of the transaction is taxable at the service provider's place of business. For those 17 customers that are metered and we bill directly, we could charge sales tax after the tax code clean up takes effect.

It is more complicated for the approximately 113 customers we bill Kachemak City for as a group, as no sales tax is charged for government to government transactions. However, Kachemak City could include a City of Homer sales tax on the individual invoices it sends out to customers (currently they only include KPB sales tax). Charging City of Homer sales tax to these customers would result in a little over \$5,000 a year in increased sales tax revenue for the City of Homer.

*There are 1,774 “billed” sewer customers which includes Kachemak City. Kachemak City consists of 113 customers served right now. So, 1,774 billed customers, 1,886 served customers.

Operating Revenues & Expenses - Utility Fund

	<u>FY 15 Budget</u>	<u>FY 15 Actual ¹</u> <u>(Adjusted ²)</u>
Water		
Meter Sales	1,884,037	1,810,140 ²
Other Revenue	40,435	57,591
Hydrant Transfer	174,101	174,101
<u>Water Fund - Total Revenue</u>	<u>2,098,573</u>	<u>2,041,832</u>
Salaries, Wages & Benefits	873,625	892,508
Non-Personnel	1,024,637	965,104
<u>Water Fund - Total Expenses</u>	<u>1,898,262</u>	<u>1,857,611</u>
<u>Revenues over Expenses</u>	<u>200,315</u>	<u>184,221</u>
Sewer		
Meter Sales	1,684,012	1,591,912
Other Revenue	11,500	26,682
<u>Water Fund - Total Revenue</u>	<u>1,695,512</u>	<u>1,618,595</u>
Salaries, Wages & Benefits	719,056	699,470
Non-Personnel	785,605	840,006 ²
<u>Water Fund - Total Expenses</u>	<u>1,504,662</u>	<u>1,539,476</u>
<u>Revenues over Expenses</u>	<u>190,850</u>	<u>79,118</u>
<u>Utility Fund Total (Operating Only)</u>	<u>391,165</u> ³	<u>263,339</u> ⁴

¹ Unaudited (Independent Audit will be finalized at the end of June, 2016)

² Adjustment due to Changes made in Sewer Treatment Plant

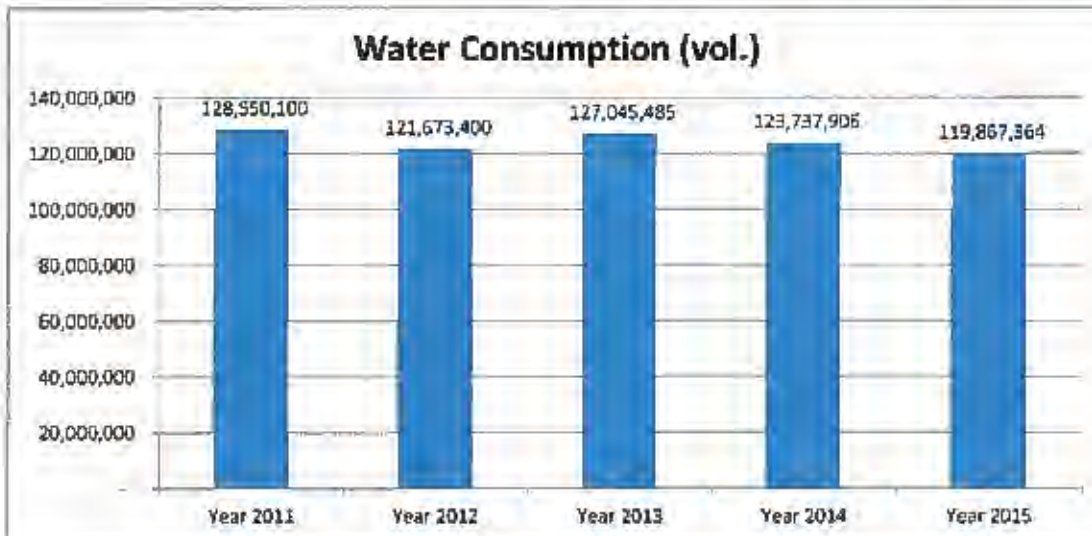
³ 'Budget Surplus' Target (ref. 2015 Budget pages 13, 114, & 117)

⁴ 'Budget Surplus' Actual

ANNUAL

Water Consumption

By Year	<u>Year 2011</u>	<u>Year 2012</u>	<u>Year 2013</u>	<u>Year 2014</u>	<u>Year 2015</u>
Water (vol.)	128,550,100	121,673,400	127,045,485	123,926,274	132,291,300
Operational Adj.			0	(2,188,366)	(12,423,936)
Water (vol.) after adj.	128,550,100	121,673,400	127,045,485	123,737,906	119,867,364



<u>Month\Year</u>	<u>Year 2013</u>	<u>Year 2014</u>	<u>Year 2015</u>
Jan	8,880,000	9,791,300	8,707,532
Feb	8,114,400	8,993,800	8,031,896
Mar	7,770,300	7,890,301	7,482,160
Apr	8,469,500	8,915,106	9,578,452
May	11,317,600	11,328,902	9,481,952
Jun	11,966,285	11,264,103	12,815,584
Jul	17,546,000	14,007,700	12,686,496
Aug	16,819,000	13,544,818	14,402,524
Sep	11,790,700	13,092,528	12,833,256
Oct	7,555,200	8,940,335	7,773,532
Nov	9,218,800	8,854,336	7,649,316
Dec	7,597,700	7,114,677	8,424,564
	<u>127,045,485</u>	<u>123,737,906</u>	<u>119,867,364</u>
		<u>-2.6%</u>	<u>-3.1%</u>



City of Homer

sewer revenues are project to decrease (compared to last year's budget) by \$230,629 or -12.0 %. The good news is that although we predict a slight decrease in water and sewer revenues overall compared to last year's budget, revenues appear to be stable, they are up over last year, and we are getting more experience with how the new rate model is working.

The most significant and positive changes are on the expenditure side. Operating expenses for water decrease by -3.5% to \$1,979,379 in this budget. Operating expenses for sewer decrease by -10.3% to \$1,574,471. The budget includes the minimum required contribution of \$200,000 to depreciation; \$100,000 for water and \$100,000 for sewer. There is a surplus of revenues over expenditures of \$391,167. This is something we have not seen for many years. This surplus could be transferred into depreciation and fleet accounts which I would recommend. Council may hear calls to reduce rates because of this but we would recommend keeping the fees the same for now given the relative newness of the rate structure and continued uncertainties regarding future revenue fluctuations.

There are a number of reasons for the reduction in expenditures. First of all, the Superintendent has been very frugal and should be commended. You will see many cuts to budget line items as you work your way through the budget. In addition to this, there are three additional factors that are very important. As noted earlier, labor costs have been reallocated between Water and Sewer and the Public Works Department which has resulted in reduced labor costs of approximately \$140,000. The recommended change in health insurance would result in fringe benefit cost savings of about \$65,000. Finally, budget changes and the new overhead allocation formula have resulted in a decrease in payments to the General Fund well in excess of \$200,000. This is all very positive news and makes for a much healthier profile for the Water and Sewer Special Revenue Fund.

The adopted budget contains a number of capital expenditures which will come out of depreciation and fleet reserve accounts. These expenditures include a mid-sized pick-up truck, sandblasting and painting fire hydrants, raw water pump replacements, paving at the water treatment plant, rehabilitation of clarifier skimmers, and lift station safety hatches.

Policy Considerations

- **Increasing Customers:** This has been discussed many times before. One of the fundamental flaws that needs to be addressed is that we have an expensive and expansive treatment, collection and distribution infrastructure and very few customers to pay for maintenance and operations. There are many ideas for increasing the customer base from increasing density, to expanding the system to the rest of the city, to identifying new buyers for bulk water. All of these ideas should be explored further.

Respectfully Submitted,



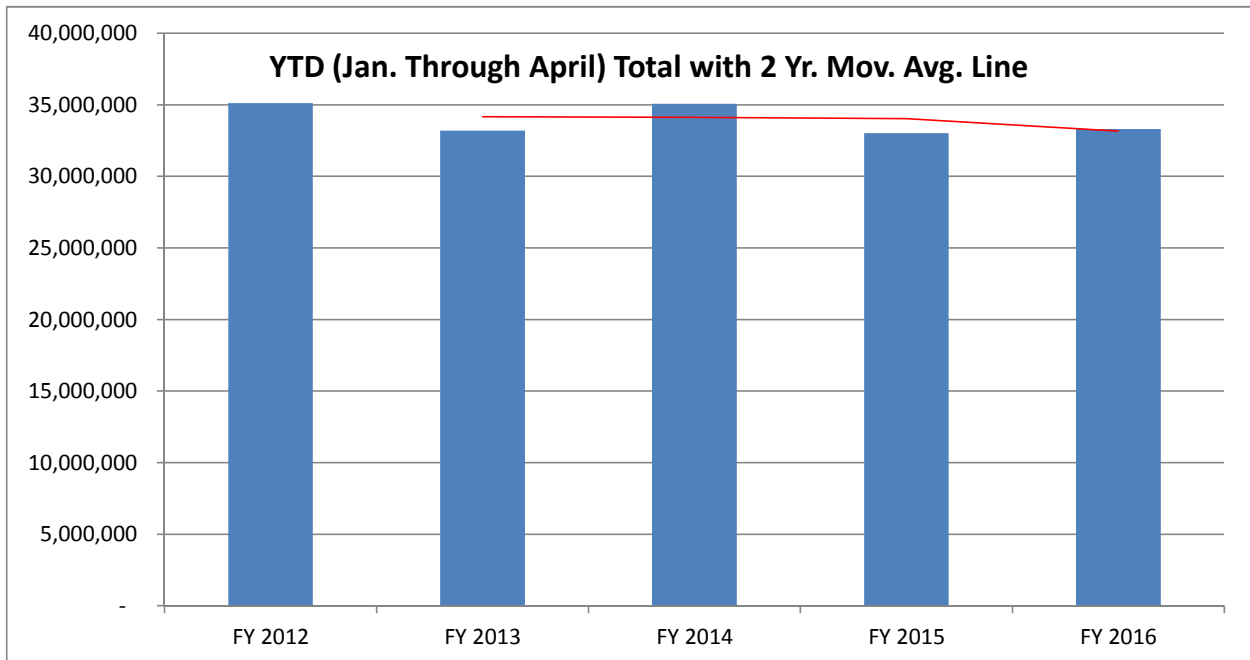
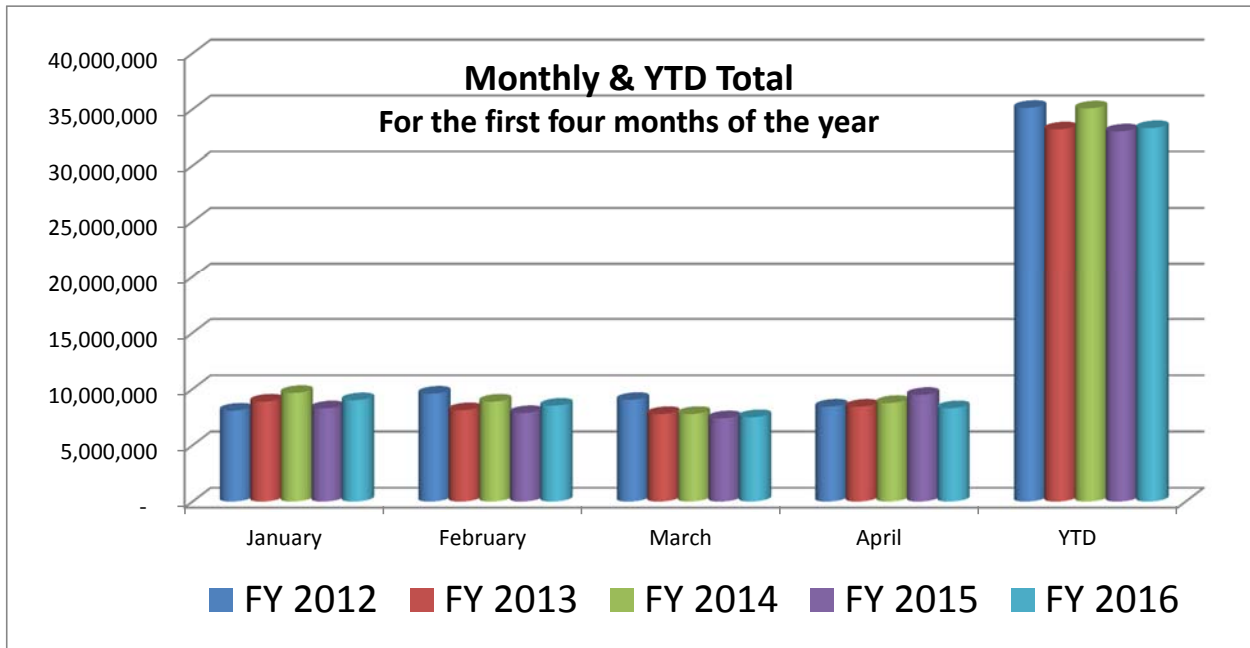
Walt Wrede

City Manager

Budget Message

YEAR TO DATE Water Consumption (Gallons)

Yr.\Mo.	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>YTD</u>
FY 2012	8,077,200	9,584,200	9,027,400	8,431,100	35,119,900
FY 2013	8,880,000	8,114,400	7,770,300	8,429,500	33,194,200
FY 2014	9,648,900	8,878,200	7,779,801	8,763,906	35,070,807
FY 2015	8,280,300	7,862,200	7,399,200	9,471,700	33,013,400
FY 2016	9,005,200	8,511,100	7,498,300	8,293,400	33,308,000



KACHEMAK, ALASKA

P.O. BOX 958, (VIA) HOMER, ALASKA 99603

PH. (907) 235-8897 FAX (907)235-8854

kachemak@xyz.net

June 3, 2016

Mayor and Homer City Council Members
491 E Pioneer Avenue
Homer, AK 99603

Dear Mayor Wythe and Council Members:

The City of Kachemak is pleased that Mayor Wythe wants more information before approving the "status quo" sewer rate resolution. Kachemak feels that we have been paying more than our fair share for many years.

A brief history: Kachemak and Homer entered into a cooperative agreement in 1987 to upgrade Homer's sewer system and extend the sewer line to approximately 121 properties in the City of Kachemak. Kachemak paid Homer for a share of the joint facilities plan (\$21,000), a zone connection fee (\$145,833), 10.87% of improvements to Homer's treatment facilities required by the State and EPA (\$242,784), 17.96% of Homer's treatment facilities required to provide additional capacity (\$160,000), and other substantial charges totaling more than \$569,000 to "buy-in" to the Homer system. In addition, Kachemak paid for 100% of the sewer extension to Kachemak properties. This extension also allowed properties in the City of Homer to hook up to sewer with no assessment or reimbursement to Kachemak for the cost of the extension (Church of Christ, Glacier Building, Spencer Drive properties, etc.).

Kachemak's initial system included a two-part cement septic tank with the outlet flowing to the lift station in front of the Kachemak Community Center. The effluent then goes into a pressure line and is sent to the Homer Wastewater Treatment Plant. This design was supposed to be easier on lift stations as only liquids were going through the stations. Our tanks are pumped every three years by a contractor and our customers pay extra (\$7.75/month) for this service. When East Road was reconstructed several years ago, properties were connected in both Homer and Kachemak and those properties no longer have septic tanks, rather, all wastewater is put into the system and runs through the lift station at the Community Center. Properties on Kachemak Drive also use this lift station.

When the system was constructed in 1990, the average household in Kachemak had 3.38 people, and it was decided that 3,400 gallons of wastewater per month was a fair number. Now the average household is 2.0 and Kachemak thinks the monthly usage should be reduced accordingly. (These numbers are from the 1990 and 2010 Census). We did a survey with records from the water company for 56 sewer users and it showed that the average usage of the households in Kachemak was around 2,069 gallons a month. Also, it should be noted that

in 2013 the average residential water/sewer bill in Homer was billed at about 3,000 gallons a month. Most of the households in Kachemak use delivered water and it costs about 6 cents a gallon; people tend to be more conservative when they are paying that much for water. (For comparison purposes: 3,000 gallons of water in the City of Homer costs about \$33. Water delivered in Kachemak costs about .057/gallon, so 3,000 gallons of water costs about \$171).

Kachemak applauds having a rate model for sewer fees, however we were never notified about this study. When it came up to Homer's Council for adoption in 2013, we feel Kachemak's concerns were never addressed. Our concerns then and now are:

- Water usage is less in Kachemak than we are getting billed for (presently 3,500 gallons/month household)
- \$5 random customer charge for Kachemak Sewer Customers
- Kachemak pays Homer monthly for all un-metered sewer usage. One bill is sent from Homer to Kachemak and one check is written to Homer. This is a substantial savings to Homer as they don't send out 115 separate bills and then have to process 115 different payments. Also, Homer has no uncollectible fees on Kachemak's sewer. However, since Kachemak has no way of turning off the sewer, we have several bad debts and incur legal fees trying to collect these past due fees.
- Lift station customers are paying all the costs of the I & I that go through the lift stations. These costs are system costs and should be spread out through the system, not just to lift station customers.

We appreciate you looking into the sewer usage fees. We hope this history of cooperation between Homer and Kachemak will be useful. I have attached the 1987 Memo of Understanding, 2014 Intergovernmental Agreement, and minutes from our July 18, 2013 meeting where the sewer rates were discussed at length. If you have any questions please feel free to call or email me.

Sincerely,



Helyn I. Schoepke
City Clerk

Attachments: 1987 MOU, 2014 IGA
July 19, 2013 minutes

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY OF KACHEMAK AND THE CITY OF HOMER
FOR AN
INTEGRATED WASTEWATER SYSTEM

This Memorandum of Understanding between the Kachemak City Council and the Homer City Council sets forth the basis for development of an Intergovernmental Agreement between the two cities, providing for a joint wastewater collection and treatment system serving both communities.

BACKGROUND

The City of Homer is currently expanding and improving its wastewater treatment and outfall facilities. Some of these improvements are funded and underway. Other improvements are in the planning stages and funding is needed to cover the capital cost of design and construction. Homer will benefit from this joint agreement by receiving 1) additional financial support from Kachemak for the planned expansion and 2) an expanded customer base providing economies of scale for it's sewer utility operation.

Kachemak City does not have sewer service and its residents rely upon on site disposal of domestic wastewater. Problems exist with the continued use of on site systems and a community sewer system is needed to eliminate these problems. Kachemak will benefit from the joint agreement by providing the needed community sewer system in the most economical way possible.

Consummation of an Intergovernmental Agreement will provide:

1. A COMBINED EFFORT WITH KACHEMAK AND HOMER ACTING JOINTLY, INCREASING THE POLITICAL IMPACT OF LOBBYING FOR FINANCIAL ASSISTANCE AND AGENCY SUPPORT FOR THE PROPOSED EXPANSION OF WASTEWATER IMPROVEMENTS SERVING BOTH COMMUNITIES.

Speaking with a combined voice will clearly enhance the probability of securing legislative appropriations and/or State and Federal Grants-in-Aid needed for construction of Homer's planned "Wastewater Treatment Plant Expansion". The show of unity and desire to solve a common problem will also have a positive effect on the Alaska Department of Environmental Conservation (ADEC), the Environmental Protection Agency (EPA) and other regulatory agencies; particularly from the standpoint of a single wastewater plant and ocean discharge. This positive effect will improve coordination and facilitate the review and approval of submittals to the key agencies.

2. A SINGLE OPERATING ENTITY FOR WASTEWATER COLLECTION, TRANSPORT, TREATMENT AND DISPOSAL. THE MOST ECONOMICAL AND ENVIRONMENTALLY SOUND SOLUTION FOR ALL RESIDENCES OF KACHEMAK AND HOMER.

A single operating entity offers advantages for both cities. Homer currently operates a wastewater utility and has the capability to furnish this service on an expanded basis. Expansion of the customer base served by Homer will allow greater utilization of the specialized equipment and staff supporting the existing utility, providing a more economic and efficient operation. Kachemak City benefits by eliminating the need to develop a duplicate operating organization.

BASIS OF AGREEMENT

This Memorandum of Understanding and the forthcoming Intergovernmental Agreement are based on the following general points:

I. Allocation Method.

Both Cities will share in the local share of capital costs of future wastewater system improvements based on the projected total contributed flow from each community. Local share of capital costs is defined as the total capital costs less any and all EPA grants-in-aid of construction. Four categories of improvements exist, each described as follows:

- (1) Those improvements of the collection and transportation system which benefit only Kachemak City or only the City of Homer.
- (2) Those improvements of the collection and transportation system which benefit both Kachemak and Homer i.e. existing trunks in the east end area. [Note that capacity exists in the existing Cooper Subdivision Sewer System to meet the total projected flows from Kachemak at saturation development.] The capital costs will be prorated on an "area served" basis using the Zone Connection Fee policy established for the Cooper Subdivision Project.
- (3) Improvements to Homer's treatment facilities required by State and EPA compliance orders.
- (4) Improvements to Homer's treatment facilities required to provide additional capacity.

Each city will provide one hundred percent (100%) of the funds required to complete the Category (1) improvements within its jurisdiction.

The total Category (2) allocation will be predicated on the current Zone Connection Fee policy developed for the Cooper Subdivision Expansion prorating the unassessed capital cost between Kachemak and the unserved portions of the original assessment district. Presently there is an unassessed capital cost of \$175,000 for the Cooper Subdivision Project. Homer has a contributing area of 196 acres in the original district, and Kachemak has a contributing area of 980 acres for a total contributing area of 1,176 acres. The total amount assessed to Kachemak for Category (2) costs is expressed by the following formula:

$$\text{Kachemak Assessment} = \frac{980}{1176} \times \$175,000 = \$145,833$$

Payment of the \$145,833 will become due upon the initial connection of a sewer system developed in Kachemak that connects to the Cooper Subdivision Trunk. Further, at the discretion of Kachemak City, payment of the Category (2) costs may be financed over a twenty (20) year period at the prevailing interest rate for tax exempt general obligation bonds available through the State Municipal Bond Bank at the time of connection or eight percent (8%) per annum which ever is greater.

II. Derivation of Categories (3) and (4) Allocation Factors.

The Category (3) improvements benefit both existing and future system users. Consequently total system flow is the appropriate allocation method.

Final
9/14/87

Category (4) improvements benefit only future users of the system, therefore the added (incremental) flow from these future users is the appropriate allocation method.

The following parameters apply for the City of Homer (source: Homer Wastewater Facilities Planning Project, Phase I Progress Report dated January 20, 1987, Table 3 Revised January 30, 1987).

Current Average Daily Flow	
Peak Month into Plant	283,000 gal/day
1987 Sewered Population for Homer	2,480 persons
2007 Sewered Population for Homer	5,450 persons
Per Capita Rate including I & I	120 gal/cap/day

The following parameters apply for Kachemak City (same source as referenced above for the City of Homer).

1987 Population for Kachemak City	
Sewered Area	360 persons
2007 Population for Kachemak City	
Sewered Area	650 persons

From these values the following flow rates are calculated:

Incremental 2007 flow from Kachemak City:

$$650 \times 120 = 78,000 \text{ gal/day}$$

Incremental 2007 flow from the City of Homer:

$$5,450 - 2,480 \times 120 = 356,400 \text{ gal/day}$$

Total 2007 flow:

$$283,000 + 78,000 + 356,400 = 717,400 \text{ gal/day}$$

Total Incremental 2007 flow:

$$78,000 + 356,400 = 434,400 \text{ gal/day}$$

Consequently, the allocation factor to Kachemak City for Category (3) compliance improvements is:

$$\frac{78,000}{717,400} = 0.1087 \text{ (10.87\%)}$$

Similarly, the allocation factor to Kachemak City for additional capacity improvements for Category (4) is:

$$\frac{78,000}{434,400} = 0.1796 \text{ (17.96\%)}$$

III. The City of Homer's Equity in Existing System.

Kachemak City will make a capital contribution to the City of Homer in recognition of Homer's equity in the now existing wastewater treatment system including the new outfall and influent pumping station presently being constructed. This contribution will be based on the Category (3) allocation factor and the City of Homer's net equity defined as the depreciated book value of the existing wastewater treatment facility including land plus the final construction cost of the outfall and the influent pumping station, including design costs and the City of Homer's construction overhead costs of 11.5% of the total construction cost.

From 1986 detailed accounting records, the depreciated value of the existing wastewater treatment facility including land is \$1,389,977. The old influent pumping station, the old outfall line, and the existing aeration system will not be incorporated into the new wastewater treatment facility. Accordingly, the depreciated value of these items (\$112,436) will be deducted from the total depreciated value of the existing wastewater treatment facility. The bid price for the outfall was \$413,999 plus \$85,000 for the pipe and the bid price for the influent pumping station was \$209,786. In addition, \$78,600 in change orders for the two projects are currently being processed. The design costs for the outfall were \$35,000 and for the influent pumping facility, \$43,050.

Consequently, Homer's estimated total equity for existing facilities is:

Existing wastewater treatment facility including land	\$1,389,977
Less existing influent pumping station, outfall and aeration system	< 112,436 >
Outfall including pipe	498,999
Outfall design	35,000
Outfall Construction OH costs (11.5%)*	57,385
Influent pumping station	209,786
Influent pumping station design	43,050
Influent pumping station OH Costs (11.5%)*	24,125
Change Orders to date*	78,600
Construction OH costs on C.O.s (11.5%)*	<u>9,040</u>
Total Equity	\$2,233,526

* The total value of change orders and the City of Homer's construction overhead costs shall be based on final construction costs and will be determined by the City of Homer on or before December 31, 1987.

Kachemak City's estimated capital contribution for the City of Homer's equity is:

$$\text{Contribution} = 0.1087 \times \$2,233,526 = \$242,784$$

Payment of the value established as Kachemak's capital contribution will become due upon the initial connection of a sewer system developed in Kachemak that connects to the Cooper Subdivision trunk. Further, at the discretion of Kachemak City, payment of the equity buy-in may be financed over a twenty (20) year period at the prevailing interest rate for tax exempt general obligation bonds available through the State Municipal Bond Bank at the time of connection or eight percent (8%) per annum which ever is greater.

IV Deposit.

Upon execution of the Intergovernmental Agreement, Kachemak City will place on deposit with the City of Homer \$50,000 as a good faith statement of Kachemak's intention to implement the Agreement. The deposit shall be refunded at such time that Kachemak City makes its initial payment for Category (3) or (4) improvements or upon connection to the Homer Sewer System. In the event that Kachemak City does not connect to the Homer sewer system within five years, the deposit shall be refunded if Kachemak is not able to connect to the Homer sewer system for reasons beyond Kachemak City's control. "Beyond Kachemak City's control" includes the inability to obtain sufficient capital funding to meet the obligations outlined in this MOU, including the rejection of indebtedness by the voters of Kachemak. However, if Kachemak is able to connect to the Homer sewer system but elects not to, then the deposit will be forfeited.

V. Responsibilities.

Each city will have definitive responsibilities throughout the life of the Intergovernmental Agreement. The responsibilities of each are discussed as follows:

Responsibilities of Kachemak City

1. General planning including, the sequence of development of all wastewater collection system improvements within the corporate boundaries of Kachemak.
2. Securing of funding for Kachemak's capital contribution for Category (1) through (4) improvements.

3. Securing all easements and rights-of-way necessary to build, operate and maintain the wastewater collection system within Kachemak's corporate limits.
4. Cooperation with the City of Homer in all efforts to secure funding for the improvement and expansion of Homer's Wastewater Treatment Facilities.
5. The billing and collection of user charges for customers connected to the system within Kachemak's corporate boundaries.

Responsibilities of the City of Homer

1. Provide for the engineering, design, construction and construction surveillance of all system improvements, including those constructed within the corporate limits of Kachemak.
2. Securing of funding for Homer's capital contributions for Category (1) through (4) improvements.
3. The ownership, operation, maintenance, repair, replacement and general management of all existing and future wastewater facilities including those located within the corporate limits of Kachemak.
4. The provision of sufficient capacity to accept and treat wastewater flow from Kachemak City for an equivalent population of 650 persons.

POINTS OF AGREEMENT

The following general agreement is made by and between Kachemak City and the City of Homer in consideration of the points discussed in this Memorandum of Understanding.

Kachemak City Agrees To:

1. Continue negotiations in good faith with the City of Homer for the development of a comprehensive Intergovernmental Agreement providing for a joint wastewater collection and treatment system serving both communities.
2. Pay to the City of Homer, upon execution of this Memorandum of Understanding, twenty thousand dollars (\$20,000) as the initial payment of Kachemak's share of the 201 Facilities Plan currently under development. Additionally, pay to the City of Homer twenty-one thousand seven hundred dollars (\$21,700) as the final payment of Kachemak's share of the Plan upon execution of the Intergovernmental Agreement.
3. Provide capital funding for one hundred percent (100%) of the cost of all Category (1) improvements in Kachemak City.
4. Pay to the City of Homer one hundred forty-five thousand, eight hundred thirty-three (\$145,833) for the prorated Zone Connection Fee representing Kachemak's total Category (2) costs. Payment will become due upon the initial connection of the Kachemak Sewer System into the Cooper Subdivision sewer. At the discretion of Kachemak City, the payment may be financed over a twenty (20) year period at eight percent (8%) per annum or the prevailing general obligation tax exempt bond rate available from the Alaska Municipal Bond Bank, which ever is greater, at the time of connection.
5. Provide capital funding for ten and eighty-seventh one hundred percent (10.87%) of the local share cost of all Category (3) improvements. Kachemak will transfer

the capital funding to Homer on or before the award of the construction contract implementing the improvement. Should Kachemak be unable to provide it's prorated share of Category (3) improvement costs and Homer elects to proceed with the project, Kachemak's prorated cost, not paid, shall increase at the rate of eight percent (8%) per annum, or the prevailing general obligation tax exempt bond rate available from the Alaska Municipal Bond Bank, which ever is greater at the time of construction contract award, until such time that Kachemak does pay their prorata costs including the additional surcharge. The surcharge shall start the day following the construction contract award and shall be computed on a monthly basis.

6. Provide capital funding for seventeen and ninty-sixth one hundreds percent (17.96%) of the local share costs of all Category (4) improvements. Kachemak will transfer the capital funding to Homer on or before the award of the construction contract implementing the improvement. Should Kachemak be unable to provide it's prorated share of Category (4) improvement costs and Homer elects to proceed with the project, Kachemak's prorated costs, not paid, shall increase at the rate of eight percent (8%) per annum, or the prevailing general obligation tax exempt bond rate available from the Alaska Municipal Bond Bank, which ever is greater, at the time of construction contract award until such time that Kachemak does pay their prorata costs including the additional surcharge. The surcharge shall start the day following the construction contract award and shall be computed on a monthly basis.
7. Pay to the City of Homer an amount yet to be determined, based on completion of work currently in progress, as Kachemak's prorated share of Homer's

equity in the existing wastewater system. The current estimate of this amount is two hundred forty-two thousand seven hundred eighty-four dollars (\$242,784). Payment will become due upon the initial connection of the Kachemak sewer system into the Cooper Subdivision sewer. At the discretion of Kachemak City, the payment may be financed over a twenty (20) year period at eight (8%) percent per annum or the prevailing general obligation tax exempt bond rate available from the Alaska Municipal Bond Bank, which ever is greater, at the time of connection.

8. Provide as a good faith deposit fifty thousand dollars (\$50,000) upon execution of the Intergovernmental Agreement.
9. Adopt as City of Kachemak ordinances, the appropriate existing and future rules and regulations relating to sewer operations and use constraints that are contained in Title 14 of the City of Homer codes or ordinances.
10. Provide all easements and rights-of-way required to construct, operate and maintain sewer improvements within Kachemak's corporate boundaries.
11. Collect all user fees due to Homer from sewer utility customers within Kachemak's corporate boundaries.
12. Pay to Homer, monthly, user fees due to Homer collected from Kachemak customers.
13. Charge to Kachemak customers any additional fees necessary to cover administrative costs and debt service associated with Kachemak City's participation in installation and operation of the wastewater system.

14. Pay all debt service on funds borrowed by Kachemak to finance sewer improvements.
15. Prepare and provide to Homer annually a five-year capital improvement plan delineating all sewer improvements within Kachemak corporate boundaries which are to be financed with public funds.
16. Coordinate all privately funded sewer improvements within Kachemak City with the City of Homer and the developer.
17. Serve as a clearing house for all service connection requests, collecting all appropriate fees from customers requesting service and pay all fees due to Homer.
18. Seek appropriate legal remedies against any customer or user of the system residing in Kachemak that fails to pay for services provided or to comply with rules and conditions of service.

The City of Homer Agrees To:

1. Continue negotiations in good faith with Kachemak City for the development of a comprehensive Intergovernmental Agreement providing for a joint wastewater collection and treatment system serving both communities.
2. Support and assist Kachemak City in the development of any Innovative Alternative collection system that may be applicable to Kachemak. Further receive on behalf of Kachemak, if necessary, any state or federal grants that may be applicable for an innovative alternative system.

3. Plan, design and construct adequate capacity in the currently proposed wastewater treatment plant expansion and outfall improvements to accommodate the needs of Kachemak City.
4. Provide capacity in any future improvements to Homer's collection, transportation and treatment facilities to provide continued service for the existing and future needs of Kachemak, for an equivalent population of 650 persons.
5. Refund to the City of Kachemak the fifty thousand dollars (\$50,000) good faith deposit upon the initial payment of any monies for implementation required by the Intergovernmental Agreement or after five years from the date of the Intergovernmental Agreement (provided that Kachemak meets the test of beyond Kachemak's control) which ever comes first.
6. Charge to Kachemak City for any customer classification user fees that are equal to or less than the same fee charged to a Homer customer of the same class.
7. Reduce all user charges for Kachemak City customers to adjust for any debt service, sinking funds or any other means of financing capital improvements. (The result of this action is to charge Kachemak customers: for the administration, operation, maintenance and depreciation expense of the utility only.)
8. Provide the planning, engineering, design, contract for construction, construction administration and construction surveillance for all necessary improvements including those within Kachemak's corporate boundaries.

9. Own, operate, maintain, repair, replace and keep whole all improvements required to serve Kachemak including those located within Kachemak's corporate boundaries.

These points of agreement are established as a basis to develop an Intergovernmental Agreement and generally will become effective upon the completion and execution of such a document.

Approved by the City of Kachemak 14th of September 1987.

City of Kachemak

Philemon D. Morris
Philemon D. Morris, Mayor

Approved by the City of Homer 14th of September 1987.

City of Homer

John P. Calhoun
John Calhoun, Mayor

**INTERGOVERNMENTAL AGREEMENT FOR
WASTEWATER UTILITY FACILITIES AND SERVICE
BETWEEN THE CITIES OF HOMER AND KACHEMAK
JANUARY 1, 2014**

AGREEMENT dated as of January 1, 2014, by and between the City of Homer, an Alaska first class city ("Homer"), and the City of Kachemak, an Alaska second class city ("Kachemak").

RECITALS

WHEREAS, Homer owns, operates and maintains a public wastewater utility that provides wastewater collection, transportation and treatment service in Homer and Kachemak; and

WHEREAS, Kachemak desires that Homer continue to provide wastewater collection, transportation and treatment services to maintain the public health and safety of the greater Homer area; and

WHEREAS, Homer has the staff, equipment, and management capability to operate and maintain the wastewater collection, transportation and treatment system that provides wastewater utility service in Kachemak; and

WHEREAS, AS 29.35.010(13) authorizes each party to enter into an agreement with another city; and

WHEREAS, Homer currently provides wastewater collection and treatment services for Kachemak under an Intergovernmental Agreement adopted by the parties in 1988 that was one of the basis for the joint funding of the Homer wastewater treatment plant and the Kachemak wastewater collection system, which needs to be updated to reflect current conditions.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows.

AGREEMENT

ARTICLE 1 – DEFINITIONS

1.2 "Capital Cost" means a cost associated with the installation or acquisition of improvements, equipment and property including planning, engineering and design, construction, purchase of equipment and materials, supervision of construction, reasonable administration and interest on borrowed money during construction.

1.2 "Category 1 Improvement" means an improvement to the Utility wastewater collection and transportation system other than normal maintenance and replacement that benefits only customers in either Kachemak or Homer.

1.3 "Category 2 Improvement" means an improvement to the Utility wastewater collection and transportation system other than normal maintenance and replacement that benefits customers in both Kachemak and Homer, such as existing and future trunk sewers in the East End Road that provide service to customers in both communities.

1.4 "Category 3 Improvement" means an improvement to the Utility wastewater treatment facilities required by regulatory authorities.

1.5 "Category 4 Improvement" means an improvement to the Utility wastewater treatment facilities required to provide additional capacity.

1.6 "Utility" means the wastewater collection, transportation and treatment utility owned and operated by Homer.

ARTICLE II –UTILITY CAPITAL IMPROVEMENTS BENEFITING KACHEMAK CUSTOMERS

2.1 Kachemak shall pay Homer one hundred percent (100%) of the Capital Cost of all Category 1 Improvements in Kachemak.

2.2 Kachemak shall pay Homer part of the Capital Cost of Category 2 Improvements based on the zone connection fee method in Homer City Code 14.12.030 for the area in a benefited zone in Kachemak.

2.3 Kachemak shall pay Homer a percentage of the Capital Cost of Category 3 Improvements and Category 4 Improvements equal to the estimated percentage of the total wastewater treated by the Utility's wastewater treatment facilities that is produced by customers in Kachemak in the year the improvement is made. Homer will determine the estimated percentage of total wastewater that is produced by customers in Kachemak in consultation with a committee representing Utility customers established under Section 4.3.

2.4 The payments that are required under this Article may be made either directly by Kachemak to Homer, or from funds made available to Homer on behalf of Kachemak in the form of matching grants or legislative appropriations from third party agencies, including the Environmental Protection Agency and the State of Alaska Department of Environmental Conservation.

2.5 Kachemak shall obtain and grant to Homer all easements and rights-of-way required to construct, operate, and maintain Utility improvements in Kachemak.

2.6 Kachemak shall coordinate all privately funded sewer improvements within Kachemak with Homer and the owner/developer.

ARTICLE III UTILITY SERVICE TO KACHEMAK CUSTOMERS

3.1 A customer in Kachemak may elect to be charged for Utility service on a metered basis. To be charged on a metered basis, a customer shall open a Utility customer account with Homer, lease a water meter, pay all associated service charges, and provide at its own expense

all labor and material required to install the water meter in a manner and location approved by the Homer Public Works Department.

3.2 Kachemak will collect user fees each month from all non-metered Utility customers in Kachemak, at the rate currently prescribed by Homer for Utility service to non-metered customers in Kachemak. Homer shall bill Kachemak in a single monthly bill for all non-metered Utility customers in Kachemak. Kachemak shall pay the amount billed for a month not later than the fifteenth day of the following month. The entire amount of the bill shall be payable regardless of whether Kachemak has collected all user fees due from non-metered Utility customers in Kachemak. Homer will determine the estimated average volume in gallons per month for non-metered customers in consultation with a committee representing Utility customers established under Section 4.3.

3.3 Kachemak shall adopt in its code of ordinances, the same rules and regulations governing the use of wastewater facilities that Homer adopts from time to time in Title 14 of the Homer City Code.

3.4 At Homer's request, Kachemak shall serve as a clearinghouse for all service connection requests for non-metered Utility customers in Kachemak, collecting from requesting customers and remitting to Homer all required fees.

ARTICLE IV – OBLIGATIONS OF HOMER

4.1 Homer shall provide capacity in any future improvements to Homer's Utility facilities sufficient to serve existing and reasonably projected future Kachemak customers.

4.2 Homer shall operate, maintain and repair Utility facilities in Kachemak and provide for the pumping of private septic tanks on properties in Kachemak connected to Utility facilities.

4.3 Homer shall review Utility rates for Kachemak City at the same time the City of Homer reviews their utility rates at the utility's expense, to establish fair and equitable rates for all Utility customers. In conducting the review Homer may obtain advice from an independent consultant having expertise in wastewater utility rate analysis, and/or a committee representing Utility customers, which shall have at least one member appointed by the City Council of Kachemak. Utility customers in Kachemak shall pay the same rate for Utility service as Utility customers in Homer that receive the same category of service.

4.4 Utility rates for service to customers in Kachemak shall be based on the following: (i) charges to a metered customer shall be equal to the per-gallon and other charges to the same category of metered customer in Homer; (ii) the fee for septic tank pumping shall be equal to the unit cost that Homer selects as the lowest responsive and responsible bid to provide the service under Homer's procurement code; (iii) the sewer usage fee to non-metered customers shall be based on an average volume in gallons per month multiplied by the per-gallon charge to the same category of non-metered customer in Homer, which per-gallon charge shall include Utility administration, operation, maintenance and depreciation expenses, but exclude the Capital cost of Utility improvements.

4.5 Homer shall provide the planning, engineering, design, construction, construction administration and construction surveillance for all Utility capital improvements, including those in Kachemak.

ARTICLE V – MISCELLANEOUS

5.1 This Agreement supersedes and replaces the Intergovernmental Agreement adopted by the parties in 1988.

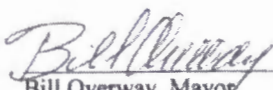
EXECUTED the 26 day of Nov 2014.

CITY OF HOMER



Walt Wrede, City Manager

CITY OF KACHEMAK



Bill Overway, Mayor

**CITY OF KACHEMAK
SPECIAL MEETING
UNAPPROVED MINUTES
JULY 18, 2013**

*Approved
8/14/2013*

1. CALL TO ORDER--PLEDGE OF ALLEGIANCE

Meeting called to order at 7:02 PM by Mayor Phil Morris. Pledge of Allegiance.

2. ROLL CALL

Council Members Present: Phil Morris, Dave Weber, Bill Fry, Tammy Ackerman, Ted Heuer, Bill Overway.

Council member Absent: Tammy Hopkins (excused as she notified Clerk of her absence prior to meeting.

Also present: Helyn Schoepke, City Clerk.

3. APPROVE AGENDA

Motion: Bill Overway/Bill Fry moved to approve the agenda as submitted.

Vote. Motion passed. Unanimous.

4. ANNOUNCEMENTS/VISITORS

Homer City Manager Walt Wrede, Finance Director Zhiyong Li, Homer Mayor Beth Wythe.

Kachemak residents: Shirley Forquer, David Raskin, Will Files, Bill Smith (arrived 7:40)

Mayor Phil Morris introduced Homer Mayor Beth Wythe, Homer City Manager Walt Wrede, and Homer Finance Director to the Kachemak Council and thanked the Homer visitors for taking the time to attend our Council meeting. He then asked Mayor Beth Wythe, who was on the Water/Sewer Rate Study Task Force, to give some of the background and reasoning on the proposed rate structure.

Mayor Wythe said that the sewer and water utility is not currently in self-sustaining order so a rate task force was set up with council members and community members to come up with a rate model. The task force met for about 10 months and then sent their proposal to the Homer City Council.

The task force strived to make all the expenses of the system equitable and recommended a "cost causer/cost payer model." They made the water rate in Homer a standard rate where everyone, whether commercial or residential, pays the same commodity rate per gallon plus an \$18 administrative overhead fee. In Homer, the sewer charges are based on the water usage and then two commodity rates were set up for the sewer--one for those on pump stations and one for gravity users, as it costs more to run pump stations.

Homer City Manager Walt Wrede said 3 "lift zones" were created, where the sewer has to go through a lift station and incurs extra cost before it hits the treatment plant. The lift zones are proposed to pay a higher fee per gallon of sewage. The proposed resolution did not pass at the last Homer Council meeting and it is up for reconsideration at the July 22, 2013 meeting.

Mayor Phil Morris said that Kachemak doesn't have a problem with the lift zone surcharge but rather how it is charged. There is additional Infiltration and Inflow (I & I) going into the sewer system and it is immeasurable and the cost of treating the I & I is included into the system wide costs, except that the lift zones are being charged for 100% of the costs of pumping, so they are bearing the cost of the measureable sewage and the I & I. We think a portion of the lift zone charges need to be allocated to the whole system, like those that are on gravity lines.

Homer Finance Director Zhiyong Li presented a chart with the various scenarios of rate calculations for the City of Kachemak. There were 8 different scenarios starting with the proposed rate structure with no changes. The next 3 were scenarios for "socializing" the \$5 fee charged to multi units and Kachemak, "socializing" lift station costs, and "socializing" both the \$5 fee and lift station costs all based on the currently billed fixed quantity of 3,500 gallons of water. The next four scenarios were all based on a reduced amount of 3,000 gallons of water.

Kachemak Mayor Phil Morris thanked Mr. Li for the colourful rate calculation that made this much easier to understand. He said Kachemak had several points they would like to discuss. First of all, Kachemak voluntarily increased the monthly septage charge effective October, 2012 from \$6 month per sewer to \$7.75 per sewer after Dan Gardener brought up that the \$6 charge was not enough. We want to pay our fair share of the costs. Also, by our calculations the Kachemak sewer rate is going up over 50% compared to the highest Homer increase of 20.3%--that is more than double the increase that anyone in Homer is paying.

Every sewer user in Kachemak is being charged for 3,500 gallons of sewage. We believe this is almost double the actual use. Most people have water hauled and pay over 5 cents a gallon so they are very frugal with their water usage. Kachemak did an informal sample of almost 20% of sewer users and the average was between 1,820 and 2,300 gallons a month. Homer's average is about 3,000 gallons per month and Kachemak's usage is much lower.

Mayor next addressed the \$5 per month charge that is proposed to be charged to each Kachemak customer and Homer multi-plexes. Kachemak cannot understand how that charge can be substantiated as Homer is not proposing to charge the customers in Homer that have sewer but no water that fee. Homer sends Kachemak one bill monthly and receives one check for all 132 customers. Homer does not incur the postage, costs

of billing, bad debt expense--those are all covered by Kachemak and we think the \$5 cost is unreasonable and should go away.

The extra I & I costs that are incurred for lift station customers were discussed previously, so Mayor Morris just wanted to reiterate that they need to be more fairly allocated. He again thanked the Homer Mayor, City Manager, and Finance Director for attending the meeting and listening to us. He was very disappointed that the Homer City Council would not consent to a joint work session as these are items that cannot be discussed in the 3 minutes he was allowed at the Homer Council meeting.

Mayor asked the Kachemak Council for their input.

Dave Weber said he thinks the pump station premium needs revisited to take into account the extra I & I and that the \$5 monthly charge for Kachemak should be thrown away.

Ted Heuer said he thought the Mayor covered everything very well, but was wondering if there were any comments about the ad that was in the Homer News today.

Homer City Manager Walt Wrede said he thought the ad might raise awareness of the changes. He and Zhiyong Li questioned some of numbers that were used. He also said that many of the small businesses would be paying less for water and sewer with the new proposed model.

Bill Overway said Kachemak residents with hauled water were spending over 5 cents a gallon for water and he thinks 3,000 gallons a month for estimated usage is still very high. He also thinks the I & I needs to be looked into on the pump station charges.

Walt Wrede said he thought it was very reasonable to reduce the monthly gallon charge, but that would have to be done by the Homer City Council, not him.

Bill Fry said he would like Kachemak to do a study so we can prove to Homer our usage is way less than charged. He has been involved in HEA rate studies and he thinks a 50% rate increase is huge and if it had to go to a utility commission it would probably not be allowed.

Tammy Ackerman said she is not opposed to a rate increase, but would like to pay our fair share. She thinks the \$5 monthly fee needs to go away and from Kachemak's 20% sample that shows the average about 2,300 gallons per month, she thinks an average gallon study should be done.

City Clerk Helyn Schoepke said she is glad that a new model is being developed, but feels it still needs some work in the areas we have covered. Kachemak is a community with many retired people and many residents take extended vacations or only live here

part of the year so they are not using 3,500 gallons of water a month. There is no mechanism in the Kachemak rate structure to pay less--it is fixed whether you are living in your house or on vacation. She thanked the Homer officials for attending the meeting.

Mayor Phil Morris said we will send Homer a copy of the minutes from this meeting. He was disappointed that we couldn't get a joint meeting together to discuss these issues and asked Homer Mayor Beth Wythe if she thought that was a possibility. Mayor Wythe said the Homer Council did not act favorably to the offer of having a joint meeting. This rate resolution will be up for reconsideration at the July 22 meeting.

Mayor Phil Morris asked the public for their opinions.

Will Files said he would like to use the word "equalization" instead of "socialization." He also is in favor of more costs being equalized such as the pump station costs. He said he is familiar with road groups and some want to only pay for the section of road that they drive on, and you cannot make that work.

David Raskin said he didn't agree that all costs should be equalized and he thought a 40-58% increase was absurd. He said people with hauled water are much more conservative when turning on the tap.

Shirley Forquer said when we first got sewer about 22 years ago the monthly bill started out at \$12 and immediately went up to \$25 and now it's proposed to be over \$90.

Bill Smith said he was late, but he was concerned on how the pump volume was measured and how to account for I & I in the lift zones.

5. **ORDINANCE::**
ORDINANCE 2013-08: AN ORDINANCE OF THE CITY OF KACHEMAK, SETTING NEW SEWER RATES.
No action taken.

6. **ADJOURNMENT**
Motion: Bill Overway/Tammy Ackerman moved to adjourn meeting.
Vote: Motion passed. Unanimous. Meeting adjourned at 826 PM.

Respectfully submitted,



Helyn Schoepke
City Clerk

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

