

City Council
June 13, 2016
Monday



Worksession 4:00 P.M.
Committee of the Whole 5:00 P.M.
Special Meeting 5:30 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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June

Monday 13th:	CITY COUNCIL Worksession 4:00 p.m., Committee of the Whole 5:00 p.m., Special Meeting 5:30 p.m., and Regular Meeting 6:00 p.m.
Wednesday 15th:	PLANNING COMMISSION Worksession 5:30 p.m. and Regular Meeting 6:30 p.m.
Thursday 16th:	PARKS ART RECREATION AND CULTURE ADVISORY COMMISSION Regular Meeting 5:30 p.m.
Monday 20th:	CITY COUNCIL Worksession 5:00 p.m.
Wednesday 22nd:	PORT AND HARBOR ADVISORY COMMISSION Regular Meeting 6:00 p.m.
Thursday 23rd:	CANNABIS ADVISORY COMMISSION Regular Meeting 5:30 p.m.
Monday 27th:	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

Library Advisory Board 1st Tuesday with the exception of January,
April, August and November 5:30 p.m.

Economic Development Advisory Commission 2nd Tuesday 6:00 p.m.

Parks and Recreation Advisory Commission 3rd Thursday with the exception of
July, December and January 5:30 p.m.

Planning Commission 1st and 3rd Wednesday 6:30 p.m.

Port and Harbor Advisory Commission 4th Wednesday 5:00 p.m. (May-August 6:00 p.m.)

Cannabis Advisory Commission 4th Thursday 5:30 p.m.

Public Arts Committee Quarterly 2nd Thursday 5:00 p.m.

Permanent Fund Committee Quarterly 2nd Thursday 5:15 p.m.

MAYOR AND CITY COUNCILMEMBERS AND TERMS

BETH WYTHE, 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



WORKSESSION
4:00 P.M. MONDAY
JUNE 13, 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

WORKSESSION AGENDA

- 1. CALL TO ORDER, 4:00 P.M.**
- 2. AGENDA APPROVAL** (Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual, pg. 5)
- 3. 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.
Page 263
Memorandum 16-084 and 16-101 from Port and Harbor Director as backup.
Pages 273/301
(Failed) Resolution 16-055, A Resolution of the City Council of Homer, Alaska, Amending the Port of Homer Terminal Tariff No. 600 to Implement a New Graduated Harbor Moorage Rate Structure. Port and Harbor Director/Port and Harbor Advisory Commission.
Page 7
- 4. COMMENTS OF THE AUDIENCE**
- 5. ADJOURNMENT NO LATER THAN 4:50 P.M.**
Next Regular Meeting is Monday, June 27, 2016 at 6:00 p.m., Committee of the Whole 5:00 p.m., and Worksession 4:00 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.

Failed
5/23/16

RESOLUTION 16-055

WHEREAS, The Port and Harbor Advisory Commission discussed and unanimously supported the recommendation by the Port Director/Harbormaster to implement a new graduated harbor moorage rate structure of \$0.05 increase per linear foot, based on the following equation,

Permanent Moorage Rate	$\left(\frac{\$}{\text{foot}} \right)$	$\frac{\$43.49 + (\$0.05 \times \text{foot}) \times \text{vessel length per foot}}{\text{foot}}$
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and cap the increases at the 86 foot vessel size.

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby amends the Port of Homer Terminal Tariff No. 600 to include the graduated harbor moorage rate structure effective January 1, 2017 as follows:

RULE: 34.18 - HARBOR MOORAGE RATES (A)

EFF: 01JAN2016

SUBSECTION 200

(a) CALCULATION OF MOORAGE RATES:

~~Mooring charges shall commence when a vessel is made fast to a wharf, pier, harbor float or other facility, or when a vessel is moored to another vessel so berthed (rafting). Charges shall continue until such vessel is completely free from and has vacated the port and harbor facilities.~~

A vessel moored at any time between 12:01 A.M. and 10:00 A.M. shall be charged a full day's moorage. The Harbormaster may, in his discretion and with proper and appropriate advance notice, waive a daily rate for a vessel that will occupy mooring space for a minimum time and, provided that the Harbormaster determines the use of the public facilities by others will not be congested or adversely affected.

Mooring charges shall be calculated on the length of the vessel, or in the case of a reserved stall, the length of the float stall assigned, whichever is greater.

Length shall be construed to mean the distance expressed in feet from the most forward point at the stem to the aftermost part of the stern of the vessel, measured parallel to the base line of the vessel. The length shall include all hull attachments such as bowsprits, dinghies, davits, etc.

For billing purposes, when the actual length of the vessel is not immediately available, length of the vessel as published in "Lloyd's Register of Shipping" may be used. The City of Homer reserves the right to: (1) obtained the length from the vessel's register, or (2) measure the vessel.

All vessels in the harbor are subject to these rates, except properly registered seine skiffs or work skiffs attached to the mother vessel. Work skiff is defined as a boat that is usually carried on the deck or super structure of the mother vessel and is regularly used in the commercial enterprise of the mother vessel.

(b) ANNUAL MOORAGE FEE:

The annual moorage fee for reserved moorage and transient moorage privileges shall be **calculated based on a graduated harbor moorage rate structure of \$43.49 per linear foot with an increase of \$0.05 per foot based on the following equation**, plus a fifty dollar (\$50.00) administration charge **for transient moorage**; or for a reserved stall, the length of the finger float stall assigned, or the overall length of the vessel, whichever is greater plus a fifty dollar (\$50.00) administration charge:

Permanent Moorage Rate	$\left(\frac{\$}{\text{foot}} \right) \frac{\$43.49 + (\$0.05 \times \text{foot}) \times \text{vessel length per foot}}{\text{foot}}$
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The graduated increases shall cap at the 86 foot vessel size. The per-linear foot is ~~forty three dollars and forty nine cents (\$43.49) per linear foot~~ based on the overall length of the vessel (including all hull attachments such as bowsprits, davits, dinghies, swimsteps etc.)

Any reproduction in the moorage fee due to a substituted or amended moorage agreement is not applied retroactively and the owner or operator is not entitled to a refund or a pro-rata adjustment of the moorage fees already due or paid. Any moorage agreement that expires will, after five days, automatically be charged a monthly rate retroactive to the expiration date. Unregistered vessels will also, after 5 days, automatically be charged a monthly rate retroactively to the date the vessel entered the harbor.

- (1) All reserved stall assignments are on an annual basis beginning October 1 and ending September 30 of the following year. Prepayment of a full year's moorage is due on or before October 1 of each year. Payment for reserved moorage will only be accepted from the individual assigned the reserved stall. The reserved stall payment shall be paid in full at the time the reserved stall/moorage agreement is executed to the satisfaction of the Harbormaster.

Any other arrangements are at the discretion of the Harbormaster and must be made in advance.

- (2) A reserved stall assignment granted after October 1 will be charged a fee based on the number of months (including the month which it is granted regardless of the day of the month) left in the fiscal year ending September 30.

(c) A semiannual transient rate is available on a prepaid basis only for transient vessels mooring in the Small Boat Harbor for a period of six consecutive months. The transient semiannual rate is 67% of the annual rate. Vessels that do not renew will automatically be charged the monthly rate.

(d) The monthly transient rate will be 17% of the annual rate. Vessels that are properly registered and pay all moorage fees in advance may deduct fifty cents (\$.50) per foot per month.

(e) The daily transient rates are: 3% of the annual rate.

Vessels that properly register and pay all moorage fees in advance may deduct five dollars per day from the daily rate.

(f) FLOAT PLANE FEES:

With proper registration and specific permission from the Harbormaster, float planes may arrange for short-term moorage in the Small Boat Harbor. This is only allowed when ice and weather conditions prevent float planes from landing on Beluga Lake.

A fee in the amount equal to the daily rate for moorage of two (2) 24' vessels shall be assessed on a daily basis for float planes mooring within the confines of the Small Boat Harbor. A monthly rate in the amount equal to the monthly rate for two 24' vessels shall be assessed for float plane moorage for longer periods, and the moorage charge computed for a float plane's stay in the harbor shall be the lowest total charge resulting from the application of either the daily or the monthly rate indicated.

PASSED AND ADOPTED by the Homer City Council this 23rd day of May, 2016.

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, MMC, CITY CLERK

128 Fiscal Impact: To be determined.

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



COMMITTEE OF THE WHOLE
5:00 P.M. MONDAY
JUNE 13, 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.**
2. **AGENDA APPROVAL** (Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual, pg. 6)
3. **CONSENT AGENDA**
4. **REGULAR MEETING AGENDA**
5. **COMMENTS OF THE AUDIENCE**
6. **ADJOURNMENT NO LATER THAN 5:30 P.M.**
Next Regular Meeting is Monday, June 27, 2016 at 6:00 p.m., Committee of the Whole 5:00 p.m., and Worksession 4:00 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.

HOMER CITY COUNCIL
491 E. PIONEER AVENUE
HOMER, ALASKA
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SPECIAL MEETING
5:30 P.M. MONDAY
JUNE 13, 2016
COWLES COUNCIL CHAMBERS

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

SPECIAL MEETING AGENDA

- 1. CALL TO ORDER, 5:30 P.M.**
- 2. AGENDA APPROVAL** (Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual, pg. 5)
- 3. PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA**
- 4. 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.) Page 15
- 5. ADJOURNMENT NO LATER THAN 6:00 P.M.**

Next Regular Meeting is Monday, June 27, 2016 at 6:00 p.m., Committee of the Whole 5:00 p.m., and Worksession 4:00 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.



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 16-094

TO: MAYOR WYTHE AND CITY COUNCIL

FROM: JO JOHNSON, MMC, CITY CLERK

DATE: JUNE 6, 2016

SUBJECT: 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.)

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

Mayor Pro Tempore Lewis has requested an Executive Session regarding "Ethics Complaint No. 2016-01" for the Special Meeting of June 13, 2016. This has been publicly and internally noticed since that time.

City Attorney Wells will be present.

RECOMMENDATION:

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

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 13, 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

**Worksession 4:00 p.m., Committee of the Whole 5:00 p.m., and Special Meeting 5:30 p.m.
in Homer City Hall Cowles Council Chambers.**

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE

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 Regular meeting minutes of May 23, 2016. City Clerk.
Recommend adoption. Page 33
- B. **Memorandum 16-095**, from Mayor Wythe, Re: Reappointment of Tom Stroozas to the
Planning Commission. Page 47

- 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. Page 51

- 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. Page 73

Memorandum 16-096 from Fire Chief as backup. Page 77

- 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. Page 79

Memorandum 16-102 from City Planner as backup. Page 83

- 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. Page 95

Memorandum 16-103 from City Planner as backup. Page 101

- 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. Page 115

Memorandum 16-104 from Police Lieutenant as backup. Page 121

- 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. Page 125
- 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. Page 129
- 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. Page 137
- Memorandum 16-100 from Police Lieutenant as backup. Page 139
- 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. Page 143
- 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. Page 153
- 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.

Page 161

- 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.

Page 173

Memorandum 16-106 from Public Works Director as backup.

Page 175

- 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.

Page 177

Memorandum 16-106 from Public Works Director as backup.

Page 175

- 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. Page 179

- 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.

Page 187

Memorandum 16-105 from City Manager as backup.

Page 189

- 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).

Page 237

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

Page 243

6. **VISITORS**

7. **ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS**

A. Borough Report

B. Commissions/Board Reports:

1. Library Advisory Board
2. Homer Advisory Planning Commission
 - a. Minutes of June 1, 2016 Page 251
3. Economic Development Advisory Commission
4. Parks Art Recreation and Culture Advisory Commission
5. Port and Harbor Advisory Commission
6. Cannabis Advisory Commission

8. 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. Page 263

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

Pages 273/301

- 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.

Page 349

Memorandum 16-081 from Cannabis Advisory Commission as backup. Page 355

Memorandum 16-082 from Fire Chief as backup. Page 357

- 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. Page 359

Memorandum 16-083 from Fire Chief as backup. Page 365

- 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. Page 367

- 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. Page 377

Memorandum 16-087 from Public Works Director as backup. Page 381

- 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. Page 383

- 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. Page 397
- Memorandum 16-090 from Public Works Director as backup. Page 401

- 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. Page 407

Memorandum 16-091 from City Attorney as backup. Page 417

Memorandum 16-092 from City Manager as backup. Page 421

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. Page 413

9. ORDINANCE(S)

10. CITY MANAGER'S REPORT

A. City Manager's Report Page 429

1. Memorandum 16-097 from Planning Commission, Re: Hickerson Memorial Cemetery Recommendations. Page 455

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

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. Page 465

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

Pages 479/481

Resolution 16-063(S), 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. Page 471

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, June 27, 2016 at 6:00 p.m., Committee of the Whole 5:00 p.m., and Worksession 4:00 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.

PUBLIC COMMENTS
UPON MATTERS
ALREADY ON THE AGENDA

RECONSIDERATION

CONSENT AGENDA

Session 16-11 a Regular Meeting of the Homer City Council was called to order on May 25, 2016 at 6:00 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: LEWIS, REYNOLDS, SMITH, VAN DYKE

ABSENT: ADERHOLD, ZAK (both excused)

STAFF: CITY MANAGER KOESTER
ACTING CITY CLERK JACOBSEN
FIRE CHIEF PAINTER
HARBORMASTER HAWKINS

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: **ORDINANCES**- Memorandum 16-092 from the City Manager as backup to 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; Budget overhead allocation as informational to 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; **RESOLUTIONS**- Memorandum 16-093 from the City Manager as backup to 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.

The agenda as amended was approved by consensus of the Council.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

Bob Howard, city resident, commented in support of setting a public hearing for Resolution 16-054. He is opposed to the rate structure presented and opposes to Resolution 16-055 imbedding this rate structure into the tariff. He raised issue that he believes it is not fair and equitable to all users and places the highest burden in history on the small vessel owners. He noted the memo in the packet and consultant's final study is silent on fairness of the rate structure it recommends. He feels the Commission failed to carry out the spirit on the intent specified in Resolution 15-072. He is not aware of any public hearings after June 24, 2015 when the small boat owners testified in favor of resolution

15-072. Mr. Howard referenced the consultant's report in the council packet to emphasize the inequities between what was recommended in Resolution 15-072 and what is before Council tonight.

Mako Haggerty, non-resident and business owner in the harbor, commented in support of setting a public hearing for the proposed rate structure. He is opposed to Resolution 16-055, it seems to be something decided without enough public input. He has followed the development of the new rate structure since last year's June public hearing. He supports Resolution 15-072 calling for the preparation of a fair and equitable graduated rate structure. He shared the history of the harbor growth since 1964 and its capacity. He cited the comment in the 2013 report from the consultant that pointed out the immense change the harbor as gone through and the mixed use of boat sizes that lead to the conclusion the flat rate structure was no longer a fair distribution of cost for running the harbor and recommended a square foot method or graduated linear method be used to more fairly distribute cost and the ever increasing impacts large vessels have on harbor use. He expects fair and equitable out of his government and doesn't like arbitrary and capricious, which is what he thinks Resolution 16-055 is.

Sharon Minch, city resident, commented in favor of the resolution setting the public hearing for the new rate structure, but is opposed to the proposed rate structure. She understands the Commission was directed by council to develop a fair and equitable rates structure for all users of the harbor. She knows the Commission worked on this for a long time and that it was a contentious issue but she doesn't agree with their proposal. She believes the larger boats use more space and require more expensive and oversized infrastructure and we need a rate that reflects that. Under the current lineal rate her 30 foot boat that is 10 feet wide is 37 cents per square foot and a 75 foot boat that is 25 feet wide rate is 14 cents per square foot. She pays twice what they are when they use so much more space. Under the new rate that's same lineal foot that increases per foot up to 86 feet her rate is still 37 cents per square foot and a 75 foot boat would be 16 cents per square foot. She agrees a square foot rate may not be the best way to go for the bigger boats, but asks for a fair and equitable rate that recognizes how much infrastructure the larger boats use. She referenced information in the memorandum that large vessel owners weighed in that a square foot model was unfair and the commission ultimately decided against it.

Greg Sutter, non-resident and business owner in the harbor, commented in support of a public hearing on resolution 16-054 and opposes resolution 16-055. He thinks the Northern Economics Rate Study was ignored or disregarded when the Port and Harbor Commission made its recommendation. For a 20 foot vessel we're looking at \$1.92 per square feet. For a vessel that is 75 feet in length its 78 cents per square foot and that's a disparity of \$1.14 that the small boats are subsidizing the larger vessels. We need to rectify this disparity.

Jim Martin, non-resident and small boat owner in the harbor, commented in support of resolution 16-054 and opposition to 16-055. It seemed they paid \$20,000 for an economic analysis by a consultant and then didn't even consider that. It's a significant difference between what is being proposed and what the consultant came up with. He would like to see something more fair and equitable.

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 9, 2016. City Clerk. Recommend adoption.
- B. **Memorandum 16-080**, from Mayor Wythe, Re: Reappointment of Franco Venuti to the Planning Commission and to the Kenai Peninsula Borough Planning Commission.
- C. **Memorandum 16-089**, from Deputy City Clerk, Re: Liquor License Location Transfer for Homer Liquor and Wine Company.
- D. **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. Recommended dates: 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.

- E. **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. Recommended dates: Introduction May 23, 2016, Public Hearing and Second Reading June 13, 2016.

Memorandum 16-083 from Fire Chief as backup.

- F. **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. Recommended dates: Introduction May 23, 2016, Public Hearing and Second Reading June 13, 2016.

Memorandum 16-087 from Public Works Director as backup.

- 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. Recommended dates: Introduction May 23, 2016, Public Hearing and Second Reading June 13, 2016.

Memorandum 16-090 from Public Works Director as backup.

- H. **Resolution 16-053**, A Resolution of the Homer City Council Awarding the Contract for Real Estate Broker Services to the Firm of Homer Real Estate of Homer, Alaska, for a Period of Three Years With Option to Extend, Compensating the Broker 10% Commission Fee of Each Property the Broker Sells and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Recommend adoption.
- I. **Resolution 16-056**, A Resolution of the City Council of Homer, Alaska, Adopting Written Safety Policy for Employees and Contractors. City Manager/Personnel Director. Recommend adoption.
- Memorandum 16-085 from Personnel Director as backup.
- J. **Resolution 16-057**, A Resolution of the Homer City Council Adopting an Americans With Disabilities Act Grievance Procedure. Aderhold. Recommend adoption.
- K. **Resolution 16-058**, A Resolution of the City Council of Homer, Alaska, Authorizing Participation in the Alaska Statewide Transportation Alternatives Program. Aderhold. Recommend adoption.
- L. **Resolution 16-059**, A Resolution of the Homer City Council of Homer, Alaska, Approving a Cooperative Agreement Between the Alaska Department of Fish and Game, Division of Sport Fish, and the City of Homer, Regarding the Fish Cleaning Table Renovation Project at the Nick Dudiak Fishing Lagoon. City Manager/Port and Harbor Director. Recommend adoption.
- Memorandum 16-086 from Port and Harbor Director as backup.
- M. **Resolution 16-060**, A Resolution of the Homer City Council Electing to Participate in the AMLJIA Loss Control Incentive Program for the City of Homer for the 2015-2016 Policy Year. City Manager/Finance. Recommend adoption.
- N. **Resolution 16-062**, A Resolution of the City Council of Homer, Alaska, Establishing a 2016 Mill Rate of 9.962541 Mills for the Ocean Drive Loop Special Service District. City Manager. Recommend adoption.

The consent agenda was approved by consensus of the Council.

VISITORS

- A. Bob Letson, South Peninsula Hospital, 10 minutes.

Bob Letson, Executive Director of South Peninsula Hospital presented information about the hospitals new and expanded service, providers, and systems. He addressed community benefit of the hospital and provided statistics on outpatient ancillary visits, emergency department visits and inpatient days. Lastly he touched on the FY 2016 financial snapshot and current strategies. He reminded everyone this year is the hospitals 60th anniversary.

- B. Asia Freeman and Rita Jo Schulz, Pioneer Avenue Revitalization, 10 minutes.

Asia Freeman presented about the Peony's on Pioneer project and the goal of populating Pioneer with peony gardens to beautify the area, encourage people to linger in the area, and also promote the peony industry. She also commented there will be a guest muralist coming to Homer to work with artists and help collaborate with businesses to host murals at their buildings.

Rita Jo Schultz addressed the growing industry of peony farming in our area. The industry has over 100 farms and is becoming very lucrative. She shared her recent experiences with providing peony's for President Obama's visit to Anchorage at the request of Senator Murkowski and also her visit to Washington DC to provide flowers for Michelle Obama's First Lady's Luncheon that was attended by 1500 people. Ms. Schultz also highlighted the benefits of working with the City to have peonies along Pioneer in that they bloom every year eliminating the need for continual growing and planting of annuals, that the moose won't eat them, and it will help bring recognition to the growing industry of peony farmers in Homer.

ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS

A. Mayor's Proclamation Mary Epperson Day - June 6, 2016

Mayor Wythe recognized June 6, 2016 as Mary Epperson day.

B. Borough Report

C. Commissions/Board Reports:

1. Library Advisory Board
2. Homer Advisory Planning Commission
 - a. Minutes of May 4, 2016

D. Economic Development Advisory Commission

Councilmember Smith reported the Commission talked about the Peonies on Pioneer and one idea was creating some new flags that hang from the light poles to reflect that. That is something that may come forward as a recommendation from the commission. They also talked about the mural in front of Nomar that could be a great canvas.

E. Parks and Recreation Advisory Commission

Robert Archibald reported the Commission discussed the dog waste problem and think the city has done their share in trying to place dog waste containers and bags at various parks and places people travel. They hope the public does their part to pick up after their pets. The Trails Symposium was successful with 34 participants who made recommendations of trails they would like to upgrade. Forest Glen to the Middle School and soccer complex got the most points, followed by the Greatland Trail and then Karen Hornaday Trail around the park. The Commission discussed the comprehensive plan for the city and identified resources needed to operate parks, recreation facilities, recreation

programs, enhance the city and community sponsored year round recreational facilities, programs, and support citizens effort to maintain environmental, quality, public use of beaches through the beach policy. Near term goals include research seasonal and year round staff needs to maintain and operate city park facilities and programs efficiently, increase staffing and volunteer involvement as needed to provide basic city services for parks, expand and promote adopt a park program, establish a park endowment fund through the city or in partnership with the Homer Foundation. The Commission discussed city park landscaping and peonies might fit right in. Thy also addressed developing some summer use trails in the Diamond Creek recreational area at some point; raising campground fees and eliminating multi night discounts and that funds be directed to a reserve or to a budget to address ongoing deferred maintenance issues; and MOU's for groups using city facilities. The Commission is looking forward to working with the arts community, if that is approved.

Councilmember Lewis commented about a home owner neighboring Jack Gist Park expressing concerns about noise at the disk golf area. Mr. Archibald said he believes that will be discussed at their next meeting.

F. Port and Harbor Advisory Commission

G. Cannabis Advisory Commission

Councilmember Reynolds reported the Commission's next meeting is Thursday, May 26th.

PUBLIC HEARING(S)

A. **Ordinance 16-22**, An Ordinance of the City Council of Homer, Alaska, Repealing and Reenacting Homer City Code 2.60, Public Arts Committee; Repealing Homer City Code 2.68, Parks and Recreation Advisory Commission; and Amending Homer City Code 18.07.020, Definitions, Homer City Code 18.07.040, Implementation, Homer City Code 18.07.050, Selection, Homer City Code 18.07.070, Exemptions, Homer City Code 18.07.090, Public Art Fund, and Homer City Code 18.07.100, Ownership and Management of Works of Public Art; to Create the City of Homer Parks, Art, Recreation and Culture Advisory Commission, Prescribe its Duties, and Provide for the Transition From the Former Public Arts Committee and Parks and Recreation Advisory Commission to the New Parks, Art, Recreation and Culture Advisory Commission. City Clerk/Parks and Recreation Advisory Commission. Introduction May 9, 2016, Public Hearing and Second Reading May 23, 2016.

Memorandum 16-073 from Parks and Recreation Advisory Commission as backup.

Memorandum 16-074 from Public Arts Committee as backup.

Asia Freeman, city resident, commented in support of Ordinance 16-22. She is excited to see this merger and the collaborative cross sector discussions that are happening. This will lead to a more comprehensive and efficient use of city resources, volunteers, and properties for an overall more cohesive plan when it comes to appearance, maintenance, and functionality of our resources relating to parks and public art. It's all a part of culture and making Homer a more attractive destination and enhancing economic vibrancy.

Mayor Wythe called for a motion for the adoption of Ordinance 16-22 by reading of title only for second and final reading.

REYNOLDS/LEWIS SO MOVED.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

- B. **Ordinance 16-23**, An Ordinance of the City Council of Homer, Alaska, Repealing Homer City Code, Chapter 6.12, Drug Abuse and Paraphernalia. Reynolds. Introduction May 9, 2016, Public Hearing and Second Reading May 23, 2016.

McKenzy Haber from Baked Alaska thanked council for taking time to add this to the agenda. He has been working with his team to set up and build their shop, not realizing this would be an issue. He hopes they will be able to continue operations by repealing this ordinance. With the decriminalization process of marijuana in the state and country, this change makes sense in our town. Their shop carries nothing that supports the use or sale of hard drugs and focuses solely on items used for legal, recreational, and medical uses.

Mayor Wythe called for a motion for the adoption of Ordinance 16-23 by reading of title only for second and final reading.

REYNOLDS/LEWIS SO MOVED

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

ORDINANCE(S)

- A. **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. Recommended dates: Introduction May 23, 2016, Public Hearing and Second Reading June 13, 2016.

Mayor Wythe called for a motion for the introduction of Ordinance 16-26 by reading of title only.

SMITH/REYNOLDS SO MOVED

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- B. **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. Recommended dates: Introduction May 23, 2016, Public Hearing and Second Reading June 13, 2016.

Mayor Wythe called for a motion for the introduction of Ordinance 16-28 by reading of title only.

SMITH/LEWIS SO MOVED

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- C. **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. Recommended dates: 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.

Mayor Wythe called for a motion for the introduction of Ordinance 16-30 by reading of title only.

LEWIS/REYNOLDS SO MOVED

Councilmember Lewis asked if it's possible for major food retailers to keep food at 7.5% sales tax and only raise the tax on everything else. City Manager Koester said she will do some research.

Councilmember Smith expressed his concern with funding operation and maintenance through a bond. Those are things we need to show we can afford within the money we make outside an expiring bond.

City Manager Koester clarified Councilmember Smith is correct in that you cannot bond for operational cost, only capital improvements. The sales tax increase is the mechanism for repaying the bond and can also be used for operating cost.

Mayor Wythe added the ordinance as its written does not restrict the timeframe for the sales tax and it will not go away when the bond is paid off. She noted she is still unclear if this needs to be two questions or if it can all be included in one question to the voters.

Councilmember Smith responded he thinks voters will be less likely to support the questions. Discussion ensued regarding the timeline and the opportunity to work with the City Manager and Counsel to draft amendments.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

Mayor Wythe called for a recess at 7:17 p.m. and the meeting resumed at 7:25 p.m.

CITY MANAGER'S REPORT

A. City Manager's Report

1. Memorandum 16-088 from Port and Harbor Director, Re: Mid-Year Budget Adjustment for Emergency Deep Water Dock Repairs.

City Manager Koester provided and addressed a laydown memo from Councilmember Lewis addressing noise and disc golf at Jack Gist Park and requesting the Parks and Recreation Advisory Commission address it. Also she advised that the Borough is looking at closing the transfer station one day a week and on holidays. This causes concern to the Harbor because while the dumpsters out there are for vessel garbage, a lot of people take their household trash out there as well. The landfill being closed on certain days raises the concern that the dumpsters will overflow and without the ability to remove the trash also create a sanitation issue.

There was brief discussion that is hasn't been specified what day the transfer station would be closed. The city could request at a minimum that it be a mid-week day so the likelihood of a closed day and holiday backing up to each other would be reduced. City Manager Koester said she will communicate the City's concerns with the Borough and may bring a resolution to Council addressing it.

B. Bid Report

CITY ATTORNEY REPORT

COMMITTEE REPORT

A. Public Arts Committee

B. Employee Committee Report

C. Public Safety Building Review Committee

Mayor Wythe commented there will be an update at the next meeting.

D. Americans with Disabilities Act Compliance Committee

PENDING BUSINESS

NEW BUSINESS

RESOLUTIONS

- 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. Recommend Public Hearing on June 13, 2016.

Memorandum 16-084 from Port and Harbor Director as backup.

Mayor Wythe called for a motion to adopt Resolution 16-054 by reading of title only.

LEWIS/REYNOLDS SO MOVED

Mayor Wythe asked if there was a motion to postpone Resolution 16-054 to June 13 for public hearing and action.

LEWIS/REYNOLDS SO MOVED

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion to postpone carried.

- B. **Resolution 16-055**, A Resolution of the City Council of Homer, Alaska, Amending the Port of Homer Terminal Tariff No. 600 to Implement a New Graduated Harbor Moorage Rate Structure. Port and Harbor Director/Port and Harbor Advisory Commission. Recommend Public Hearing on June 13, 2016.

Memorandum 16-084 from Port and Harbor Director as backup.

Mayor Wythe called for a motion to adopt Resolution 16-055 by reading of title only.

No motion was made.

- C. **Resolution 16-061**, A Resolution of the Homer City Council Establishing the Property Tax Mill Levy Rate at 4.5 for 2016. City Manager.

Mayor Wythe called for a motion to adopt Resolution 16-061 by reading of title only.

LEWIS/REYNOLDS SO MOVED

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- D. **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.

Mayor Wythe called for a motion to adopt Resolution 16-063 by reading of title only.

LEWIS/REYNOLDS SO MOVED

Mayor Wythe suggested postponing this so Council can discuss and review the rates we are using for Kachemak City. When we did the initial rate review a number of years ago Kachemak City was at a 3500 gallon base rate, based on an average household of four.

City Manager Koester reviewed the figures in her memo and that the average is just shy of 3000 gallons per month.

Mayor Wythe acknowledged Kachemak City has come to them on several occasions and noted the original rate when doing the rate study was cited as being a household of four in Anchorage in a rate study that preceded the most recent study.

Councilmember Lewis questioned if there was any information from residents in Kachemak City who had installed a water meter to show usage. City Manager Koester said there were some who have used a meter. She will doesn't have the number but will get it. The numbers in her memo are for the City of Homer users.

REYNOLDS/VAN DYKE MOVED TO POSTPONE RESOLUTION 16-063 TO THE NEXT CITY COUNCIL MEETING.

There was brief discussion about having information to show what the impact changing the rate might be. There is the potential reducing theirs may increase what we have to collect from other parties. City Manager Koester said she will also find out if Kachemak City pays city sales tax.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion to postpone carried.

COMMENTS OF THE AUDIENCE

None

COMMENTS OF THE CITY ATTORNEY

City Attorney Wells was not in attendance.

COMMENTS OF THE CITY CLERK

Deputy City Clerk Jacobsen had no comments.

COMMENTS OF THE CITY MANAGER

City Manager Koester had no comments.

COMMENTS OF THE MAYOR

Mayor Wythe encouraged people to attend the events that are going on with the beautification of Pioneer Avenue and help where you can.

COMMENTS OF THE CITY COUNCIL

Councilmember Lewis congratulated the soccer teams for their hard work at the Regional Soccer tournaments. He also congratulated the Council for agreeing on everything tonight. That's unusual.

Councilmember Smith noted Mr. Archibald's comments about the dog issue and pitched the slogan "Do your Duty with your Dog's Doodie". He hopes people will do that because it's rather annoying for those who use the parks for other things than their dogs. He also recognized Memorial Day along with those who have served our nation and that they don't go forgotten.

Councilmember Van Dyke commented how blessed and good we are that we have South Peninsula Hospital and thanked everyone who was here talking about the heroin and opioid problem and spearheading programs. It seems we are getting a better handle on it than most of the state and he appreciates that.

Councilmember Reynolds followed up on Councilmember Van Dyke's comments reminding people there is a presentation tomorrow by a visiting specialist whose area of expertise is addiction for young adults. There will be a presentation at the Bidarka from 7:00 to 9:00 p.m.

ADJOURNMENT

There being no further business to come before the Council, Mayor Wythe adjourned the meeting at 7:40 p.m. The next Regular Meeting is Monday, June 13, 2016 at 6:00 p.m., Committee of the Whole 5:00 p.m., and Worksession 4:00 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.

HOMER CITY COUNCIL
REGULAR MEETING
MAY 23, 2016

MELISSA JACOBSEN, CMC, ACTING CITY CLERK

Approved: _____



City of Homer

www.cityofhomer-ak.gov

Office of the Mayor

491 East Pioneer Avenue
Homer, Alaska 99603

mayor@ci.homer.ak.us

(p) 907-235-3130

(f) 907-235-3143

Memorandum 16-095

TO: HOMER CITY COUNCIL
FROM: MARY E. WYTHE, MAYOR
DATE: JUNE 6, 2016
SUBJECT: REAPPOINTMENT OF TOM STROOZAS TO THE PLANNING COMMISSION.

Tom Stroozas is reappointed to the Planning Commission for a three-year term to expire July 1, 2019.

RECOMMENDATION:

Confirm the reappointment of Tom Stroozas to the Planning Commission.

Fiscal Note: N/A

From: [Melissa Jacobsen](#)
To: [Jo Johnson](#)
Subject: FW: Planning Commission Term Expirations
Date: Monday, May 23, 2016 8:24:02 AM

Jo, Tom Stroozas requests re-appointment to the Planning Commission.

Thanks!

From: Tom Stroozas [mailto:tstroozas@americascuisine.com]
Sent: Saturday, May 21, 2016 10:54 PM
To: Melissa Jacobsen
Subject: Re: Planning Commission Term Expirations

I'm in. We have some unfinished business to attend to before I step down.
-Tom

From: [Melissa Jacobsen](#)
Sent: Wednesday, May 11, 2016 4:13 PM
To: [Shelly Erickson](#) ; [Tom Stroozas](#) ; [Franco Venuti](#) ; [Franco Venuti](#)
Cc: [Rick Abboud](#)
Subject: Planning Commission Term Expirations

Hi Franco, Tom, and Shelly,

I just wanted to let you know your terms on the Planning Commission will expire on July 1.

Please let me know whether or not you wish to be reappointed before Wednesday, June 15th so we can get you reappointed timely or advertise an available seat if needed.

Thanks! Melissa

Melissa Jacobsen, CMC
Deputy City Clerk
City of Homer, Alaska
907-435-3107

[City of Homer City Clerk's Office](#)

PUBLIC RECORDS LAW DISCLOSURE: Most e-mails from or to [this](#) address will be available for public inspection under Alaska public records law.

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

**CITY OF HOMER
HOMER, ALASKA**

City Manager

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.

WHEREAS, The State of Alaska collects revenues under the Commercial Vessel
Passenger Tax Program and remits proceeds to boroughs which contain ports where cruise
ships land; and

WHEREAS, The Kenai Peninsula Borough has received such funds for calendar year
2015 and decided to pass those revenues through to Homer and Seward; the communities
where cruise ships land and utilize local infrastructure and services; and

WHEREAS, The Borough Assembly adopted KPB Ordinance 2015-19-25 which
appropriated funds and authorized a pass through grant to the City of Homer in the amount
of \$27,055.00.

WHEREAS, The grant funds must be used for port and harbor projects that benefit
cruise ship passengers and the City has proposed to use the proceeds of this grant for
passenger seating at the cruise ship passenger loading/staging area, and signage on trails
around the harbor.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby accepts and appropriates 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 as follows:

Appropriation:

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

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

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

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

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

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.

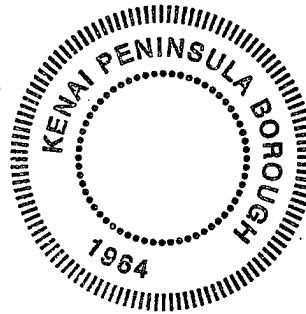
SECTION 3. This ordinance shall become effective immediately upon enactment.

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


Blaine Gilman, Assembly President

ATTEST:


Jonni 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:

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: _____

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

**CITY OF HOMER
HOMER, ALASKA**

City Manager/
Fire Chief

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.

WHEREAS, Training of the fire department's emergency medical service personnel is
an essential and ongoing function of the department; and

WHEREAS, Realism in training of medical personnel is crucial for gaining practical
experience for a wide range of basic and advanced medical procedures; and

WHEREAS, The fire department's current SimMan advanced patient care simulator is
now obsolete, with no additional parts or repair available from the manufacturer; and

WHEREAS, A majority of the membership of the department supports the purchase of
the advanced patient care simulator from the Fire Donations Fund; and

WHEREAS, The 'Fire Donations Fund' contains monies donated to the Fire Department
over the years by individuals and estates expressly for lasting and meaningful purposes and
has a current balance of \$102,000.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby amends the FY 2016 Operating Budget by
appropriating \$64,149 from the Fire Department Donation Account for the purchase of an
advanced care patient simulator.

Revenue:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
802-0000-2710	Fire Department Donations	\$64,149

Expenditure:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
150-5901	Fire Department-Capital Equipment	\$64,149

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

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

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, MMC, CITY CLERK

AYES:

NOES:

ABSTAIN:

ABESNT:

First Reading:

Public Reading:

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

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

Planning

Section 2. This Ordinance is of a permanent and general character and shall be included in the City Code.

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

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, MMC, CITY CLERK

AYES:

NOES:

ABSTAIN:

ABSENT:

First Reading:

Public Reading:

Second Reading:

Effective Date:

Reviewed and approved as to form:

Mary K. Koester, City Manager

Holly C. Wells, City Attorney

Date: _____

Date: _____

[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 WYTHER AND HOMER CITY COUNCIL

THROUGH: KATIE KOESTER, CITY MANAGER

FROM: RICK ABBODD, 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 Carssow, 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

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Homer, Alaska 99603

Planning@ci.homer.ak.us
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(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
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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.



City of Homer

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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:

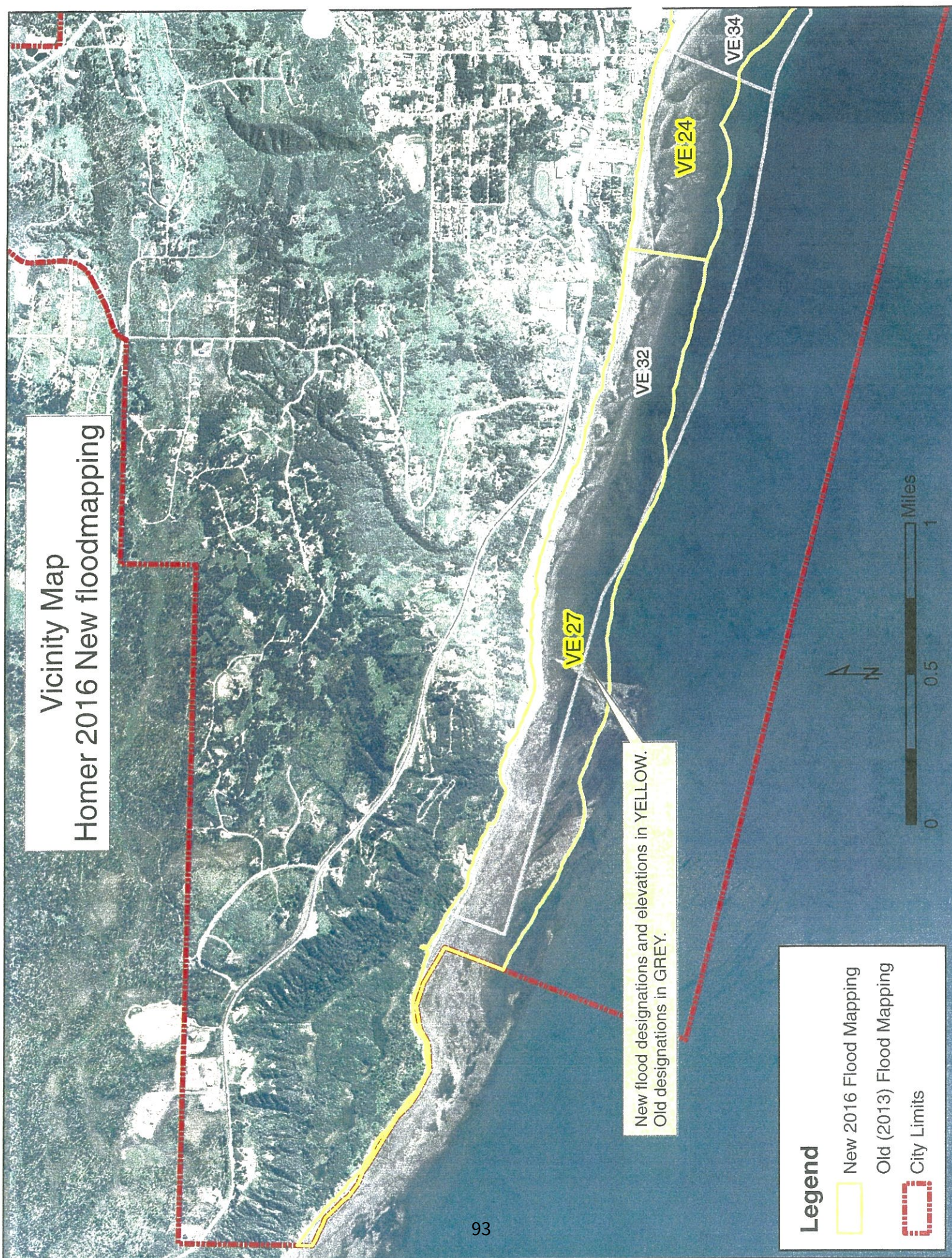
Draft Ordinance 16-xx, Amending HCC 21.41.040 Basis for establishing flood hazard areas. This ordinance will adopt "The Flood Insurance Study for the Kenai Peninsula Borough and Incorporated Areas, Alaska," dated October 20, 2016 with accompanying Flood Insurance Rate Maps (FIRM).

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

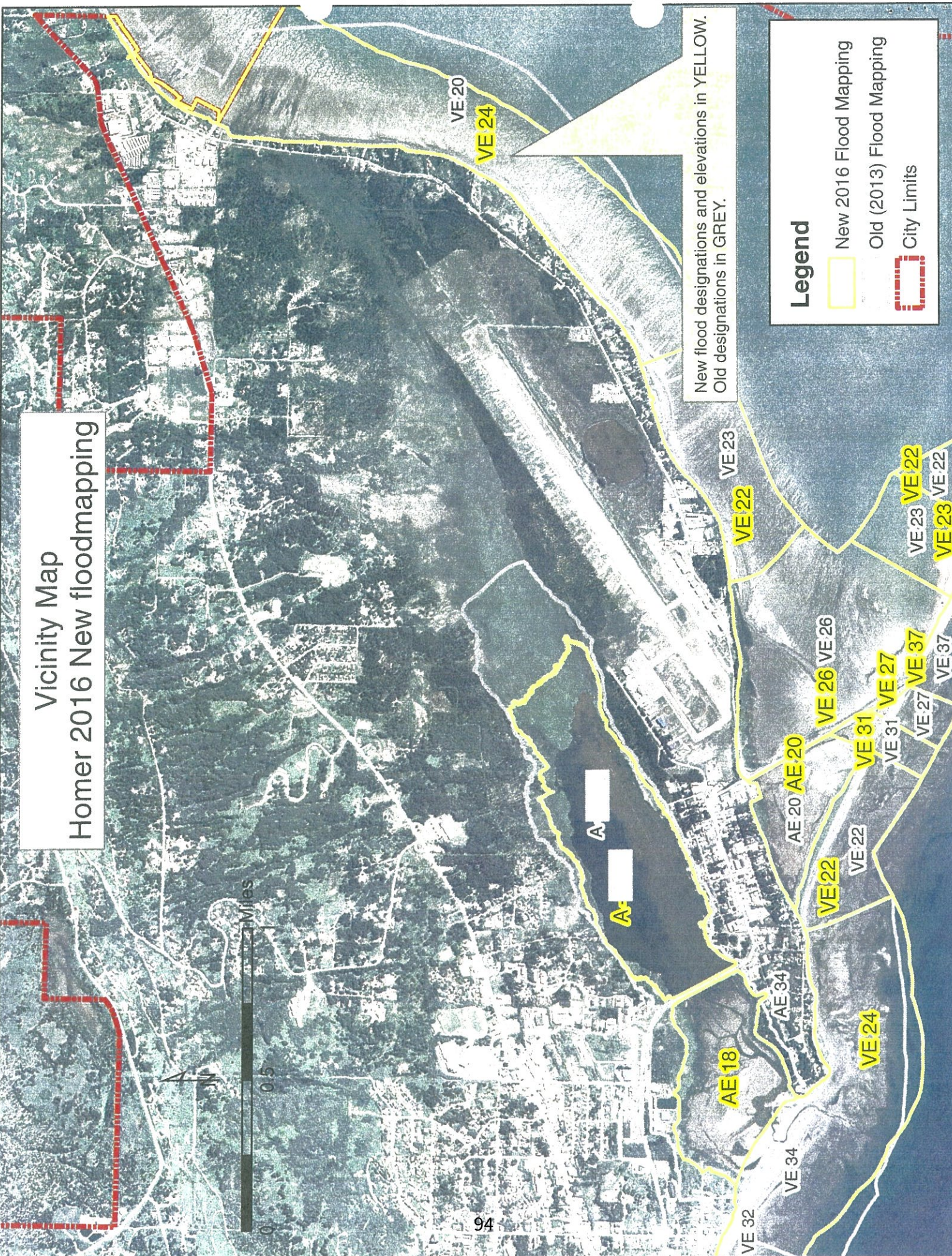


New flood designations and elevations in YELLOW.
Old designations in GREY.

Legend

- New 2016 Flood Mapping
- Old (2013) Flood Mapping
- City Limits

Vicinity Map Homer 2016 New floodmapping



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

**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.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer Zoning Map is amended to transfer the parcel listed on the attached Exhibit A from the UR zoning district, RO zoning district, and the CB zoning district to the CB zoning district as shown on the attached Exhibit B.

Section 2. The City Planner is authorized to note on the Homer Zoning Map the amendments enacted by this ordinance as required by Homer City Code 21.10.030(b).

Section 3. This is a non-Code ordinance of a permanent nature and shall be noted in the ordinance history of Homer City Code 21.10.030.

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

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, MMC, CITY CLERK

AYES:

NOES:

ABSTAIN:

ABSENT:

First Reading:

Public Reading:

Second Reading:

Effective Date:

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

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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 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

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Planning

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(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



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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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(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

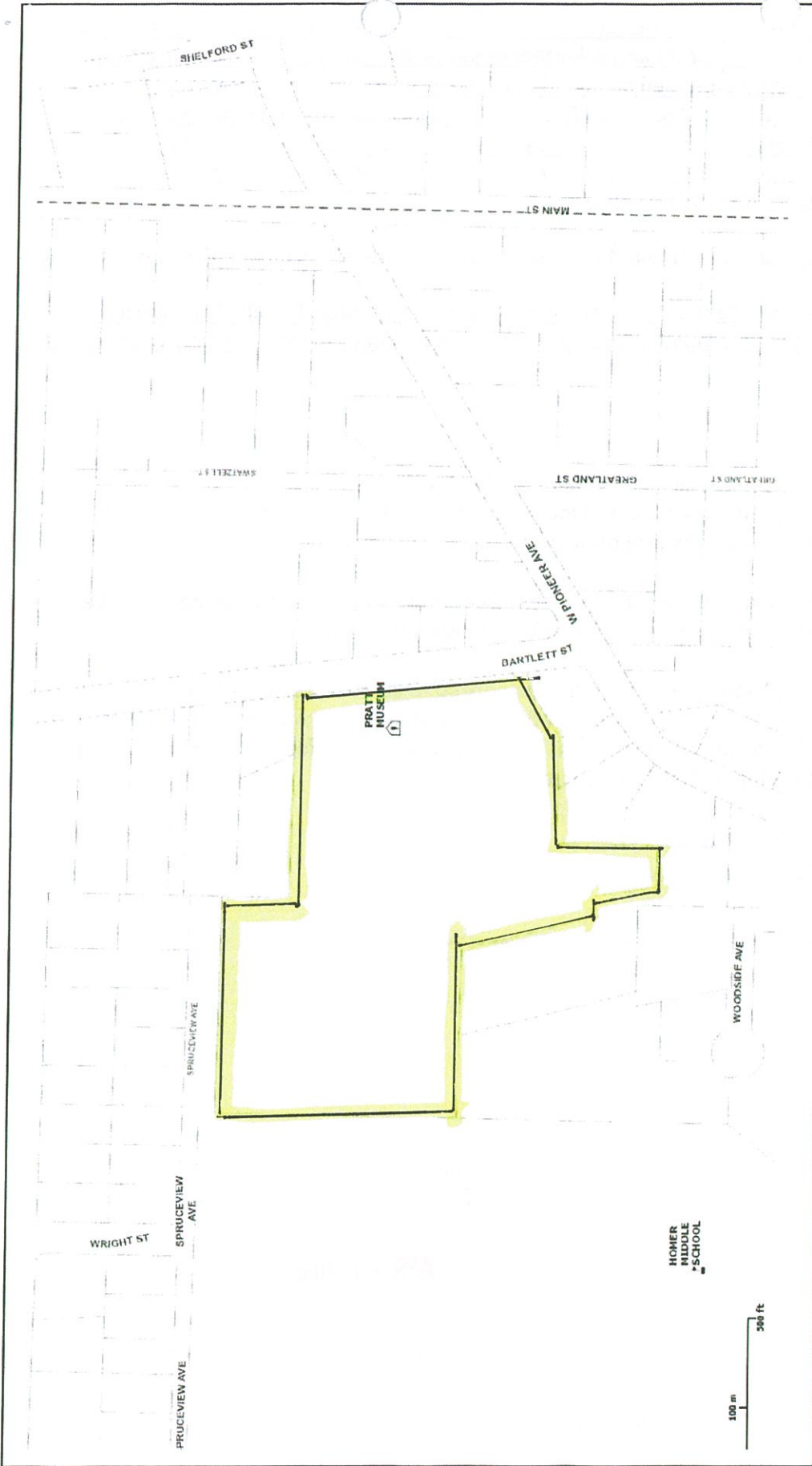
Circle one: Is City water available? YES City Sewer? YES Electrical Service? YES

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>



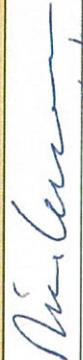
KPB Parcel Viewer

Printed: Apr 07, 2016



Petition

<p>Proposed amendment:</p>	<p>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.</p>	
<p>HCC 21.95.020 (e) (3) (a)</p>	<p>"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."</p>	
<p>Statement of Justification</p>	<p>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.</p>	

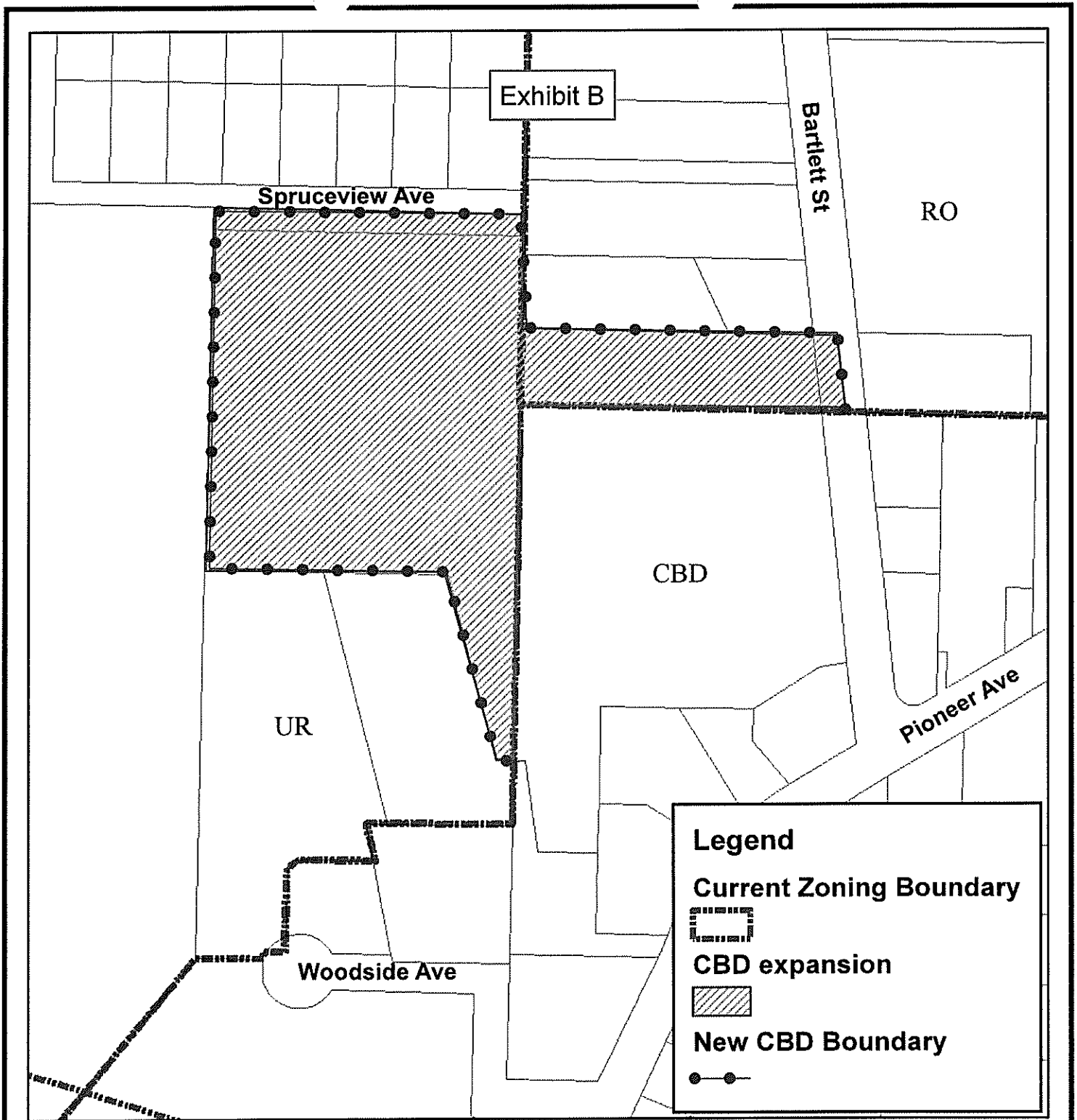
Printed Name	Signature of Property Owner or Designated Representative	Legal Description	Tax parcel number
David Converse	 7/13/16	T 6S R 13W SEC 19 SEWARD MERIDIAN HM 2012057 PRATT SUB TRACT 1	17510129

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



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.

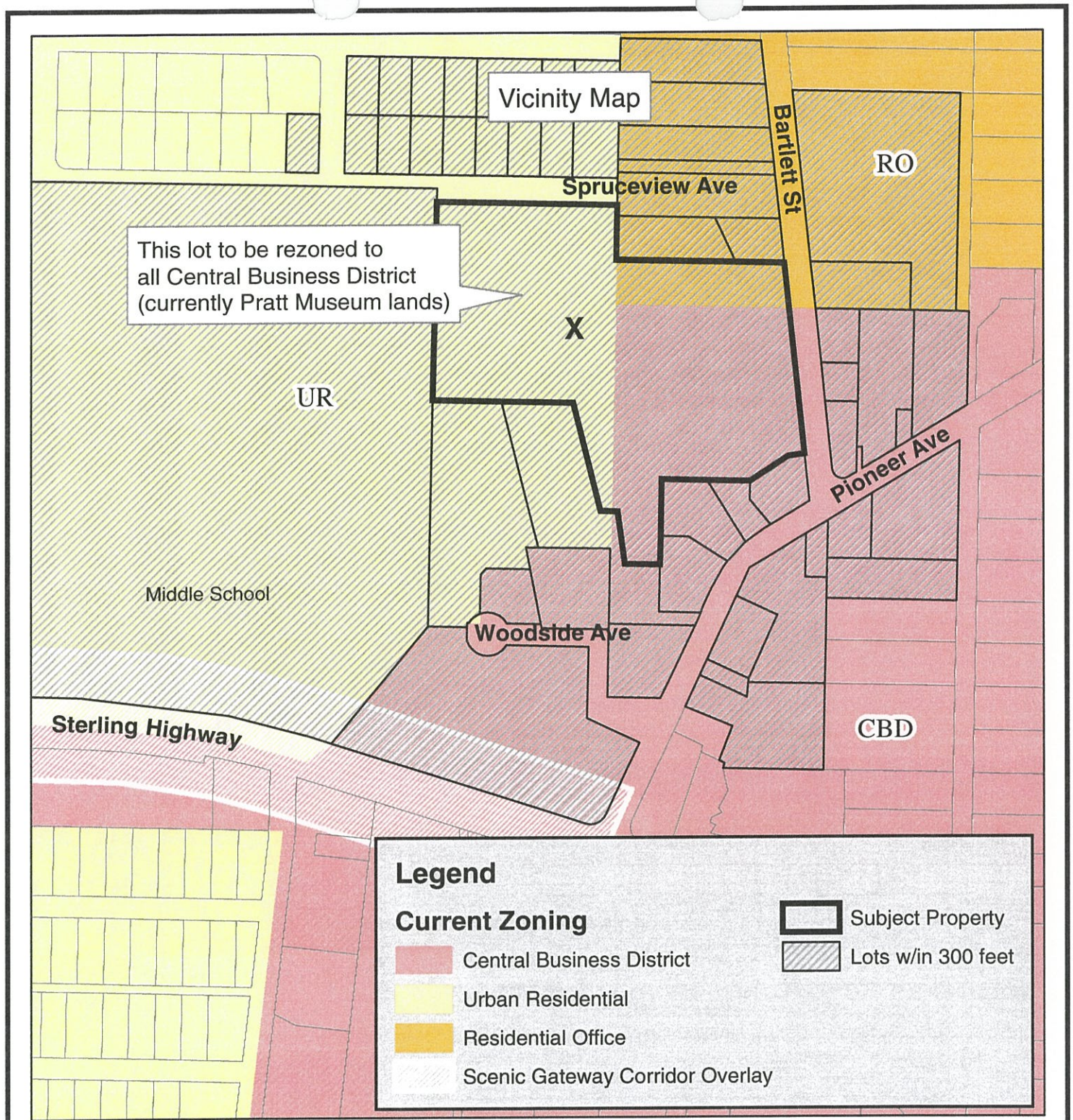
Anyone wishing to present testimony concerning this matter may do so at the meeting or by submitting a written statement to the Homer Advisory Planning Commission, 491 East Pioneer Avenue, Homer, Alaska 99603, by 4:00 p.m. on the day of the meeting.

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

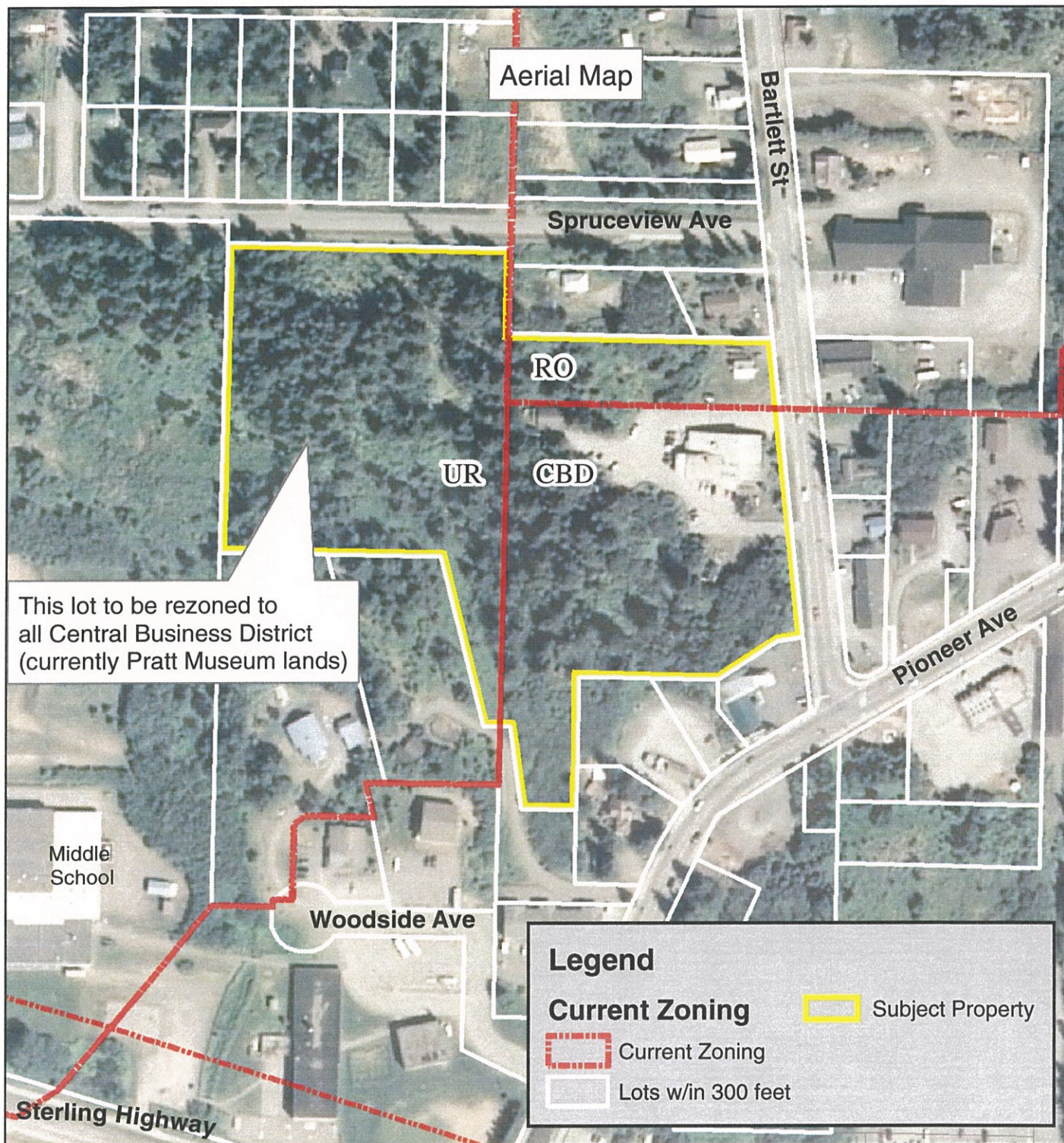
Request for Rezoning

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.



City of Homer
Planning and Zoning Department
4/19/2016

Request for Rezoning

200 100 0 200 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.

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

**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.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The City Council hereby amends the FY 2016 Operating Budget by appropriating \$65,000 from the Police Fleet Reserves for the purchase of two used patrol vehicles.

Expenditure:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
152-0382	Two patrol vehicles	\$65,000

Section 3. This is a budget amendment ordinance, is temporary in nature, and shall not be codified.

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

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:

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 surplused 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.



**CITY OF HOMER
HOMER, ALASKA**

Zak

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.

WHEREAS, The City of Homer's 2011 Homer Spit Comprehensive Plan prioritizes establishing an accessible, centrally located, landmark plaza and drop-off zone; and

WHEREAS, The Boat House Project, a grassroots effort spearheaded by community volunteers, proposes to provide such a space in a heavily-trafficked area of the Homer Spit where the old Homer Harbormaster's Office once stood; and

WHEREAS, The Boat House Project has publicly engaged community members, Homer City Council, the Homer Port & Harbor Commission, the Homer Planning Commission, and numerous civic groups in the area to solicit feedback and develop design options utilizing pro bono architectural services provided by ECI; and

WHEREAS, The City of Homer endorsed the project by adopting Resolution 16-043 which amended the City of Homer Land Allocation Plan to expand the designated uses of Homer Spit Subdivision Amended Lot 28 to include the Boat House Pavilion; and

WHEREAS, The City of Homer, as owner of Lot 28 has agreed to own, operate and maintain the Boat House Pavilion upon approval of all aspects of the project from design and planning to permitting, site development and construction; and

WHEREAS, The Boat House Project volunteers have raised over \$125,000 in private donations toward its goal of \$210,000, with broad-based support from over 150 individuals and businesses; and

WHEREAS, The Rasumson Foundation's Tier 1 Grant Program makes funds available to units of government for capital projects which provide broad community impact; and

WHEREAS, The Boat House Pavilion will provide a broad range of aesthetic, recreation and economic benefits such as:

- The maritime-themed public space highlighting Homer's working harbor and rich maritime traditions will contribute to the shape and welcoming feel of the Spit for locals and visitors alike;
- Alleviating congestion and improving pedestrian safety in one of the busiest areas of the Spit where heavy sightseeing foot traffic mixes tourists, boat owners, and a variety of carts and vehicles for staging and shuttling;
- Improving social/educational engagement by providing an informal venue for public events, including musical and arts performances, public lectures and educational programs for all ages;
- Allowing visitors to get out of the weather, take respite and extend their time supporting local businesses; and

WHEREAS, The Boat House Project has garnered donation pledges from 100% of City Council Members during their private donation campaign, thereby satisfying an additional Rasmuson Foundation eligibility requirement; and

WHEREAS, The City of Homer understands the City will be ineligible to apply for a Rasmuson Tier 1 grant for a parks and recreation project until this grant is closed out and fully executed;

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, authorizes the City Manager to apply for a Rasmuson Foundation Tier 1 Grant in the amount of \$25,000 to help construct the Boat House Pavilion and authorizes the City Manager to submit the appropriate documents.

PASSED AND ADOPTED by the Homer City Council this 13th day of June, 2016.

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, MMC, CITY CLERK

Fiscal Note: N/A

79

80 Fiscal Note: N/A

**CITY OF HOMER
HOMER, ALASKA**

City Manager

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.

WHEREAS, The Kenai Peninsula School District and the City of Homer share common goals to provide opportunities and activities for the physical, mental and cultural development of the citizens of Homer through the City Community Recreation Program; and

WHEREAS, The benefits from limited financial resources can be maximized by the District and the City working together to provide facilities and programs to achieve their common goals; and

WHEREAS, The City and the District have agreed that the best way to maximize resources and achieve common goals is for the City to offer year-round educational and recreational programs for youth and adults through the Community Recreation Program and for the District to provide use of District equipment and facilities; and

WHEREAS, The District and the City have agreed to a draft Agreement for Joint Use of Equipment and Facilities for the period July 1, 2016 through June 30, 2019.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, hereby approves the Kenai Peninsula Borough School District Agreement for Joint Use of Equipment and Facilities for the period July 1, 2016 through June 30, 2019, a copy of which is attached and incorporated herein, and authorizes the City Manger to execute the appropriate documents.

PASSED AND ADOPTED by the Homer City Council this 13th day of June, 2016.

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, MMC, CITY CLERK

Fiscal Note: 2016 budgeted expenses \$6,000; the fee for custodial services and supplies is also budgeted but could be reduced by “in-kind” services.

**AGREEMENT FOR JOINT USE OF EQUIPMENT
AND FACILITIES AND SUMMER FIELDS SCHEDULING**

THIS AGREEMENT, made this ____ day of _____, 2016, is between the Kenai Peninsula Borough School District, hereinafter referred to as "KPBSD" and the City of Homer, Alaska, hereinafter referred to as "CITY".

WHEREAS, the KPBSD and the CITY share common goals to provide opportunities and activities for the physical, mental and cultural development of their respective client groups through the Community Recreation Program, and

WHEREAS, there is a need for scheduling school field use during the summer when school administrators may be unavailable, and

WHEREAS, the benefits from limited financial resources can be maximized by the KPBSD and the CITY working together to provide facilities and programs to achieve their common goals.

NOW, THEREFORE, WITNESSETH:

In consideration of the premises and agreements contained herein, the parties hereto agree as follows:

ARTICLE 1 – COMMUNITY RECREATION PROGRAM

- 1.1. CITY OF HOMER-COMMUNITY RECREATION PROGRAM.** The CITY agrees to provide year-round educational and recreational programs among children, youth, young adults and adults in various sports, special events, hobbies, educational and other recreational activities known as the Community Recreation Program. Recognizing that this program uses school buildings and equipment, the extent, content, and management of the program shall be decided by the CITY with guidance and advice provided by the KPBSD and the Homer Middle School and Homer High School principals. Use of Homer High and Homer Middle Schools and equipment for this program is subject to the advance approval of the appropriate KPBSD administrator(s) who are responsible for such buildings and equipment.
- 1.2. COMMUNITY RECREATION PROGRAM CONTENT.** This program is comprised of the following:
 - a. Community Recreation Program classes; and
 - b. Scheduled gym activities such as basketball and volleyball; and
 - c. Periodic special events held in the school's theater, such as film festivals and musical performances, etc. (limit 1 per semester).
- 1.3 PERSONNEL.** The CITY of Homer shall hire qualified personnel to organize, supervise, direct and implement the educational and recreational program services and help ensure building security. Such personnel shall be located in the schools (except when school is not in session – May through August). The Recreation Program Manager will work under the supervision of the City Manager, or his/her designee, and both the Manager and City Manager shall ensure that all

activities of the Coordinator are done in cooperation with the KPBSD and the Homer Middle School and Homer High School principals, and in accordance with the provisions of this agreement and school board policy. All personnel employed with the Community Recreation Program shall be employees of the City of Homer and the personnel regulations and evaluation procedures of the CITY shall apply.

- 1.4. THE MANAGEMENT COMMITTEE.** The KPBSD will form a Management Committee consisting of Homer Middle School and Homer High School principals and the Homer High School Athletic/Activities Director. The Management Committee will meet quarterly with the City Manager or his/her designee and the Recreation Program Manager. At quarterly meetings the CITY will submit for review by the Management Committee a written and oral narrative of the programs and activities conducted during the previous quarter and those planned for the future. The KPBSD retains the right to review the proposed programs and activities and make suggestions concerning same, and to reject proposals that are inconsistent with KPBSD policies or applicable law related to the use of KPBSD facilities and equipment by the public. Reasonable progress reports shall be made by the Coordinator upon request in addition to the reports provided during the quarterly meetings.
- 1.5. USE OF FACILITIES.** The KPBSD agrees to make its facilities at Homer Middle and Homer High Schools available for use by the Recreation Program subject to the terms and conditions of this agreement and applicable KPBSD policies. The KPBSD will be responsible for building and grounds maintenance, utilities to include water, sewer, electricity, and heating fuel, provided that the Recreation Coordinator shall promptly notify the KPBSD and building administrator of any damage done to KPBSD facilities by either the Recreation Program instructors or participants, or otherwise observed by the Coordinator.

Except as otherwise agreed herein, the KPBSD agrees to make the above mentioned public school facilities available for education/recreation program activities according to the stipulations of BP 1330, Use of School Facilities and Properties, with the provision that preference in the scheduling of them shall be given to the organized activities of the Kenai Peninsula Borough schools. For those activities requiring the use of the high school's swimming pool the building use form will be utilized and the appropriate fees assessed according to BP 1330 on a case by case basis. No later than April 30 of each contract year, the CITY agrees to pay to the KPBSD technical fees charged to the CITY for the use of the Mariner Theater and an annual fee of six thousand (\$6,000) dollars for custodial services and supplies that are used by the Recreation Program with exception of any mutually agreed upon in-kind service between the KPBSD and CITY as stated in Article 1.6. Should a scheduling conflict arise, the appropriate principal shall give the Recreation Program Coordinator at least one week notice when possible. The Homer High School and Homer Middle School principals will consult with the Recreation Program Coordinator prior to booking private rentals within the facilities and fields (with the exception of the theater and pool) to avoid potential scheduling conflicts.

As circumstances allow, the KPBSD agrees to provide the Recreation Coordinator with office space, use of copier, and office supplies provided that the Coordinator may not use KPBSD office supplies other than those provided to the Coordinator by the KPBSD, or the copier for

more than 150 copies per month, without first obtaining advance approval of the building administrator. The CITY shall promptly reimburse the KPBSD for any unauthorized costs incurred by the Coordinator.

The Recreation Manager will be responsible for building security when activities are held after hours or they are the sole occupants of the school. The Recreation Coordinator will not be responsible for security in areas where KPBSD events are concurrently running or activities of groups not associated with Community Recreation are being held.

The Recreation Manager is not authorized by this agreement, excepting summer activities otherwise specified in Article 2 or by amendment, to schedule any events or programs that are not part of the Recreation Program and is prohibited from using the ~~school~~ KPBSD facilities, equipment, computer, copier, office space or supplies in any way to schedule any such events or programs. Further, the Coordinator and Recreation Program are not authorized to expand their program offerings in KPBSD facilities beyond the scope of the present status quo for the duration of this agreement without the written consent of all parties involved.

- 1.6. IN-KIND SERVICE.** Should the KPBSD determine it necessary to request the CITY to provide snow removal for the Homer High School upper and lower fields and the Homer Middle School football field, the pre-determined costs mutually agreed upon by the CITY and Homer High School administration for this “in-kind” service will reduce the \$6,000 annual fee in the same amount as the total costs of the in-kind service. The KPBSD’s “hold harmless” statement in Article 1.8 applies to any in-kind service provided by the CITY.
- 1.7. FISCAL AGENT.** The CITY shall act as the sole fiscal agent for the conduct of the Recreation Program Coordinator position in Homer.
- 1.8. HOLD HARMLESS.** The CITY shall hold harmless the KPBSD and its officers, directors and employees from and against any and all damages, losses, claims, lawsuits, or liability, including attorney’s fees and costs, of every kind arising out of loss, damages, whether tangible or intangible, or injury, including death, to persons or property sustained by the KPBSD, its employees and its volunteers, or any or all of them, from any cause arising out of or in the course of or in connection with its negligent use of KPBSD facilities, equipment and supplies and the performance or negligent performance of both its obligations and those of the Coordinator under this agreement, subject to the appropriation and availability of funds.

The KPBSD shall hold harmless the CITY and its officers and employees from and against any and all damages, losses, claims, lawsuits, or liability, including attorney’s fees and costs, of every kind arising out of loss, damage, or injury, including death, to persons or property sustained by the KPBSD, its employees and its volunteers, or any or all of them, from any cause arising out of or in the course of the KPBSD’s performance or negligent performance of its obligations under this agreement, subject to the appropriation and availability of funds.

- 1.9. INSURANCE.** The KPBSD will maintain comprehensive general liability insurance for claims arising against the activities of the KPBSD pursuant to this agreement. The CITY will maintain

comprehensive general liability insurance for claims arising against the CITY concerning the Recreation Program pursuant to this agreement. CITY must name KPBSD as an additional insured. KPBSD must name CITY as an additional insured.

- 1.10. EQUIPMENT.** The KPBSD has various equipment and supplies used in the conduct of its programs that may, upon request and approval, be made available to facilitate and support the provision of recreational and educational programs conducted under this agreement. It is understood by both the KPBSD and the CITY that equipment or supplies traditionally provided to the Recreation Program will continue to be made available. The CITY agrees to repair or replace any equipment that may be damaged while in their use or care.

ARTICLE 2 – SUMMER FIELD USE

- 2.1. SCHEDULING OF SUMMER FIELDS.** The CITY will schedule and issue facility use agreements in the summer months for the KPBSD.
- 2.2. SERVICES.** The CITY will provide personnel to schedule various group usages of the Homer High School and Homer Middle School fields within the City of Homer and issue related facility use agreements, waivers and perform incidental related tasks for dates where school is not in session in the months of May through August.
- 2.3. COMPENSATION.** The KPBSD will compensate Homer \$500.00 per summer for these summer scheduling services.
- 2.4. HOLD HARMLESS.** In recognition that the CITY is only providing scheduling services on behalf of the KPBSD and not administering any of the programs or persons that may be using the fields under a KPBSD facility use agreement the KPBSD, to the extent allowed by law and subject to appropriation, shall indemnify, hold harmless, and defend the CITY from and against any claims of, or liability for, any wrongful or negligent act, error, or omission of the KPBSD or any subcontractor with regards to summer use of the fields under a KPBSD facility use agreement. The KPBSD shall not be required to defend or indemnify the CITY for any claims of, or liability for, any wrongful or negligent act, error, or omission solely due to the independent negligence of the CITY. If there is a claim of, or liability for, the joint negligence of KPBSD and the independent negligence of the CITY, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. Apportionment shall be determined upon final determination of percentage of fault. If any such determination is by settlement, the percentage of fault attributed to each party for purposes of this indemnification provision shall only be binding upon the parties included in the settlement agreement. “KPBSD” and the “CITY” as used in this article include the employees, agents, officers, directors, and other contractors who are directly responsible, respectively, to each.

ARTICLE 3 – GENERAL CLAUSES

- 3.1. TERM.** This Agreement is effective for a term commencing July 1, 2016 and ending on June 30, 2019, unless terminated earlier pursuant to Article 3.3 of this Agreement, or unless extended as hereinafter provided in Article 3.2.
- 3.2. RENEWAL.** This Agreement may be extended on a year-by-year basis by mutual written agreement of the parties.
- 3.3. TERMINATION.** Either party may terminate this Agreement in whole or in part at any time without cause by giving written notice to the other party of such termination at least thirty (30) days before the effective date of such termination.
- 3.4. AMENDMENT.** This Agreement may be amended only by a written document executed by the parties.
- 3.5. AUTHORIZED AGENTS.** The individuals authorized to act as the agents on behalf of the parties to this agreement are:

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 Dave Jones, Assistant Superintendent
 148 North Binkley Street
 Soldotna, Alaska 99669
 (907) 714-8888

CITY OF HOMER
 Katie Koester, City Manager
 491 East Pioneer Avenue
 Homer, Alaska 99603
 (907) 235-8121

The parties do hereby set their hands and seals on the dates provided below.

 DAVE JONES

 KATIE KOESTER

STATE OF ALASKA)
) ss
 THIRD JUDICIAL DISTRICT)

STATE OF ALASKA)
) ss
 THIRD JUDICIAL DISTRICT)

SUBSCRIBED AND SWORN TO before me
 this ____ day of _____, 20 ____.

SUBSCRIBED AND SWORN TO before me
 this ____ day of _____, 20 ____.

 NOTARY PUBLIC
 My Commission Expires: _____

 NOTARY PUBLIC
 My Commission Expires: _____

**CITY OF HOMER
HOMER, ALASKA**

City Manager/Police Chief

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.

WHEREAS, The Alaska Department of Public Safety, State Troopers Special Services Contract pays the City for the provision of services related to assistance in the efficient conduct of the Alaska Department of Public Safety business within the general geographic region of the City of Homer; and

WHEREAS, Services provided include pre-arraignment prisoner care and access to and utilization of professional facilities and equipment instrumental to the overall efficient and effective operation of law enforcement and emergency response component; and

WHEREAS, The Special Services Contract is an annually budgeted revenue in the amount of \$36,000.00 to be paid in four payments of \$9,000.00; and

WHEREAS, The Alaska Department of Public Safety has requested renewal of the contract for a one year period from July 1, 2016 through June 30, 2017.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Homer, Alaska, hereby approves and accepts the renewal of the Special Services Contract for the FY 2017 with the Alaska Department of Public Safety in the amount of \$36,000.00 and authorizes the City Manager to execute the appropriate documents.

PASSED AND ADOPTED by the Homer City Council this 13th day of June, 2016.

CITY OF HOMER

MARY E. WYTHE, MAYOR

41 ATTEST:

42
43
44 _____
45 JO JOHNSON, MMC, CITY CLERK

46
47 Fiscal Impact: Revenues of \$36,000.00 budgeted in 100.030.4505.
48



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/ 907-226-3009

Memorandum 16-100

TO: Katie Koester, City Manager
FROM: Will Hutt, Lt., through Mark Robl, Chief of Police *WTH*
DATE: May 19, 2016
SUBJECT: FY 2017 Special Services Contract Renewal

The Alaska State Troopers have requested that we renew the special services contract we have with them. I recommend we obtain council approval to renew this contract.

We have had a special services contract with the state for more than 26 years. The contract reimburses us for allowing troopers to use our facilities and equipment as needed. It also pays us for transporting state prisoners to/from arraignments and for housing their Title 47 detainees.

The state proposes to renew the contract at the existing rate of \$36,000 annually. I feel this is fair compensation for the services we provide to them.

ALASKA DEPARTMENT OF PUBLIC SAFETY CONTRACT FOR SPECIAL SERVICES

July 1, 2016 to June 30, 2017

The parties. The parties to this contract are the Alaska Department of Public Safety (hereinafter referred to as the "Department") and the City of Homer (hereinafter referred to as the "City").

Sole Agreement. The City and the Department undertake this contract under the terms set forth below. This contract is the sole agreement between the parties relating to special services, and there are no other agreements, express or implied.

Effective Date/Termination/Amendments. This contract is effective July 1, 2016 and continues in force until June 30, 2017; except that it may be terminated by either party upon thirty (30) days written notification to the other. This agreement may be amended by written agreement of the parties.

1. The Department will pay the City for services provided in accordance with, and under the terms of, this contract. Payments will be made quarterly in the amount of \$9,000.00, for a total of \$36,000.00. Payment for services provided under this contract will be made in four annual payments in the amount of and covering the periods indicated below:

Period Covered	Amount	Payment Process Can Be Initiated
07/01/16 – 09/30/16	\$9,000.00	10/01/16
10/01/16 – 12/31/16	\$9,000.00	01/01/17
01/01/17 – 03/31/17	\$9,000.00	04/01/17
04/01/17 – 06/30/17	\$9,000.00	06/01/17
12 Month Total	\$36,000.00	

2. The City will provide and perform the services specified in this contract to the satisfaction of the Department, in support of Department personnel and operations.

SPECIFIC PROVISIONS

3. The City will:
 - a. permit limited but continued access to and utilization of professional facilities and equipment instrumental to the overall efficient and effective operation of law enforcement and emergency response component (i.e. squad room, temporary work desk, kitchen, weight and exercise room, locker room, interview rooms, evidence processing room and equipment, Datamaster, video and training material, and other general building facilities).

**ALASKA DEPARTMENT OF PUBLIC SAFETY
CONTRACT FOR SPECIAL SERVICES**

July 1, 2016 to June 30, 2017

- b. provide continued transport and security of prisoners from the Homer Jail to Homer Court for hearings and arraignments; persons remanded to custody by the Court from Homer Court to Homer Jail; persons in custody prior to arraignment; and persons committed under Title 47 to the South Peninsula Hospital in Homer.

IN WITNESS OF THIS AGREEMENT, the undersigned duly authorized officers have subscribed their names on behalf of the Department and the City respectively.

For the City of Homer:

By _____

Printed Name _____

Official Title _____

Date _____

For the Department of Public Safety:

By _____

Printed Name _____

Official Title _____

Date _____

**CITY OF HOMER
HOMER, ALASKA**

Zak

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.

WHEREAS, Resolution 16-042 was adopted by Council on April 25, 2016 authorizing the
formation of the Kachemak Drive Phase III Water and Sewer Special Assessment District; and

WHEREAS, Pursuant to Resolution 05-50(A) the Council can exempt certain lands that
will not be developed due to conservation easements or land that is owned by organizations
that conserve land for public purposes or habitat protection from the Homer Accelerated
Water and Sewer Program Special Assessment Districts on a case by case basis; and

WHEREAS, Government Lots 3 and 15, Checkmate Shores Subdivision Lot 1, and
Mailea Bay Subdivision Lots 1 and 4, Kenai Peninsula Borough Parcel Nos. 17915002,
17936014, 17915056, 17915059, and 17915060 are owned by Kachemak Moose Habitat, Inc., a
small nonprofit that has preserved more than 630 acres of moose habitat on the Southern
Kenai Peninsula since 1996; and

WHEREAS, Kachemak Moose Habitat, Inc. has an emphasis on conserving land around
Beluga Lake next to the Homer Airport Critical Habitat Area; and

WHEREAS, During tough winters and deep snow the moose congregate in the Beluga
Lake wetlands near the airport to feed and rest.

NOW, THEREFORE, BE IT RESOLVED that Government Lots 3 and 15, Checkmate
Shores Subdivision Lot 1, and Mailea Bay Subdivision Lots 1 and 4, Kenai Peninsula Borough
Parcel Nos. 17915002, 17936014, 17915056, 17915059, and 17915060 are exempt from an
assessment from the Kachemak Drive Phase III Water and Sewer Special Assessment District
until such time as the lots are developed or a permanent structure is constructed on the lots.

PASSED AND ADOPTED by the Homer City Council this 13th day of June, 2016.

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, MMC, CITY CLERK

Fiscal Note: \$54,810.00 water assessments and \$98,130.00 sewer assessments for Kenai Peninsula Borough Parcel Nos. 17915002, 17936014, 17915056, 17915059, and 17915060.



Kachemak Moose Habitat, Inc.

Anchor River Beach Road



P.O. Box 888



Anchor Point, AK 99556

STATEMENT OF OBJECTION

City of Homer
Office of the City Clerk
491 E. Pioneer Ave.
Homer AK 99603

Dear Sirs:

Please consider this as our request for an exemption from the fees relating to the Kachemak Drive Phase Three Water & Sewer Special Assessment District. Our non-profit association has been exempted by City Council actions for the two previous phases along Kachemak Drive. However we will be expected to go before the council for exemption considerations on any properties we own within the City limits each time there is a new proposed special assessment district. Please schedule that hearing before the City Council at their earliest convenience.

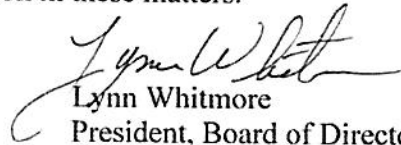
The City's Public Work Director and Julie Engebretsen in your Planning Department are very familiar with our organization and its relationship with the City in those previous Kachemak Drive project phases. A discussion with either or both of them may help you move forward in this process.

It has always been the intent of our organization to protect in perpetuity the wildlife habitat we acquire and we have such language in many of our property deeds. Furthermore we have had agreements with the City on the previous phases that any changes to our properties' protection status, such as development of any kind would cause them to fall under the assessment district fees and they would immediately apply to those properties.

Another important issue that we believe the Public Works Director has been made aware of previously is that one property we own (Borough Parcel #17936014) was acquired via a North American Wetlands Conservation Act grant from the U.S. Fish & Wildlife. This property comes with protection in perpetuity language and appears to have strict mitigation language should any development of any kind be proposed to disturb that habitat. We believe that deed restriction language would be defended by the U.S. Fish & Wildlife. Adding to issues with this parcel is the parcel boundaries extent to the

centerline of Kachemak Drive. Please be aware that this parcel's complications will need to be addressed prior to the project going forward as designed. We will be happy to work with the city to attempt to address all issues regarding our parcels within this project phase.

Thank you for your consideration in these matters.


Lynn Whitmore
President, Board of Directors

WHEREAS, Written objections were received from four property owners, representing six parcels within the district, 19 percent of the assessed cost of the improvement; and

WHEREAS, A public hearing was held on April 11, 2016 and there was no public testimony; and

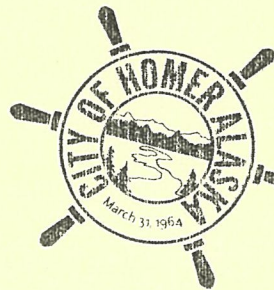
WHEREAS, The estimated cost of water improvements is \$1,169,281 with property owners' estimated total assessment of \$350,784; a State grant will pay for 70% of the cost of the water main extension along Kachemak Drive Phase III and property owners will be required to pay the portion not covered by the grant; and

WHEREAS, The estimated cost of sewer improvements is \$837,358 with property owners' estimated total assessment of \$628,019; property owners will pay 75% and Homer Accelerated Water and Sewer Program (HAWSP) will pay 25% for sewer along Kachemak Drive Phase III; and

WHEREAS, Council finds that the water and sewer improvements are necessary and will benefit the properties to be assessed.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council authorizes the formation of the Kachemak Drive Phase III Water and Sewer Special Assessment District, and authorizes the City Manager to proceed with the preparation and construction of the project.

PASSED AND ADOPTED by the City Council of Homer, Alaska, this 25th day of April, 2016.



CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, MMC, CITY CLERK

Fiscal Note: Total estimated project water: \$1,169,281. Estimated property owner share of water improvements is \$350,784. A State grant will pay 70% of the cost of the water main

- 84 extension. Total estimated project sewer: \$837,358. Estimated property owner share of sewer
85 improvements is \$628,019 and HAWSP will pay 25% (\$209,340) of the sewer.

CITY OF HOMER
HOMER, ALASKA

Yourkowski

RESOLUTION 05-50(A)

A RESOLUTION OF THE CITY COUNCIL EXEMPTING CERTAIN LANDS THAT WILL NOT BE DEVELOPED DUE TO CONSERVATION EASEMENTS OR OWNED BY ORGANIZATIONS THAT CONSERVE LAND FOR PUBLIC PURPOSE AND OR HABITAT PROTECTION FROM THE HOMER ACCELERATED ROADS PROGRAM AND THE HOMER ACCELERATED WATER AND SEWER PROGRAM ASSESSMENT DISTRICT ASSESSMENTS ON A CASE BY CASE BASIS AND THAT EACH PROGRAM SHALL BE AMENDED TO INCLUDE THIS EXEMPTION UNDER SPECIAL PROVISIONS.

WHEREAS, The City of Homer is blessed with high value wetlands and essential moose and wildlife habitat that should be preserved; and

WHEREAS, organizations that purchase land for habitat protection and public purpose should not have additional assessment burdens; and

WHEREAS, property conserved forever by conservation easements or conservation organizations that will not benefit from water, sewer and road improvements; and

WHEREAS, certain organizations such as Kachemak Moose Habitat Incorporated and Kachemak Heritage Land Trust were established to preserve, for public benefit, land with significant natural, recreational, or cultural values by working with willing landowners on the Kenai Peninsula; and

WHEREAS, The Homer City Council has, in the past, exempted certain non profit entities from Homer Accelerated Roads Program (HARP) and Homer Accelerated Water and Sewer Program (HAWSP) Assessments; and

WHEREAS, The Kachemak Heritage Land Trust and Kachemak Moose Habitat, Inc. are non-profit organizations under the 501(c)(3) provisions; and provide essential services to the Homer Community.


NOW, THEREFORE, BE IT RESOLVED that the City Council may decide that certain lands preserved in their entirety for public purpose hereby shall be exempt-s certain lands preserved for public purpose from HARP and HAWSP Assessment District Assessments on a case by case basis and that the HARP and HAWSP shall each be amended to include this exemption under Special Provisions; and

BE IT FURTHER RESOLVED that land exempted under this provision shall ~~not~~ be included in the formation of any HARP or HAWSP Improvement/Assessment District; and

BE IT FURTHER RESOLVED that the land exemption status shall be noted on any HARP or HAWSP LID Application, Petition, Preliminary and Final Assessment Rolls for Council's case by case consideration.

PASSED AND ADOPTED by the HOMER CITY COUNCIL this 25th day of April, 2005.

ATTEST:


MARY L. CALHOUN, CMC, CITY CLERK


JAMES C. HORNADAY, MAYOR

Fiscal Note: Assessments will be Funded by the HARP and/or HAWSP as approved by the City Council in the Final Assessment Roll.

MY/mlc

**CITY OF HOMER
HOMER, ALASKA**

Mayor/Council

RESOLUTION 16-068

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
EXPRESSING SUPPORT 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.

WHEREAS, The decline in state programs and financial assistance to municipalities resulted in cuts to the City of Homer operating budget and suspension of dedicated sales tax for roads, HART, until 2019 to cover the gap; and

WHEREAS, Kenai Peninsula Borough Ordinance 2016-16 increases the sales tax cap from \$500 to \$1,000 borough-wide and exempts residential rent from sales tax, subject to voter approval; and

WHEREAS, The Kenai Peninsula Borough estimates that the increase in sales tax cap coupled with the exemption of residential rent would generate approximately \$190,000 in increased sales tax returns for the City of Homer; and

WHEREAS, Small revenue increases from multiple sources, combined with careful spending will be needed to balance the budget by 2019; and

WHEREAS, The sales tax cap has not been adjusted in over 50 years; and

WHEREAS, Increasing the cap Borough-wide keeps the playing field level for peninsula businesses.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, expresses support for KPB Ordinance 2016-16, submitting to the voters a ballot proposition that increases the sales tax cap from \$500 to \$1,000 and exempts residential rent.

BE IT FURTHER RESOLVED that the Homer City Clerk is instructed to transmit a copy of the resolution to the Kenai Peninsula Borough Mayor and Assembly.

PASSED AND ADOPTED by the Homer City Council this 13th day of June, 2016.

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, MMC, CITY CLERK

Fiscal Note: \$190,000 increased revenue divided between HART, HAWSP and General Fund.

Introduced by: Mayor
Date: 05/17/16
Hearings: 06/07/16 and 06/21/16
Action:
Vote:

**KENAI PENINSULA BOROUGH
ORDINANCE 2016-16**

AN ORDINANCE AMENDING KPB 5.18.200(A)(16) AND 5.18.430 BY INCREASING THE MAXIMUM AMOUNT OF A SALE SUBJECT TO THE BOROUGH SALES TAX TO \$1,000 SUBJECT TO VOTER APPROVAL WITH AN ADJUSTMENT FOR INFLATION EVERY FIFTH YEAR; AND IF VOTERS APPROVE INCREASING THE MAXIMUM TAXABLE AMOUNT TO \$1,000, EXEMPTING RESIDENTIAL RENTALS FROM SALES TAX

WHEREAS, KPB 5.18.430(A) currently provides for a ‘maximum tax’ of \$500, meaning the borough’s sales tax is only applied to the first \$500 of each separate sale, rent, or service transaction unless otherwise provided; and

WHEREAS, Ordinance No. 9, enacted by the assembly in 1965, set the maximum taxable amount at \$500 and this sum has never been adjusted for inflation or otherwise; and

WHEREAS, the 2015 value of \$500 in 1965 is approximately \$3,072 according to the Alaska Department of Labor Anchorage Consumer Price Index inflation calculator and approximately \$3,762 according to the U.S. Bureau of Labor Statistics Consumer Price Index inflation calculator; and

WHEREAS, if the maximum taxable amount in Ordinance No. 9 had been adjusted for inflation between 1965 and today, the maximum taxable amount today would be in excess of \$3,000; and

WHEREAS, with the decline in state programs and financial assistance to municipalities and schools, the borough will face additional pressure to provide public services and will need additional revenues to meet the community’s needs; and

WHEREAS, an increase in the maximum taxable amount would disproportionately affect tenants of residential property who would pay the higher sales tax on a recurring basis each month; and

WHEREAS, affordable rental housing is important for the borough and its residents; and

WHEREAS, KPB 5.18.430(F) requires that any increase in the amount of the maximum taxable amount be approved by the voters; and

WHEREAS, if the voters approve an increase in the maximum taxable amount, it is appropriate to then exempt residential rents from sales tax to protect tenants of residential property from a disproportionate effect of the increase;

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

SECTION 1. That KPB 5.18.200(A)(16) is hereby amended as follows:

5.18.200. - Exemptions/waivers—Exemptions.

A. The following classes of retail sales, services and rentals are exempt:

...

16. Rental or lease payments for a dwelling unit for a permanent place of abode. [SENIOR, DISABLED RESIDENT, AND DISABLED VETERAN HOUSING RENT. RENTAL PAYMENTS FOR A DWELLING UNIT FOR A PERMANENT PLACE OF ABODE BY A RESIDENT WHO IS AT LEAST 65 YEARS OF AGE, OR WHO IS A DISABLED VETERAN OR A DISABLED RESIDENT. DISABLED VETERAN HAS THE MEANING PROVIDED IN KPB 5.12.105(F)(3), AND THE TERM DISABLED RESIDENT HAS THE MEANING PROVIDED IN KPB 5.12.110, AS THOSE PROVISIONS ARE NOW ENACTED OR MAY BE HEREINAFTER AMENDED.] Dwelling unit means a house, apartment, or room in a residential facility such as congregate housing or assisted living. Permanent means the tenant has lived in the dwelling unit [WITHIN THE KENAI PENINSULA BOROUGH] for a minimum of [SIX MONTHS] one month or signed a lease agreement for the dwelling unit with a term greater than one month. [AND IS A RESIDENT OF THE STATE OF ALASKA.] The landlord must accept an affidavit on a form provided by the borough or otherwise acceptable to the borough administration from the tenant as proof of [AGE AND] eligibility for this exemption. [If ANY PERSON UNDER 65 YEARS OF AGE, OTHER THAN A SPOUSE, RESIDES IN THE DWELLING UNIT WITH A QUALIFYING SENIOR, THE EXEMPTION MAY NOT BE GRANTED UNLESS THE SENIOR IS THE PRINCIPAL SOURCE OF SUPPORT FOR SUCH PERSON LESS THAN 65 YEARS OF AGE, OR UNLESS THE PERSON QUALIFIES AS A DISABLED VETERAN OR A DISABLED RESIDENT. THIS EXEMPTION SHALL ALSO APPLY TO A RESIDENT AT LEAST 60 YEARS OLD WHO IS THE WIDOW OR WIDOWER OF A PERSON WHO QUALIFIED FOR THIS EXEMPTION AS A SENIOR CITIZEN OR A DISABLED VETERAN.]

SECTION 2. That KPB 5.18.430 is amended as follows:

5.18.430. - Computation—Maximum taxable amount.

A. The sales tax referred to in KPB 5.18.100 shall be applied only to the first \$1,000.00[500.00] of each separate sale, rent or service transaction, except as otherwise provided in this section. On January 1 of every fifth year, beginning

January 1, 2022, this maximum taxable amount shall be adjusted based on the change in inflation as calculated in the year immediately preceding the effective date of the adjustment and based on the preceding five years as measured by Alaska Department of Labor Anchorage Consumer Price Index, rounded down to the nearest \$10, subject to assembly approval amending this section to reflect the adjusted amount. For purposes of calculating the five-year inflation adjustment to the maximum taxable amount, the borough finance director shall calculate the adjustment based on the percentage change in inflation for the five-year period used in the calculation.

B. Except as provided below for long-term vehicle leases, the payment of rent, whether for real or personal property, in excess of the current maximum taxable amount in KPB 5.18.430(A) [\$500.00] and for more than one month, shall be treated as several separate transactions covering the rental/lease for one month each.

C. Services provided on account and billed to the customer on a periodic basis are subject to [APPLICATION TO] the [TAX ON A] maximum [OF \$500.00 OF] taxable amount in KPB 5.18.430(A) for each billing, per account. For purposes of this section, any advance payment for services other than to a trust or escrow account is considered to be paid pursuant to a "billing."

D. Except as provided in KPB 5.18.200(A)(16), [E]each night's rental of each individual room shall be considered a separate transaction and therefore the maximum tax computation shall be calculated on a per room per night basis.

E. Long-term vehicles leases shall be treated as one transaction per year, and per fractional year, of the lease term. The tax paid for any fraction of a year shall equal the tax paid for a whole year. The sales tax for the entire long-term vehicle lease shall be due and collected at the time of the first payment. Tax shall be calculated at the sales tax rate in effect on the day the lease is signed. There shall be no refund of such taxes should the lease terminate earlier than on its terms. Any extension of the initial lease term shall be treated as a new long-term vehicle lease.

F. Except for inflation adjustments to the maximum taxable amount, [A]any increase to the maximum sales tax described in subsection (A), above, shall not take effect until ratified by a simple majority of voters at a regular borough election.

G. Recreational sales shall be treated on a per person per day basis and therefore the maximum tax computation shall be calculated on a per person per day basis. For purposes of this subsection, the term "person" means an individual human being.

SECTION 3. That a ballot proposition shall be placed before borough voters at the next regular election to read as follows:

PROPOSITION No. _____

Shall the provisions in Section 2 of Ordinance 2016-16, increasing the maximum amount of a sale subject to the borough sales tax from \$500 to \$1,000 with an adjustment for inflation every five years be ratified?

YES _____

A “yes” vote means that the maximum amount of a sale subject to the borough sales tax will be increased to \$1,000 and then adjusted for inflation every five years. If the majority vote “yes,” a secondary result or byproduct of that vote would be that monthly rental amounts for residential dwelling units used as a permanent place of abode will be exempt from borough sales taxes.

NO _____

A “no” vote means that the maximum amount of a sale subject to the borough sales tax will remain at a maximum of \$500. If the majority vote “no,” a secondary result or byproduct of that vote would be that borough sales taxes will continue to be charged on rental amounts for residential dwelling units used as a permanent place of abode.

SECTION 4. That Section 3 shall become effective immediately upon enactment of this ordinance. Sections 1 and 2 of this ordinance shall become effective January 1, 2017, only if the proposition contained in Section 3 is approved by a majority of voters voting on the question in the regular election of October 4, 2016.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS *
DAY OF * 2016.**

Blaine Gilman, Assembly President

ATTEST:

Johni Blankenship, Borough Clerk

Yes:

No:

Absent:

**CITY OF HOMER
HOMER, ALASKA**

City Manager

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. **C**

WHEREAS, HCC 18.12.020 provides that real property that is no longer required for public purpose may be sold to the highest responsible bidder at public auction or by sealed bids; and

WHEREAS, City Council determined that a public purpose did not exist for the properties described above and designated the properties for sale in the City's 2015 Land Allocation Plan adopted by Resolution 15-030(A) on April 27, 2015; and

WHEREAS, Ordinance 16-17(S) further authorized the City Manager to offer the property described herein for sale; and

WHEREAS, The property was offered through sealed bids and advertised in the Homer News on May 12, 2016 and May 19, 2016 and on the City of Homer website and multiple bids were received on all properties described herein.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, approves the terms and conditions of the sale, confirms the terms and conditions have been fulfilled and declares the highest responsible bidders as:

- Betty Gambone for Govt. Lot 3 Lying E. of Kachemak Drive, Section 14, Township 6 South, Range 13 West, Seward Meridian, KPB PARCEL NO. 179-150-03, for the amount of \$5,000.00; and

- Betty Gambone for 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, for the Amount of \$10,000.00; and
- Roseleen Moore for Govt. Lot 24, Section 14, Township 6 South, Range 13 West, Seward Meridian, KPB Parcel No. 179-080-25, for the Amount of \$1,000.00; and
- Roseleen Moore for Govt. Lot 25, Section 14, Township 6 south, Range 13 West, Seward Meridian, KPB Parcel No. 179-080-26, for the Amount of \$1,000.00; and
- John Warren for Govt. Lot 36, Section 14, Township 6 South, Range 13 West, Seward Meridian, KPB Parcel No. 179-100-01, for the Amount of \$40,000.00; and
- Mike Arno for Govt. Lot 10, Section 14, Township 6 South, Range 13 West, Seward Meridian, KPB Parcel No. 179-080-09, for the Amount of \$22,500.00; and
- Mike Arno for Govt. Lot 21, Section 14, Township 6 South, Range 13 West, Seward Meridian, KPB Parcel No. 179-080-15, for the Amount of \$22,500.00.

BE IT FURTHER RESOLVED that the Homer City Council authorizes the City Manager to execute the necessary documents to complete the sale transactions with the highest responsible bidders.

PASSED AND ADOPTED by the Homer City Council this 13th day of June, 2016.

CITY OF HOMER

MARY E. WYTHE, MAYOR

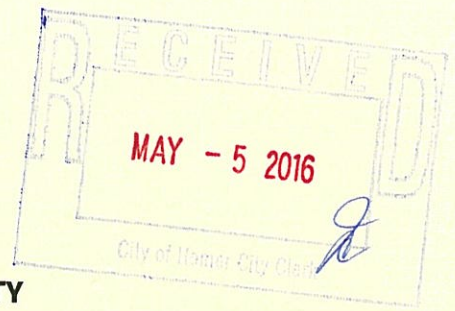
ATTEST:

JO JOHNSON, MMC, CITY CLERK

Fiscal Note: Income from sale of Lots 3, 10, 21, 24, 25, 30, and 36 is \$102,000; water/sewer assessment of Lot 36 is \$34,140.80 for a net income of \$136,140.80.

INVITATION TO BID
CITY OF HOMER

TO PURCHASE CITY REAL PROPERTY
SEVEN PARCELS



Sealed bids for the purchase of real property will be received at the Office of the City Clerk, City Hall, City of Homer, 491 East Pioneer Avenue, Homer, Alaska, until **2:00 p.m. Thursday, June 2, 2016**, at which time they will be publicly opened and read. The time of receipt will be determined by the City Clerk's time stamp. Bids received after the time fixed for the receipt of the bids shall not be considered. **All bidders must submit a City of Homer Plan Holders Registration form to be on the Plan Holders List and to be considered responsive.** Plan holder registration forms and bid specifications are available online at <http://www.cityofhomer-ak.gov/rfps>

The City of Homer, Alaska, is hereby advertising for sealed bids to purchase the following real property:

Govt. Lot 3 lying east 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 west 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)

An electronic copy of the bid package is available on the City's website <http://www.cityofhomer-ak.gov/rfps> or you may purchase hard copies at the Office of the City Clerk for a fee of \$10.00. If you have any questions on the contents of the bid package, please contact the City Clerk at (907) 235-3130.

The City reserves the absolute right to reject any or all proposals, may waive any or all informalities or irregularities, and may permit the correction of errors or omissions in responses.

Dated this 4 day of May, 2016


Katie Koester, City Manager

Publish: Homer News: May 12 and 19, 2016
Account No.: 100.0101.5227

**CITY OF HOMER
BID TALLY SHEET**

PROJECT: ITB Real Property Kachemak Dr Parcels

DUE DATE & TIME: June 2, 2016 2:00 p.m.

CITY CLERK'S OFFICE

BIDDER NO.	BIDDER NAME & ADDRESS	BID AMOUNT
1.	Moore Properties Kenneth D Moore Roseleen L Moore 5140 Kachemak Drive	Lot 30 Parcel #179-080-50 \$2,000.00 Lot 24 Parcel #179-080-25 \$1,000.00 Lot 10 Parcel #179-080-09 \$6,000.00 Lot 25 Parcel #179-080-26 \$1,000.00 Lot 21 Parcel #179-080-15 \$4,600.00 Lot 3 & Lot 36 – No Bid
	Warren Enterprises John Warren P.O. Box 2581 Homer, AK 99603	Lot 36 Parcel #179-100-01 \$40,000.00 High Bidder as determined by City Manager Lots 3, 30, 10, 21, 24, 25 – No Bid
3.	JHTKO, LLC Gundega Snepste P.O. Box 2635 Homer, AK 99603	Lot 36 Parcel #179-100-01 \$22,500.00 Lots 3, 30, 10, 21, 24, 25 – No Bid
4.	Betty Gambone P.O. Box 2015 Homer, AK 99603	Lot 3 Parcel #179-150-03 \$5,000.00 Lot 36 Parcel #179-100-01 \$25010.37 Lot 30 Parcel #179-080-50 \$10,000.00 Lots 10, 21, 24, 25 – No Bid
5.	Kachemak Moose Habitat Lynn Whitmore P.O. Box 355 Anchor Point, AK 99556	Lot 36 Parcel #179-100-01 \$40,000.00 Lots 3, 30, 10, 21, 24, 25 – No Bid
6.	Mike Arno P.O. Box 1772 Homer, AK 99603	Lot 10 Parcel #179-080-09 \$22,500.00 Lot 21 Parcel 179-080-15 \$22,500.00 Lots 3, 30, 24, 25, 36 – No Bid

Staff Present: Renee Krause, Deputy City Clerk; Kim Gilbert, Finance; Jo Johnson, City Clerk

Comments: _____

**CITY OF HOMER
HOMER, ALASKA**

Mayor/City Council

RESOLUTION 15-030(A)

**A RESOLUTION OF THE HOMER CITY COUNCIL APPROVING THE
CITY OF HOMER 2015 LAND ALLOCATION PLAN.**

WHEREAS, The Property Management Policy and Procedures Manual sets policy for municipal land management; and

WHEREAS, Chapter 3 of the Property Management Policy and Procedures Manual establishes that a Land Allocation Plan will be developed annually; and

WHEREAS, The City Council discussed the Land Allocation Plan during a Worksession on April 27, 2015; and

WHEREAS, The Economic Development Advisory Commission, Parks and Recreation Advisory Commission, Port and Harbor Advisory Commission, and Advisory Planning Commission reviewed the draft Land Allocation Plan and provided their recommendations as outlined in Memorandum 15-055 by the Deputy City Planner; and


WHEREAS, Council had the following recommendations to amend the plan:

1. Homer Spit No. 5 Lot 11 - portion be available for long term cell tower lease
2. Homer Spit No. 2 Lot 12-A - remove from short term lease
3. Homer Spit Subdivision Amended, Lots 28 and 29 - retain for parking and restrooms, deleting reference to harbormaster office
4. HM T06S R 13W S19 Portion Thereof S of Olsen Lane; T 6S R 13W Sec 28 Seward Meridian HM Govt Lots 5, 6, 7, 8; T 6S R 13W Sec 28 Seward Meridian HM Govt Lots 10-15 - designate as parks
5. C7 - Government Lots 10, 21, 24, 25 HM T06S R13W S14 will be advertised for sale
6. E19 - T 6S R 13W Sec 20 Seward Meridian HM 0840005 Lakeside Village Sub Amended Lot 2 Blk 4 staff to explore and bring a recommendation to replat to extend through to Lakeside Drive (act on Resolution 09-33)
7. E22 - That Portion of Govt Lot 3 Lying Southwesterly of Kachemak Drive, T6S R13W S23 list lot for sale pending appraisal and attempt to contact adjacent land owners to see if they have an interest in purchasing
8. E23 - Government Lot 36 HM T06S R13W S14, Harry Feyer Subdivision Lot 1 list lot for sale pending appraisal
9. E6 - HM0880016 T06S R14W S24 Lillian Walli Estate Sub Lot 60, 65, 66, 67, 70, 57, 58, 59 list all lots for sale

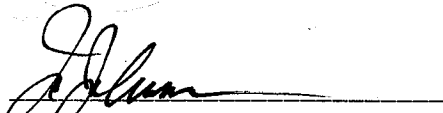
NOW, THEREFORE, BE IT RESOLVED by the City Council that the City of Homer 2015 Land Allocation Plan is hereby approved as presented.

PASSED AND ADOPTED by the Homer City Council this 27th day of April, 2015.

CITY OF HOMER


MARY E. WYTHE, MAYOR

ATTEST:


JO JOHNSON, MMC, CITY CLERK

Fiscal Note: N/A

**CITY OF HOMER
HOMER, ALASKA**

City Manager

ORDINANCE 16-17(S)

AN ORDINANCE OF THE HOMER CITY COUNCIL DETERMINING THAT A PUBLIC PURPOSE DOES NOT EXIST FOR CITY PROPERTIES DESCRIBED AS LOT 1, HARRY FEYER SUBDIVISION, AND THE FOLLOWING LOCATED IN SECTION 14, TOWNSHIP 6, RANGE 13, SEWARD MERIDIAN: GOVT. LOT 3 LYING EAST OF KACHEMAK DRIVE, S. ½ OF GOVT. LOT 30 LYING WEST OF KACHEMAK DRIVE, AND GOVT. LOTS 10, 21, 24, 25 AND 36; AND AUTHORIZING THEIR SALE.

WHEREAS, The following properties were conveyed to the City of Homer ("City") by Clerk's Deed:

Lot 1, according to the Plat of Harry Feyer Subdivision, filed under Plat 4712, Homer Recording District, Third Judicial District, State of Alaska (KPB Parcel No. 179-110-05); and

Govt. Lot 3 lying east of Kachemak Drive, Section 14, Township 6 South, Range 13 West, Seward Meridian (KPB Parcel No. 179-150-03); and

WHEREAS, The following property was conveyed to the City by the Kenai Peninsula Borough:

S. ½ of Govt. Lot 30 lying west of Kachemak Drive, Section 14, Township 6 South, Range 13 West, Seward Meridian (KPB Parcel No. 179-80-50); and

WHEREAS, The following properties were conveyed to the City by Patent from the State of Alaska:

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); and

WHEREAS, The Council has determined that a public purpose does not now exist for the properties described above and designated the properties for sale in the City's 2015 Land Allocation Plan adopted by Resolution 15-030(A) on April 27, 2015.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. Pursuant to AS 29.45.460(b) and Homer City Code 18.06.042, the City hereby determines that a public purpose does not exist for the following tax-foreclosed property:

Lot 1, according to the Plat of Harry Feyer Subdivision, filed under Plat 4712, Homer Recording District, Third Judicial District, State of Alaska (KPB Parcel No. 179-110-05)

Section 2. Pursuant to AS 29.45.460(b) and Homer City Code 18.06.042, the City hereby determines that a public purpose does not exist for the following tax-foreclosed property:

Govt. Lot 3 lying east of Kachemak Drive, Section 14, Township 6 South, Range 13 West, Seward Meridian (KPB Parcel No. 179-150-03)

Section 3. Notwithstanding Homer City Code 18.12.020(b), because the close of the redemption period for each of the properties described in Sections 1 and 2 occurred more than 10 years ago, this ordinance shall not be subject to the requirements of Homer City Code 18.06.042(d) and (e).

Section 4. The Council confirms its determination in Resolution 15-030(A) that a public purpose does not exist for the following properties:

S. ½ of Govt. Lot 30 lying west of Kachemak Drive, Section 14, Township 6 South, Range 13 West, Seward Meridian (KPB Parcel No. 179-80-50)

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)

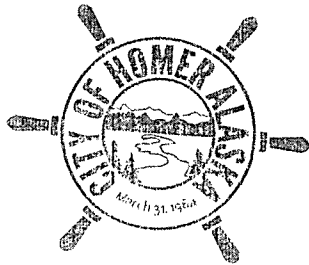
Section 5. The City Manager is authorized to offer the property described in Section 1 for sale, and that property may be sold, for less than fair market value, in consideration of its development constraints and large water and sewer assessment. Pursuant to Homer City Code 18.12.020(d) and 18.12.040, the Council finds that if a time not exceeding one year that the City Manager determines to be reasonable has passed without the City receiving any acceptable bid for this property, it is in the best interest of the City for the City Manager to offer to convey the property for nominal consideration to any owner of adjacent property that will bear the expense of replatting the property into a combined lot with the owner's adjacent property.

Section 6. The City Manager is authorized to offer the properties described in Sections 2 and 4 for sale in accordance with Chapter 18.12 of the Homer City Code. The City Manager

initially shall solicit bids to purchase each property. Pursuant to Homer City Code 18.12.020(d), the Council finds that if a time that the City Manager determines to be reasonable has passed without the City receiving any acceptable bid for one or more of these properties it is advantageous to the City for the City Manager to dispose of those properties through sole source negotiations.

Section 7. This Ordinance is not permanent in nature, and shall not be codified.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 11th day of April, 2016.



CITY OF HOMER

Mary E. Wythe
MARY E. WYTHE, MAYOR

ATTEST:

Jo Johnson
JO JOHNSON, MMC, CITY CLERK

YES: 6
NO: 4
ABSTAIN: 4
ABSENT: 4

First Reading: 3/29/16
Public Hearing: 4/11/16
Second Reading: 4/11/16
Effective Date: 4/12/16

Reviewed and approved as to form:

Mary K. Roester
Mary K. Roester, City Manager

Date: 4.14.16

Thomas F. Klinkner
Thomas F. Klinkner, City Attorney

Date: 4-15-16

123 Fiscal Note: Revenues unknown at this time.

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, MMC, CITY CLERK

Fiscal Note: ACWF Loan for \$262,000 to be paid back over a 20-year period with assessments collected from property owners.



City of Homer

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Public Works

3575 Heath Street
Homer, AK 99603

publicworks@cityofhomer-ak.gov

(p) 907-235-3170

(f) 907-235-3145

Memorandum 16-106

TO: Katie Koester - City Manager

FROM: Carey Meyer – Public Works Director

DATE: June 8, 2016

SUBJECT: **Resolutions Authorizing ADEC Alaska Clean Water Fund Loan Execution
Kachemak Drive (Phase III) Sewer Extension and
Lillian Walli Subdivision/Eric Lane Sewer Extension**

The City Council has approved the creation of a Special Assessment District (SAD) to install the last portion of sewer main on Kachemak Drive (Resolution 16-042) and to extend sewer main to properties fronting Eric Lane in the Lillian Walli Subdivision (Resolution 16-047).

An ADEC/EPA 20-year, low interest loan (currently 1.5%) is available to finance both the City and property owners' share of the cost of the two projects.

As the two SAD resolutions were being acted upon, the Council evaluated the health of the Homer Accelerated Water and Sewer Program (HAWSP). It was determined that sufficient funds were available to complete these two projects, but that any additional projects would lower the Program fund amount below levels approved by the Council.

Twenty-five percent (25%) of the Kachemak Drive sewer project is directly funded by the HAWSP; 75% by the benefitted property owners. The benefitted property owners will be assessed 100% of the cost of the Eric Lane sewer project.

Loan payments for both projects will be made from the Homer Accelerated Water and Sewer Program (HAWSP) over a 20-year period (with assessments collected from property owners over this same time period).

Recommendation

The Homer City Council pass Resolutions 16-070 and 16-071 authorizing the City Manager to apply for, accept, and execute an Alaska Clean Water Fund low interest loan to finance the cost of the Kachemak Drive Sewer Extension (Phase III) and the Lillian Walli Subdivision/Eric Lane Sewer Extension project in the amounts of \$801,100 and \$262,000 respectively, and execute all appropriate related documents.

**CITY OF HOMER
HOMER, ALASKA**

City Manager/
Public Works Director

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.

WHEREAS, The City of Homer seeks to obtain the necessary financial assistance to
construct sewer system improvements; and

WHEREAS, The City Council has approved the creation of a Special Assessment District
(SAD) to install the last portion of sewer main on Kachemak Drive; and

WHEREAS, The Homer Accelerated Water and Sewer Program will fund 25% and the
benefitted property owners will be assessed 75% of the cost of the project; and

WHEREAS, A State of Alaska Department of Environmental Conservation and
Environmental Protection Agency (ADEC/EPA) 20-year, low interest loan (currently 1.5%) is
available to finance both the City and property owners' share of the cost; and

WHEREAS, A resolution authorizing the City Manager to apply for, accept and execute
a loan agreement is required by ADEC; and

WHEREAS, Loan payments will be made from the Homer Accelerated Water and Sewer
Program (HAWSP) over a 20-year period (with assessments collected from property owners
over this same time period).

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby authorizes the
City Manager to apply for, accept, and execute an Alaska Clean Water Fund low interest loan
to finance the cost of the Kachemak Drive (Phase III) Sewer Main Project.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby authorizes the
City Manager to apply for, accept, and execute an Alaska Clean Water Fund low interest loan
to finance the cost of the Kachemak Drive (Phase III) Sewer Main Extension project in the
amount of \$801,100, and execute all appropriate related documents.

PASSED AND ADOPTED by the Homer City Council this 13th day of June, 2016.

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, MMC, CITY CLERK

Fiscal Note: ACWF Loan for \$801,800 to be paid back over a 20-year period with property owner assessments at 75% and HAWSP at 25% of the project costs.

**CITY OF HOMER
HOMER, ALASKA**

City Manager

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.

WHEREAS, Resolution 16-035 separated the proposed Fire Station improvements from the Public Safety Building project and directed the Public Safety Building Review Committee to pursue a scope of work for the project; and

WHEREAS, Ordinance 16-16(A) appropriated \$80,000.00 to the Fire Station improvements and specified that the project will follow the City of Homer procurement policies; and

WHEREAS, The City of Homer procurement policy exempts procurement of an architect, engineer, and construction manager from the competitive bidding requirements; and

WHEREAS, Cornerstone Construction, Inc. teamed with Stantec (formerly USKH) was awarded the contract for the Public Safety Building via Resolution 14-036(S) after an open bid process; and

WHEREAS, Cornerstone Construction, Inc. and Stantec are familiar with the project and the needs of the Fire Station from their extensive work on the Public Safety Building; and

WHEREAS, It is the intent of the Public Safety Building Review Committee to have Cornerstone Construction, Inc. hire local contractors to perform the improvements to the Fire Station whenever possible; and

WHEREAS, It is in the best interest of the City for Cornerstone Construction, Inc. and Stantec to continue work with the Public Safety Building Review Committee on the Fire Station improvements.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby authorizes Cornerstone Construction, Inc. to continue as the general manager/contractor for the project improvements to the Fire Station.

BE IT FURTHER RESOLVED that the City Council authorizes the Public Safety Building Review Committee to prepare a scope of work and contract for the improvements to the existing Fire Station.

PASSED AND ADOPTED by the City Council of Homer, Alaska, this 13th day of June, 2016.

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, MMC, CITY CLERK

Fiscal Note: N/A

CITY OF HOMER
HOMER, ALASKA

City Manager/
Public Works Director

RESOLUTION 14-036(S)

A RESOLUTION OF THE HOMER CITY COUNCIL AWARDING A GC/CM CONTRACT WITH CORNERSTONE GENERAL CONTRACTORS, INC. OF ANCHORAGE, ALASKA, WITHIN THE AUTHORIZED PROJECT BUDGET FOR THE DESIGN AND CONSTRUCTION SERVICES OF THE PUBLIC SAFETY BUILDING PROJECT AND AUTHORIZING THE CITY MANAGER TO ENTER INTO NEGOTIATIONS AND EXECUTE THE APPROPRIATE DOCUMENTS.

WHEREAS, The Request for Proposals was advertised in the Homer Tribune December 11 and 18, 2013, the Peninsula Clarion on December 15, 2013, and posted on the Clerk's home page; and

WHEREAS, Proposals were due by 4:00 p.m. on Tuesday, January 7, 2014 and seven proposals were received by the City Clerk's Office; and

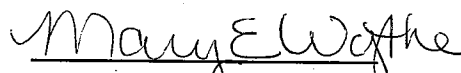
WHEREAS, The Public Safety Building Review Committee evaluated all submitted proposals, interviewed the top two firms, and selected Cornerstone General Contractors, Inc. of Anchorage, Alaska, as the most qualified firm to complete the project; and

WHEREAS, The final proposal submitted by Cornerstone General Contractors, Inc. was accepted by the Public Safety Building Review Committee.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, hereby awards the GC/CM contract between the City and Cornerstone General Contractors, Inc. of Anchorage, Alaska, within the authorized project budget for the Design and Construction Services of the Public Safety Building Project and that the City Manager is hereby authorized to enter into negotiations and execute the required Pre-Construction Agreements.

PASSED AND ADOPTED by the Homer City Council this 10th day of March, 2014.

CITY OF HOMER


MARY E. WYTHE, MAYOR

45 ATTEST:

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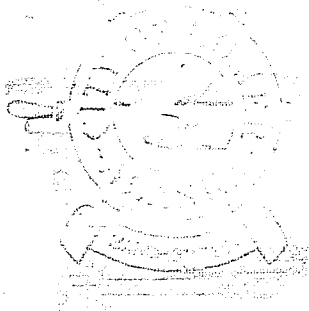
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JO JOHNSON, MMC, CITY CLERK

Fiscal Note: Acct. No. 156-0377, amount within project budget.

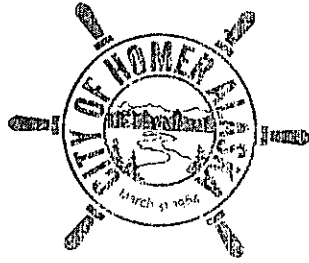


Mayor

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, APPROVING NECESSARY IMPROVEMENTS AND UPGRADES TO THE EXISTING FIRE STATION, SEPARATING THE FIRE STATION FROM THE NEW PUBLIC SAFETY BUILDING PROJECT, AND AUTHORIZING THE PUBLIC SAFETY BUILDING REVIEW COMMITTEE TO CONTINUE WORK ON THE FIRE STATION IMPROVEMENT PROJECT.

BE IT FURTHER RESOLVED that the City Council authorizes the Public Safety Building Review Committee to prepare a scope of work and contract for the improvements to the existing Fire Station.

PASSED AND ADOPTED by the Homer City Council this 29th day of March, 2016.



CITY OF HOMER

Mary E. Wythe
MARY E. WYTHE, MAYOR

ATTEST:

Jo Johnson

JO JOHNSON, MMC, CITY CLERK

Fiscal information: N/A

**CITY OF HOMER
HOMER, ALASKA**

Mayor

ORDINANCE 16-16(A)

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
AUTHORIZING THE TRANSFER OF \$80,000 FROM THE PUBLIC
SAFETY BUILDING PROJECT TO THE FIRE STATION
IMPROVEMENT PROJECT TO FUND ASSESSMENT, DESIGN, AND
CONSTRUCTION.

WHEREAS, City Council adopted Ordinance 15-18(S-2) on July 27, 2015 authorizing
\$355,000 be allocated to the new Public Safety Building Project to bring it to 35% design; and

WHEREAS, The current financial forecast makes it cost prohibitive to build both the
Fire and Police Stations within the Public Safety Building; and

WHEREAS, Council has determined the Fire Department can maintain operations in
the existing facility with improvements and upgrades to the building that will extend the
useful life of the building for ten years or more; and

WHEREAS, As a separate and new project the Fire Station Improvement Project will
follow the City of Homer Procurement Policy, including an open bid process; and

WHEREAS, Council authorizes utilizing a portion of the funds authorized for design of
the Public Safety Building for assessment, design, and construction of the Fire Station
improvements and upgrades.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The City of Homer hereby authorizes the transfer of \$80,000 from the Public
Safety Building Project to the Fire Station Improvement Project to fund assessment, design,
and construction as follows:

Transfer From:

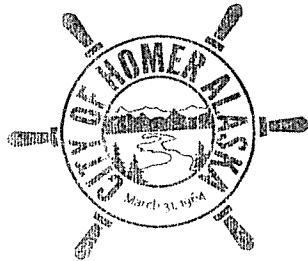
<u>Account</u>	<u>Description</u>	<u>Amount</u>
156-0377	Public Safety Building Project Account	\$80,000

Transfer To:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
156-0378	Fire Station Improvement Project	\$80,000

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

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 11th day of April, 2016.



CITY OF HOMER

Mary E. Wythe
MARY E. WYTHE, MAYOR

ATTEST:

Jo Johnson
JO JOHNSON, MMC, CITY CLERK

YES: 6

NO: 0

ABSTAIN: 0

ABSENT: 0

First Reading: 3/29/16

Public Hearing: 4/11/16

Second Reading: 4/11/16

Effective Date: 4/12/16

Review and approved as to form:

Mary K. Koester
Mary K. Koester, City Manager

Thomas F. Klinkner
Thomas F. Klinkner, City Attorney

Date: 4.14.16

Date: 4.15.16

Fiscal Note: Fiscal information included in body of Ordinance.

**CITY OF HOMER
HOMER, ALASKA**

City Manager

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.

WHEREAS, The Alaska Municipal League Joint Insurance Association, Inc. (AMLJIA), is a not-for-profit corporation established pursuant to AS 21.76 by the Alaska Municipal League to provide risk management services for Alaska municipalities, city and borough school districts and regional education attendance areas; and

WHEREAS, Alaska Municipal Joint League Insurance Association (AMLJIA) has provided property, general liability and automobile insurance for the City of Homer since 1998; and

WHEREAS, The City's contract with AMLJIA expires on June 30, 2016; and

WHEREAS, In January 2016 the City Manager notified AMLJIA of the City of Homer's intent to solicit bids from AMLJIA and Alaska Public Entity Insurance (APEI), a not-for-profit corporation that provides similar insurance services to public organizations in the interest of procuring the most high-quality and cost effective insurance to service the City of Homer, its employees and residents; and

WHEREAS, Quotes were received in June 2016 from AMLJIA and APEI at over \$200,000 less than our current budget for insurance services, resulting in significant savings to the City of Homer operating budget; and

WHEREAS, Because AMLJIA does not offer marina insurance we purchase it separately from USI Northwest at a cost of \$35,000 a year; and

WHEREAS, If AMLJIA is able to include marina coverage we would be able to purchase it through them which may result in a premium increase over 10%; and

WHEREAS, It is in the best interest of the City to consolidate coverage; and

WHEREAS, The difference in the cost of insurance between AMLJIA and APEI is minimal; and

WHEREAS, AMLJIA has an excellent track record with the City for expeditiously and professionally handling claims and protecting the interests of the City of Homer.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council authorizes the City Manager to enter into a three-year contract with AMLJIA and execute the appropriate documents.

BE IT FURTHER RESOLVED that if AMLJIA is able to provide comparable marina coverage by June 30, 2017 at the same price or below USI Northwest, the marine coverage contract can be transferred to AMLJIA without triggering the exit clause of the contract for an increase over 10%.

PASSED AND ADOPTED by the Homer City Council this 13th day of June, 2016.

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, MMC, CITY CLERK

Fiscal Note: Insurance costs \$396,487 for 2016/2017 and not to exceed 10% for 2017/2018 and 2018/2019.



City of Homer

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Office of the City Manager

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(f) 907-235-3148

Memorandum 16-105

TO: Mayor Wythe and Homer City Council
FROM: Katie Koester, City Manager
DATE: June 8, 2016
SUBJECT: Resolution 16-073 recommending AMLJIA for insurance coverage

Insurance coverage with Alaska Municipal League Joint Insurance Association (AMLJIA) expires at the end of this month. This year the City solicited bids from the only other municipal insurer in Alaska, Alaska Public Entity Insurance (APEI) in addition to AMLJIA. Both organizations operate in a similar manner: they are not-for-profit insurance membership organizations that operate under Alaska Statutes 21.76 that insure public entities.

Attached you will find the quotes from each organization. I also requested each organization to analyze the major differences in their policies. These are summarized below.

	AMLJIA	APEI
Cost (with 3 year agreement)	\$396,487 + \$35,000 Separate Marina policy (\$431,487 total insurance cost to COH)	\$416,371
Coverage	Higher limits for uninsured motorist and property, full replacement value for all property damage, lower deductible for police protection, offers pollution liability	In general, lower limits of insurance, property is insured at full replacement if appraised, 125% of listed value if not appraised
Reputation	Great history with COH	Professional. Good reputation among municipalities

Chief Robl, Finance Director Li and myself met to deliberate on the quotes and provide a recommendation to Council. As you can see from the attached quotes, analysis, and above chart, AMJIA offers generally a higher level of coverage. Because APEI is able to offer marina coverage as part of its policy, there is a savings of \$15,116 if the City were to go with APEI. However, the increased level of coverage for property and uninsured motorist more than justifies this difference in cost. Additionally, the City of Homer has had excellent coverage with AMLJIA. Not only do they provide quick and efficient response when called upon and excellent training and support, but they fight to protect the reputation of the City. An example of this is the Airport Shooting case. In general, AMLJIA has a reputation of being more likely to fight wrongful accusations in the courts than settle, which has worked out in the City's favor. AMLJIA also has a number of

programs the city has taken advantage of in the past including professional consulting and loss control programs.

Our contract with AMLJIA is for three years, with an out clause if the total cost of coverage increases by more than 10%. However, AMLJIA has committed to approaching their re-insurer about including marina insurance. If they are able to offer us marina coverage, we would no longer have to purchase a separate policy, but our rates at AMLJIA would increase by more than 10% to cover the difference. The Resolution allows the renewal rate to increase by more than 10%, but only by the cost of the separate marina policy and only if it the coverage is comparable. My main concern is the bottom line for insurance at the City of Homer, though there is value in having to deal only with one provider that we have a solid track record with. I am hopeful that AMLJIA will be able to renegotiate with their provider and offer the City this coverage in the future.

Though my recommendation is to continue with AMLJIA, we are fortunate to have two municipal insurance providers to choose from in this state that and I am confident that either firm would do an excellent job insuring the City of Homer. APEI is a long established public insurer in Alaska with over 66 members including our neighbors Soldotna and Kenai. Though I have no direct experience working with APEI, they were very professional and comprehensive in their presentations and every municipality staff reached out to had positive things to say about APEI.

This process has been beneficial for the City and resulted in significant savings: FY16 budget for insurance is \$641,372. AMLJIA's quote plus the separate policy for marina coverage results in an annual savings of \$209,000. We will realize half of the savings in this fiscal year with contract renewal in July.

Coverage Type	APEI		AMLJIA		Difference
	Limit of Insurance	Coverage Limit Applies	Limit of Insurance	Coverage Limit Applies	
Property -All Risk Coverage*	\$200,000,000	Per Occurrence	\$1,000,000,000	Per Occurrence	\$800,000,000 AMLJIA Higher Property Limit
Earthquake Coverage	\$75,000,000	Annual Aggregate	\$50,000,000 EQ	Annual Aggregate	\$25,000,000 AMLJIA Lower EQ Limit
Flood Coverage	\$75,000,000	Annual Aggregate	\$175,000,000 Flood	Annual Aggregate	\$100,000,000 AMLJIA Higher Flood Limit
Equipment Breakdown Coverage	\$200,000,000	Per Occurrence	\$100,000,000	Per Occurrence	\$100,000,000 AMLJIA Lower Limit
General Liability	\$15,500,000	Per Occurrence	\$15,000,000	Per Occurrence	\$500,000 AMLJIA Lower Limit
Law Enforcement Liability	\$10,000	Deductible	\$5,000	Deductible	\$5,000 AMLJIA Lower Deductible per Loss
Volunteer Medical Coverage	\$50,000	Limit	\$25,000	Limit	\$25,000 AMLJIA Lower Limit
Automobile Liability	\$15,500,000	Per Occurrence	\$15,000,000	Per Occurrence	\$500,000 AMLJIA Lower Limit
Automobile UM/UIM Liability	\$250,000	Per Occurrence	\$1,000,000	Per Occurrence	\$750,000 AMLJIA Higher Limit
Employer's Liability	\$1,000,000	Per Occurrence	\$2,500,000	Per Occurrence	\$1,500,000 AMLJIA Higher Limit
Crime Coverage	\$1,000,000	Per Occurrence	\$500,000	Per Occurrence	\$500,000 AMLJIA Lower Limit
Crime Coverage Deductible	\$2,500 Ded.	Per Occurrence	\$1,000 Ded.	Per Occurrence	\$1,500 AMLJIA Lower Deductible per Loss
Pollution Liability Coverage			\$2,000,000	Claims Made and Reported	Not offered by APEI

Comparisons are based on the proposals only, and are subject to terms and conditions contained within each individual policy.

COVERAGE DIFFERENCES

General Liability

Both Plans are very similar in coverage.

Major Difference: APEI policy has removed the Watercraft Exclusion which makes it unnecessary to carry a separate Liability policy for the Marina. This would reduce insurance cost by \$35,000 and increased Marina Coverage from \$1,000,000 to \$15,500,000.

Police Professional Liability

APEI

Premium is included in General Liability Premium
\$10,000 Deductible

AML-JIA

Separate charge for coverage
\$5,000 Deductible

Workers Compensation

Both Plans are very similar in coverage.

NOTE: APEI extends Jones Act coverage to the harbor employees that would normally be covered under the Marina Policy.

Auto

Deductibles are for comprehensive & collision coverage. Neither program has a deductible for Liability

APEI

\$5,000 deductible on all vehicles with physical damage coverage
We could lower deductible to \$1,000 with minimal premium variation

AML-JIA

\$500 to \$25,000 deductible depending on vehicle value

Property

Basic Property Coverage is the same

APEI

\$100,000 Deductible
Program limit for Earthquake & Flood is \$75,000,000
\$100,000 Flat Deductible for Earthquake & Flood

AML-JIA

\$100,000 Deductible – A few lower valued properties have a lower deductible
Program limit for Earthquake is \$50,000,000 & \$175,000,000
2% Deductible with a minimum of \$100,000 for Earthquake & \$250,000 for Flood

Mobile Equipment

No Substantial Differences

Crime

APEI

\$1,000,000 Limit
\$2,500 Deductible

AML-JIA

\$500,000 Limit
\$1,000 Deductible

Cyber Liability

No Substantial Differences

Member Dividends

APEI pays member dividend each year. City of Homer will be eligible for a dividend this year. They are usually between 7% and 10% of annual premium.

Loss Control Credits

APEI

Quote applied \$31,500 in Loss Control Credits
We will be able to get increased credits as we work with the city on Loss Control
Procedures and Documentation

AML-JIA

Renewal quote applied \$25,000

TOTAL PREMIUM

	APEI	AML-JIA
Municipality Program	\$414,115	\$396,487
Marina Liability	<i>Included</i>	\$35,000
TOTAL	\$416,371	\$431,487



Alaska Municipal League Joint Insurance Association, Inc.

807 G Street, Ste. 356 Anchorage, AK 99501 * P(907)258-2625 * F(907)279-3615 * Toll Free in AK (800)337-3682

Fiscal Year 2017

Wednesday, June 08, 2016

Member's Notice of Deposit Contribution

City of Homer

Katie Koester
491 East Pioneer Ave

Manager

Homer AK 99603-

Phone Number: (907) 435-3117
Fax Number: (907) 235-3140

Policy #: 157

Broker:

Brokerage Firm:

Broker Phone Number:

Broker Fax Number:

Joined AMLJIA:

Coverage Type and Exposure: CORE Package

ANNUAL CONTRIBUTION

1. GENERAL LIABILITY

General Liability Limits:	\$15,000,000	\$74,105
General Liability Deductible:	\$0	
Reported Payroll:	\$6,190,918	
Average Daily Membership (School only)	0	
General Liability Broker Fees:	\$0	

2. PUBLIC OFFICIALS LIABILITY / School Leaders E and O

Included in General Liability

3. WORKERS' COMPENSATION

Reported Payroll:	\$6,190,918	\$217,943
Workers' Comp Broker Fees:	\$0	

4. AUTO LIABILITY

Auto Liability Limits:	\$15,000,000	\$35,260
Auto Liability Deductible:	\$0	
Auto Liability Broker Fees:	\$0	
Total Number of Vehicles:	82	
Scheduled Values:	\$2,524,064	
Comp. and Collision Premium:		\$18,652
Comp. and Collision Broker Fees:	\$0	

5. PROPERTY

Deductibles and Rates are listed on your Property Detail Report

Total Values:	\$141,837,076	\$79,360
Total Mobile Equipment Values:	\$1,954,422	\$5,846
Mobile Equipment Broker Fees:	\$0	
Property Broker Fees:	\$0	

Earthquake and Flood Coverage: (See Property Detail Report for coverage and limit

6. POLICE PROFESSIONAL LIABILITY

PPL Limits:	\$15,000,000	\$12,236
PPL Deductible:	\$5,000	
PPL Broker Fees:	\$0	
Reported Police Payroll:	\$1,495,580	
Accreditation Discount Percent:	0%	\$0

THIS IS NOT A BILL - Actual Invoices are sent out June 2016

Building on Tradition Protecting Your Future.



7. Total Enhancement Contribution:		\$450
Crime Coverage Limits:	\$500,000	
Loss Control Incentive Program Discount:		(\$25,172)
Rate Stabilization Fund Used:		\$0
	TOTAL CONTRIBUTION	\$418,680
3 Year Agreement Rate Discount:		(\$22,193)
	TOTAL CONTRIBUTION WITH 3 YEAR AGREEMENT	\$396,487

THIS IS NOT A BILL - Actual Invoices are sent out June 2016

Building on Tradition Protecting Your Future.



Alaska Municipal League Joint Insurance Association, Inc.

General Liability DETAIL REPORT

FY2017

Thursday, June 02, 2016

General Liability Contribution Calculation

City of Homer		Member #	157
GL Limits:	\$15,000,000	GL Deductible:	\$0
Expense Rate	\$0.856	GL Variable	\$0
POL/E and O Rate	\$0.341	Expense Contri.	\$52,994
ADM*	0	POL/E and O Contri.	\$21,111
<i>*School Districts Only</i>		Base GL Contribution	\$74,105
Total Payroll	\$6,190,918	GL Broker Fee	\$0
GL Experience Modifier	0.890	General Liability Contribution	\$74,105
GL Note:			

Alaska Municipal League Joint Insurance Association, Inc.

Workers' Compensation DETAIL REPORT

FY 2017

Thursday, June 02, 2016

Workers' Compensation - Scheduled Payroll

City of Homer					Member ID:	157
CODE	DESCRIPTION	# VOL	PAYROLL	RATE	CONTRIBUTION	
5509	Street/Road Excavation/Paving	0	\$223,205	\$4.86	\$10,848	
6836	Harbor Employees	0	\$783,253	\$4.87	\$38,144	
7520	Water Works	0	\$505,951	\$3.40	\$17,202	
7580	Sewage Disposal Plant	0	\$407,242	\$3.40	\$13,846	
7710	Fire Fighters and Drivers	0	\$390,101	\$6.20	\$24,186	
7711	Fire Fighters and Drivers - Volunteer	18	\$0	\$6.20	\$2,232	
7720	Police Officers/Public Safety	0	\$1,495,580	\$3.59	\$53,691	
7720-V	Police Officers/Public Safety and V	0	\$0	\$3.59	\$0	
8203	Ice Dealer & Driver	0	\$192,269	\$7.63	\$14,670	
8380	Municipal Garage (incl. Retail Fuel	0	\$431,847	\$5.10	\$22,024	
8810	Clerical/Professional Employees	0	\$1,512,442	\$0.44	\$6,655	
9015	Building/Maintenance/Operations	0	\$65,391	\$5.21	\$3,407	
9101	Schools/All Other Employees	0	\$0	\$4.18	\$0	
9102	Parks/Recreation/Ice Rinks	0	\$183,637	\$6.01	\$11,037	
9410	General Municipal Employees	0	\$0	\$3.63	\$0	

Workers' Compensation Contribution Calculation

Total Payroll	\$6,190,918	WC Variable	\$0
WC Experience Modifier	1.04	Base WC Contribution	\$217,943
Employee Federal ID #	92-0030963	WC Broker Fee	\$0
Total WC Contribution		\$217,943	

WC Note:

Alaska Municipal League Joint Insurance Association, Inc.
Automobile Liability/Comp. and Collision
DETAIL REPORT

Thursday, June 02, 2016

FY 2017

Automobile Detail Schedule

City of Homer

Account ID 157

Veh#	Year	Make	Model	Serial/Vin#	Value	C/C ?	C/C Ded.	C/C Rate	C/C Contri.	AL Contri.	Date Start	Date End
384422	1984	Ford	Pickup	8331	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384423	1985	Chevrolet	Pickup	8452	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384424	1987	Chevrolet	Flatbed	2634	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384425	1987	Emergency	Tanker 1	7601	\$165,000	Yes	\$5,000	\$0.90	\$1,485	\$430	7/1/2016	7/1/2017
384426	1989	Emergency	Tanker 2	2730	\$248,727	Yes	\$25,000	\$0.30	\$746	\$430	7/1/2016	7/1/2017
384427	1989	Ford	F800 Bucket Truck	46117	\$29,500	Yes	\$500	\$1.50	\$443	\$430	7/1/2016	7/1/2017
384428	1989	GMC	Pickup	7289	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384431	1990	Ford	Pickup	9027	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384432	1991	Chevrolet	Pickup	520	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384433	1992	Ford	Pickup Ranger	7299	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384434	1992	International	Vactor Truck	284	\$144,774	Yes	\$25,000	\$0.30	\$434	\$430	7/1/2016	7/1/2017
384435	1993	Chevrolet	Pickup	750365	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384436	1993	Chevrolet	Pickup S10	9371	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384437	1993	Chevrolet	Utility Van	14681	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384438	1994	Chevrolet	Pickup 1 Ton	7806	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384439	1994	Ford	Pickup F150	4590	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384440	1994	Ford	Pickup F150	4591	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384441	1994	Ford	Pickup F150	4592	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384442	1994	Ford	Pickup Ranger	5702	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384443	1995	Chevrolet	Pickup S10	2960	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384444	1995	Chevy	Van	226994	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384445	1997	Ford	Ambulance F350	3043	\$96,000	Yes	\$5,000	\$0.90	\$864	\$430	7/1/2016	7/1/2017
384446	1997	Ford	Pickup F350	8280	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384447	1997	Ford	Pickup Ranger	4241	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384448	1998	Ford	Crown Victoria	164068	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384449	1998	Ford	Expedition	4015	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017

Automobile Detail Schedule

City of Homer

Account ID 157

Veh#	Year	Make	Model	Serial/Vin#	Value	C/C ?	C/C Ded.	C/C Rate	C/C Contri.	AL Contri.	Date Start	Date End
384450	1999	Ford	Pickup F550	52302	\$10,000	Yes	\$5,000	\$0.90	\$90	\$430	7/1/2016	7/1/2017
384451	1999	Ford	Pickup Ranger	81909	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384452	1999	Ford	Pickup Ranger	81910	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384453	1999	Ford	Van Econoline	13448	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384454	2000	Chevrolet	Pickup	469366	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384455	2000	Chevrolet	Pickup	469484	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384456	2000	Dodge	Durango SUV	288855	\$10,000	Yes	\$500	\$1.50	\$150	\$430	7/1/2016	7/1/2017
384457	2000	Freightliner	Rescue J41	A65777	\$264,945	Yes	\$25,000	\$0.30	\$795	\$430	7/1/2016	7/1/2017
384458	2001	Chevrolet	Pickup S10	230746	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384459	2001	Ford	Pickup F550	1700	\$10,000	Yes	\$500	\$1.50	\$150	\$430	7/1/2016	7/1/2017
384460	2001	Ford	Pickup F578	67898	\$10,000	Yes	\$500	\$1.50	\$150	\$430	7/1/2016	7/1/2017
384461	2001	Freightliner	End Dump	18730	\$80,516	Yes	\$25,000	\$0.30	\$242	\$430	7/1/2016	7/1/2017
384462	2002	Ford	F-350 4X4 Diesel	64282	\$115,400	Yes	\$25,000	\$0.30	\$346	\$430	7/1/2016	7/1/2017
384463	2002	Jeep	Jeep	FA29P22P756	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384464	2003	Ford	Crown Victoria	2358	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384465	2003	Ford	Excursion	67676	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384466	2003	Ford	F-550 w/ sander &	52548	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384467	2003	Ford	F250 Pickup	91384	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384468	2003	Ford	F250 Pickup	91386	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384469	2003	Ford	F350 Pickup	91385	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384470	2004	Dodge	Intrepid Sedan	701947	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384471	2005	Ford	F150	FF12W35NA8	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384472	2006	Ford	Expedition	85637	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384473	2006	Ford	F150	21115	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384474	2006	Ford	F150	21116	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384475	2006	Ford	F150	21117	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384476	2006	Ford	F350	68119	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384477	2006	Ford	Freestyle	54764	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
384478	2006	Freightliner	VN	CWDC76HW	\$23,550	Yes	\$500	\$1.50	\$353	\$430	7/1/2016	7/1/2017
384479	2007	Ford	Expedition	81780	\$33,524	Yes	\$500	\$1.50	\$503	\$430	7/1/2016	7/1/2017
384480	2007	Ford	Expedition	81781	\$33,524	Yes	\$500	\$1.50	\$503	\$430	7/1/2016	7/1/2017
384481	2007	Ford	F150	29111	\$20,542	Yes	\$500	\$1.50	\$308	\$430	7/1/2016	7/1/2017
384482	2008	Chevrolet	Van	93202	\$22,379	Yes	\$500	\$1.50	\$336	\$430	7/1/2016	7/1/2017

Automobile Detail Schedule

City of Homer

Account ID 157

Veh#	Year	Make	Model	Serial/Vin#	Value	C/C ?	C/C Ded.	C/C Rate	C/C Contri.	AL Contri.	Date Start	Date End
384483	2008	Ford	F250	30857	\$24,750	Yes	\$500	\$1.50	\$371	\$430	7/1/2016	7/1/2017
384484	2008	Ford	F350	44437	\$21,114	Yes	\$500	\$1.50	\$317	\$430	7/1/2016	7/1/2017
384485	2008	Ford	F450	48816	\$26,524	Yes	\$500	\$1.50	\$398	\$430	7/1/2016	7/1/2017
384486	2008	KME	4X4 Custom Pump	AF44809NO5	\$465,531	Yes	\$25,000	\$0.30	\$1,397	\$430	7/1/2016	7/1/2017
384487	2009	Chevrolet	Colorado	DT19979815	\$23,628	Yes	\$500	\$1.50	\$354	\$430	7/1/2016	7/1/2017
384488	2009	Chevrolet	Impala	VS57M49126	\$19,855	Yes	\$500	\$1.50	\$298	\$430	7/1/2016	7/1/2017
384489	2009	Chevrolet	Impala	VS57M69126	\$19,855	Yes	\$500	\$1.50	\$298	\$430	7/1/2016	7/1/2017
384490	2009	Chevrolet	Impala	VS57M69127	\$19,855	Yes	\$500	\$1.50	\$298	\$430	7/1/2016	7/1/2017
384491	2009	Elgin	Sweeper	E5B16377905	\$145,355	Yes	\$25,000	\$0.30	\$436	\$430	7/1/2016	7/1/2017
384492	2010	Ford	F150	F1EWGAK6	\$16,614	Yes	\$500	\$1.50	\$249	\$430	7/1/2016	7/1/2017
384493	2010	Ford	F350	VF3B52AEA4	\$27,374	Yes	\$500	\$1.50	\$411	\$430	7/1/2016	7/1/2017
384494	2011	Ford	Escape	U5K30BKB73	\$30,000	Yes	\$500	\$1.50	\$450	\$430	7/1/2016	7/1/2017
384495	2013	Ford	Expedition	JU1G51DEF5	\$31,571	Yes	\$500	\$1.50	\$474	\$430	7/1/2016	7/1/2017
384496	2013	Ford	Expedition EL	JK1G58DEF5	\$34,975	Yes	\$500	\$1.50	\$525	\$430	7/1/2016	7/1/2017
384497	2013	Ford	F150	X1EM1DKE9	\$24,735	Yes	\$500	\$1.50	\$371	\$430	7/1/2016	7/1/2017
384498	2013	Ford	F550	JF5HY4DEB0	\$37,481	Yes	\$500	\$1.50	\$562	\$430	7/1/2016	7/1/2017
384499	2014	Ford	Expedition	5K8AR0EGC6	\$35,000	Yes	\$500	\$1.50	\$525	\$430	7/1/2016	7/1/2017
384500	2014	Ford	F-150	X1EF8EKD9	\$25,733	Yes	\$500	\$1.50	\$386	\$430	7/1/2016	7/1/2017
384501	2014	Ford	F-150	X1EF8EKD9	\$25,733	Yes	\$500	\$1.50	\$386	\$430	7/1/2016	7/1/2017
384502	2015	Mack	GU713	AX07CXFM03	\$150,000	Yes	\$1,000	\$1.20	\$1,800	\$430	7/1/2016	7/1/2017
385842	1995	Ford	F150	9314	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
385843	1995	Ford	F150 4X4	TBD	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017
385844	2016	Ford	F-550 w/ sander &	JF5HY6GEA0	\$0	No	\$0	\$0.00	\$0	\$430	7/1/2016	7/1/2017

Automobile Detail Schedule

City of Homer

Account ID 157

Veh#	Year	Make	Model	Serial/Vin#	Value	C/C ?	C/C Ded.	C/C Rate	C/C Contri.	AL Contri.	Date Start	Date End
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Automobile Contribution Calculation -- Auto Liability/Comp. and Collisi

Auto Liability Limit	\$15,000,000	Auto Liability Deductible	\$0
Scheduled Values	\$2,524,064	Total Number of Vehicles	82
Non-Owned/Hired	\$450	Base AL Contribution	\$35,260
Base C/C Contribution	\$18,652	AL Brokerage Fee	\$0
C/C Brokerage Fee	\$0		
Auto C/C Contribution	\$18,652	Auto Liability Contribution	\$35,260

Note:

NOTE: Only those vehicles that are covered under Comp. and Collision have recorded scheduled values.

Alaska Municipal League Joint Insurance Association, Inc.

Property -- Building, Contents, EDP, Fine Arts, Business Interruption and Garaged Vehicles DETAIL REPORT

Wednesday, June 08, 2016

FY 2017

Property Detail Schedule

City of Homer

Member ID: 157

			Appraised Bldg Value*	SCHEDULED VALUES FOR EXPOSURE									
ID#	PROPERTY ITEM	ADDRESS		BLDG/REAL PROP	CONTENT	EDP	FINE ART	BUS INT	GAR VEH	Total Values	Ded	Rate	Contribution
				Building/Real Prop + Contents + EDP + Fine Arts + Bus Int + Garaged Veh = Total Values									
137892	Sewer Treatment Plant	3573 Heath St	\$10,871,916	\$10,871,916	\$1,438,857	\$0	\$0	\$0	\$0	\$12,310,773	\$100,000	\$0.04	\$4,592
137908	Animal Shelter	3577 Heath St.	\$962,988	\$962,988	\$16,490	\$0	\$0	\$0	\$0	\$979,478	\$100,000	\$0.05	\$487
137909	Police Station	4060 Heath St	\$1,777,193	\$1,777,193	\$286,078	\$0	\$0	\$0	\$0	\$2,063,271	\$100,000	\$0.05	\$1,025
137910	Public Works Building	3575 Heath St	\$2,071,249	\$2,071,249	\$312,603	\$0	\$0	\$0	\$0	\$2,383,852	\$100,000	\$0.05	\$1,185
137911	Raw Water Pump Station	Diamond Ridge	\$343,068	\$343,068	\$414,241	\$0	\$0	\$0	\$0	\$757,309	\$100,000	\$0.05	\$376
137912	STP Operations Plant	3575 Heath St	\$466,760	\$466,760	\$168,213	\$0	\$0	\$0	\$0	\$634,973	\$100,000	\$0.05	\$316
138350	Airport Terminal	3720 FAA Rd	\$3,295,122	\$3,295,122	\$57,216	\$0	\$0	\$0	\$0	\$3,352,338	\$100,000	\$0.05	\$1,773
138351	ALA PPO Grant NV107507	500 Hazel St	\$0	\$0	\$0	\$0	\$35,000	\$0	\$0	\$35,000	\$5,000	\$0.10	\$36
138352	City Hall	491 East Pioneer	\$3,311,465	\$3,311,465	\$115,804	\$0	\$0	\$0	\$0	\$3,427,269	\$100,000	\$0.05	\$1,813
138353	EDP Equipment Floater	City Ops	\$0	\$0	\$0	\$217,825	\$0	\$0	\$0	\$217,825	\$500	\$0.10	\$222
138354	EDP Software Floater	City Ops	\$0	\$0	\$0	\$115,000	\$0	\$0	\$0	\$115,000	\$500	\$0.10	\$117
138355	Ferry Office/Pump Station (End #32 -	4667 Homer Spit Rd	\$513,153	\$513,153	\$166,612	\$0	\$0	\$0	\$0	\$679,765	\$100,000	\$0.06	\$423

Property Detail Schedule

City of Homer

Member ID: 157

			Appraised Bldg Value*	SCHEDULED VALUES FOR EXPOSURE									
ID#	PROPERTY ITEM	ADDRESS		BLDG/REAL PROP	CONTENT	EDP	FINE ART	BUS INT	GAR VEH	Total Values	Ded	Rate	Contribution
				Building/Real Prop + Contents + EDP + Fine Arts + Bus Int + Garaged Veh = Total Values									
138356	Fire Department	604 East Pioneer	\$2,452,335	\$2,452,335	\$130,004	\$0	\$0	\$0	\$0	\$2,582,339	\$100,000	\$0.05	\$1,366
138357	Fish Grinder Building	Fish Dock Rd	\$64,682	\$64,682	\$0	\$0	\$0	\$0	\$0	\$64,682	\$5,000	\$0.10	\$66
138358	Harbor Load-Launch Ramp	Harbor	\$0	\$3,500,000	\$0	\$0	\$0	\$0	\$0	\$3,500,000	\$100,000	\$0.06	\$2,177
138360	Harbor Ramp 5 Restroom	Harbor Ramp 5	\$0	\$279,000	\$0	\$0	\$0	\$0	\$0	\$279,000	\$100,000	\$0.06	\$174
138361	Harbormaster's Building and	4311 Freight Dock Road	\$0	\$2,300,000	\$150,000	\$35,000	\$20,000	\$0	\$25,000	\$2,530,000	\$100,000	\$0.06	\$1,574
138362	Library	500 Hazel Street	\$6,100,000	\$6,100,000	\$1,077,792	\$0	\$0	\$0	\$0	\$7,177,792	\$100,000	\$0.05	\$3,797
138363	Load & Launch Restrooms	Homer Spit Rd	\$0	\$151,992	\$0	\$0	\$0	\$0	\$0	\$151,992	\$100,000	\$0.06	\$95
138364	New Water Treatment Plant	Diamond Ridge	\$1,252,551	\$10,672,046	\$850,223	\$0	\$0	\$0	\$0	\$11,522,269	\$100,000	\$0.05	\$6,095
138365	Public Works Pole Shed	Main St	\$343,705	\$343,705	\$0	\$0	\$0	\$0	\$0	\$343,705	\$100,000	\$0.06	\$214
138366	Ramp 2 Restrooms	Homer Spit Rd	\$225,000	\$225,000	\$0	\$0	\$0	\$0	\$0	\$225,000	\$100,000	\$0.06	\$140
138367	Water Tank	4667 Homer Spit Rd	\$0	\$2,488,927	\$5,722	\$0	\$0	\$0	\$0	\$2,494,649	\$100,000	\$0.06	\$1,552
138368	Water Tank	Diamond Ridge	\$0	\$1,490,303	\$5,722	\$0	\$0	\$0	\$0	\$1,496,025	\$100,000	\$0.06	\$931
139071	Former Homer Middle School/End #27	Sterling & PioneerAv	\$7,968,902	\$2,570,000	\$0	\$0	\$0	\$0	\$0	\$2,570,000	\$100,000	\$0.06	\$1,599
139157	Deep Water Dock (Dock, Fenders, Gate)	Harbor	\$0	\$8,236,725	\$0	\$0	\$0	\$0	\$0	\$8,236,725	\$100,000	\$0.06	\$5,123
139160	Dock replacement at Beluga Lake	Beluga Lake	\$0	\$58,647	\$0	\$0	\$0	\$0	\$0	\$58,647	\$100,000	\$0.06	\$36

Property Detail Schedule

City of Homer

Member ID: 157

			Appraised Bldg Value*	SCHEDULED VALUES FOR EXPOSURE									
ID#	PROPERTY ITEM	ADDRESS		BLDG/REAL PROP	CONTENT	EDP	FINE ART	BUS INT	GAR VEH	Total Values	Ded	Rate	Contribution
Building/Real Prop + Contents + EDP + Fine Arts + Bus Int + Garaged Veh = Total Values													
139173	Pioneer Dock (Fenders, dock, gate)	Harbor	\$0	\$19,100,530	\$0	\$0	\$0	\$0	\$0	\$19,100,530	\$100,000	\$0.06	\$11,881
139178	Wood Grid (Tora)	Harbor	\$0	\$106,835	\$0	\$0	\$0	\$0	\$0	\$106,835	\$100,000	\$0.06	\$66
139242	Drying Bed Structure	3575 Heath St	\$461,920	\$461,920	\$0	\$0	\$0	\$0	\$0	\$461,920	\$100,000	\$0.04	\$201
139243	Ice Plant/Fish dock	812 Fish Dock Rd	\$0	\$18,959,495	\$1,872,505	\$0	\$0	\$0	\$0	\$20,832,000	\$100,000	\$0.04	\$9,062
139244	Port Maintenance	4667 Homer Spit Rd	\$0	\$2,000,000	\$300,000	\$0	\$0	\$0	\$0	\$2,300,000	\$100,000	\$0.04	\$1,001
139315	Water Tank .25mg	Bayview	\$0	\$265,486	\$5,722	\$0	\$0	\$0	\$0	\$271,208	\$100,000	\$0.06	\$169
139316	Water Tank 1mg	Skyline Drive	\$0	\$1,858,399	\$45,772	\$0	\$0	\$0	\$0	\$1,904,171	\$100,000	\$0.06	\$1,184
139317	Water Tank/Ct	Skyline Drive	\$0	\$1,194,685	\$17,165	\$0	\$0	\$0	\$0	\$1,211,850	\$100,000	\$0.06	\$754
139482	Ramp 4 restroom	Harbor	\$0	\$200,000	\$0	\$0	\$0	\$0	\$0	\$200,000	\$100,000	\$0.06	\$124
139483	Fishing Lagoon Restroom	Harbor	\$0	\$200,000	\$0	\$0	\$0	\$0	\$0	\$200,000	\$100,000	\$0.06	\$124
139484	Ramp 6 restroom	Harbor	\$0	\$200,000	\$0	\$0	\$0	\$0	\$0	\$200,000	\$100,000	\$0.06	\$124
139485	DWD Restroom	Harbor	\$0	\$215,000	\$0	\$0	\$0	\$0	\$0	\$215,000	\$100,000	\$0.06	\$134
139486	End of the Road Restroom	Harbor	\$0	\$215,000	\$0	\$0	\$0	\$0	\$0	\$215,000	\$100,000	\$0.06	\$134
139487	SBH (Ramps 1-8, Barge Ramp, Steel	Harbor	\$0	\$8,827,550	\$0	\$0	\$0	\$0	\$0	\$8,827,550	\$100,000	\$0.06	\$5,491
139488	Float System 1 (A-S)	Harbor	\$0	\$9,259,815	\$0	\$0	\$0	\$0	\$0	\$9,259,815	\$100,000	\$0.06	\$5,760

Property Detail Schedule

City of Homer

Member ID: 157

			Appraised Bldg Value*	SCHEDULED VALUES FOR EXPOSURE									
ID#	PROPERTY ITEM	ADDRESS		BLDG/REAL PROP	CONTENT	EDP	FINE ART	BUS INT	GAR VEH	Total Values	Ded	Rate	Contribution
				Building/Real Prop + Contents + EDP + Fine Arts + Bus Int + Garaged Veh = Total Values									
139489	Float System 2(AA, T-W)	Harbor	\$0	\$1,038,050	\$0	\$0	\$0	\$0	\$0	\$1,038,050	\$100,000	\$0.06	\$646
139490	Float System 4(AAA, CC-JJ)	Harbor	\$0	\$3,858,670	\$0	\$0	\$0	\$0	\$0	\$3,858,670	\$100,000	\$0.06	\$2,400
139491	Float System 5	Harbor	\$0	\$1,144,800	\$0	\$0	\$0	\$0	\$0	\$1,144,800	\$100,000	\$0.06	\$712
139492	Waste oil shop	Harbor	\$0	\$150,000	\$0	\$0	\$0	\$0	\$0	\$150,000	\$100,000	\$0.06	\$93
139493	Dwd Shed	Harbor	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$50,000	\$5,000	\$0.10	\$51
139494	Pioneer Dock Shed	Harbor	\$0	\$100,000	\$0	\$0	\$0	\$0	\$0	\$100,000	\$5,000	\$0.10	\$102

Property Totals/Contribution Calculation

Earthquake and Flood	
Flood Zone	0
Earthquake Limits	\$50,000,000
Flood Limits	\$175,000,000
Earthquake Deductible	2%/ \$100,000 minimum
Flood Deductible	\$100K/\$250K

Property Note:

*APPRAISED BUILDING VALUES -

Property Appraisals are a member service of the AMLJIA. Appraisal data is collected by AMLJIA Risk Managers and values are reviewed by Appraisal Company of Alaska, but are not certified appraisals and can not be used as such. Appraisal values are intended to give you an idea of the current value of your property, with the understanding that the AMLJIA is not engaged in rendering legal, survey or other professional services. If there is a difference from your scheduled value, we **STRONGLY RECOMMEND** that your scheduled values be within 20% of the estimated appraisal value. Property values will not be adjusted without your written request.

Total Building Values	\$133,952,510
Total Contents Values	\$7,436,741
Total EDP Values	\$367,825
Total Business Int	\$0
Total Fine Arts	\$55,000
Total Garaged Veh.	\$25,000
Total Property Values	\$141,837,076
Base Contribution	\$77,516
Property Broker Fee	\$0
BM Contribution	\$1,844
Property Contribution	\$79,360

Alaska Municipal League Joint Insurance Association, Inc.

Mobile/Contractor's Equipment DETAIL REPORT

Thursday, June 02, 2016

FY 2017

Mobile Equipment Detail Schedule

City of Homer

Member #: 157

ME#	ME	Year	Make	Model	Serial/Vin#	Location	Valuation	Ded	Rate	Contribution	Date Start	Date End
0	Yes	2003	Bobcat	5600 Toolcat	Unknown	Homer	\$49,695	\$5,000	\$0.50	\$149	7/1/2016	7/1/2017
0	Yes	2011	Bobcat	Versa Handler	TBD	Homer	\$50,000	\$5,000	\$0.50	\$150	7/1/2016	7/1/2017
0	Yes	0	Bomag	Compactor	10110003642	Homer	\$10,598	\$5,000	\$0.50	\$32	7/1/2016	7/1/2017
0	Yes	1991	Case	JI Uni Loader	80862	Homer	\$28,494	\$5,000	\$0.50	\$85	7/1/2016	7/1/2017
0	Yes	1980	Caterpillar	12G Motor Grader	8190	Homer	\$35,000	\$5,000	\$0.50	\$105	7/1/2016	7/1/2017
0	Yes	2002	Caterpillar	163H-00 Motor Gra	CAT016HCARL	Homer	\$246,128	\$5,000	\$0.50	\$738	7/1/2016	7/1/2017
0	Yes	1986	Caterpillar	Grader	7976	Homer	\$114,700	\$5,000	\$0.50	\$344	7/1/2016	7/1/2017
0	Yes	1987	Caterpillar	Loader	2496	Homer	\$129,039	\$5,000	\$0.50	\$387	7/1/2016	7/1/2017
0	Yes	1994	Champion	Road Grader	24674	Homer	\$161,000	\$5,000	\$0.50	\$483	7/1/2016	7/1/2017
0	Yes	2014	Elgin	Pelican Sweeper	TBD	Homer	\$200,000	\$5,000	\$0.50	\$600	7/1/2016	7/1/2017
0	Yes	0	Hyster	Forklift	E002D02262C	Homer	\$10,000	\$5,000	\$0.50	\$30	7/1/2016	7/1/2017
0	Yes	1995	John Deere	Backhoe	7456	Homer	\$64,083	\$5,000	\$0.50	\$192	7/1/2016	7/1/2017
0	Yes	2003	John Deere	Loader 644H	86937	Homer	\$156,132	\$5,000	\$0.50	\$468	7/1/2016	7/1/2017
0	Yes	2007	Komatsu	D37 PX-21A	5827	Homer	\$83,871	\$5,000	\$0.50	\$252	7/1/2016	7/1/2017
0	Yes	2006	Komatsu	Excavator and attac	11146	Homer	\$137,063	\$5,000	\$0.50	\$411	7/1/2016	7/1/2017
0	Yes	2006	Komatsu	Wheel Loader & ac	H50171	Homer	\$66,175	\$5,000	\$0.50	\$199	7/1/2016	7/1/2017
0	Yes	2006	Komatsu	Wheel Loader & Ac	H50172	Homer	\$67,025	\$5,000	\$0.50	\$201	7/1/2016	7/1/2017
0	Yes	1995	Patchman	AC Patcher	95385	Homer	\$27,183	\$5,000	\$0.50	\$82	7/1/2016	7/1/2017
0	Yes	2002	Peregrine	Harbor Tug	PER24111H902	Homer	\$145,000	\$10,000	\$0.48	\$418	7/1/2016	7/1/2017
0	Yes	2015	Polaris	570 RZR	TBD	Homer	\$12,700	\$5,000	\$0.50	\$38	7/1/2016	7/1/2017
0	Yes	0	Trailmax	Equipment Trailer	65201	Homer	\$20,436	\$5,000	\$0.50	\$61	7/1/2016	7/1/2017
0	Yes	1986	UNK	20" Skiff w/Honda	BBE-2102773	Homer	\$20,000	\$5,000	\$0.50	\$60	7/1/2016	7/1/2017

Mobile Equipment Detail Schedule

City of Homer

Member #: 157

ME#	ME	Year	Make	Model	Serial/Vin#	Location	Valuation	Ded	Rate	Contribution	Date Start	Date End
0	Yes	2004	Volvo	EX180B Wheeled E	EW180BV87511	Homer	\$110,100	\$5,000	\$0.50	\$330	7/1/2016	7/1/2017
0	Yes	0	Wiggins	Forklift - 4x4	WLC821002	Homer	\$10,000	\$5,000	\$0.50	\$30	7/1/2016	7/1/2017

Mobile Equipment Contribution Calculation

Mobile Equipment Note: 	Total ME Scheduled Values:	\$1,954,422
	Base ME Contribution:	\$5,846
	ME Broker Fee:	\$0
	Total Mobile Equipment Contribution:	\$5,846

Alaska Municipal League Joint Insurance Association, Inc.

Police Professional Liability Detail Report

FY2017

Wednesday, June 08, 2016

City of Homer

Member ID: 157

Chiefs Name:	Mark Robl	PPL Limit:	\$15,000,000
No. of Officers :	12	PPL Deductible:	\$5,000
No. of Guards:	6	Reported Police Payroll:	\$1,495,580
No. of Volunteers:	0		
Holding Facilities:	<input checked="" type="checkbox"/>	Police Dogs:	<input type="checkbox"/>
Firearms:	<input checked="" type="checkbox"/>		

POLICE PROFESSIONAL LIABILITY CALCULATIONS

PPL Variable:	(\$105,855)
PPL Base Contribution:	\$12,236
PPL Broker Fee:	\$0

Total Police Professional Liability Contribution:	\$12,236
--	-----------------

Note:

Alaska Municipal League Joint Insurance Association, Inc.

Annual Deposit Of Contribution Enhancement Coverages

ALASKA MUNICIPAL LEAGUE
JOINT INSURANCE ASSOCIATION, INC.
807 G Street, Suite 356
Anchorage, Alaska 99501

Thursday, June 02, 2016

PHONE - (907) 258-2625

FAX - (907) 279-3615

TOLL FREE IN ALASKA - (800) 337-3682

GENERAL INFORMATION

City of Homer		
Katie Koester	Manager	
491 East Pioneer Ave		
Homer	AK	99603-

(907) 235-8121

(907) 235-3140

Policy Fiscal Year:

2017

Member #:

157

Joined AML/JIA:

7/1/1998

Coverage Type and Exposure: Supplemental

Coverage Type	Coverage Policy #	Eff Date/Beg	Eff Date/End
Crime Coverage		7/1/2016	7/1/2017
Limits	Basis	Notes	
\$500,000	Flat Charge		
Deductible			
\$1,000			
Contribution:			\$450

Note: All supplemental coverages are optional coverages
and may be purchased separately from the AML/JIA Core Program.

AML/JIA Office Use Only

Authorization: _____ Date: _____

A. Jacobs, Accounting

Invoice Created

Created By

Alaska Municipal League Joint Insurance Association, Inc.

Annual Deposit Of Contribution Enhancement Coverages

ALASKA MUNICIPAL LEAGUE
JOINT INSURANCE ASSOCIATION, INC.
807 G Street, Suite 356
Anchorage, Alaska 99501

Thursday, June 02, 2016

PHONE - (907) 258-2625

FAX - (907) 279-3615

TOLL FREE IN ALASKA - (800) 337-3682

GENERAL INFORMATION

City of Homer		
Katie Koester	Manager	
491 East Pioneer Ave		
Homer	AK	99603-

(907) 235-8121

(907) 235-3140

Policy Fiscal Year:

2017

Member #:

157

Joined AML/JIA:

7/1/1998

Coverage Type and Exposure: Supplemental

**TOTAL SUPPLEMENTAL
COVERAGES:**

\$450

**Note: All supplemental coverages are optional coverages
and may be purchased separately from the AML/JIA Core Program.**

AML/JIA Office Use Only

Authorization: _____ **Date:** _____

A. Jacobs, Accounting

Invoice Created

Created By



Alaska Municipal League Joint Insurance Association, Inc.

807 G Street, Suite 356 Anchorage, Alaska 99501 * P(907)258-2625 * F(907)279-3615 * Toll Free in AK (800)337-3682

Rate Stabilization Fund Credit

FY 2017

City of Homer

Thursday, June 02, 2016

How to use Your Rate Stabilization Fund Credit

The Alaska Municipal League Joint Insurance Association, Inc. (AMLJIA) is distributing members' retained earnings in a way that benefits both the membership and the pool itself. This program, called the Rate Stabilization Fund, considers longevity, loyalty and contributions to the program consistent with the desires of the Board of Trustees to meet that goal.

The Rate Stabilization Fund is based upon the allocation principles expressed in the Cooperative Participation Agreement (CPA) Section 11 (2), "Members' Equity and Dividend Distribution," which offer guidance on how to fairly and equitably distribute members' retained earnings. The fund consists of appropriations made to it from time to time by the AMLJIA Board of Trustees. Each member has its own balance which can be used to offset contributions. Members will be allowed to use up to one-third (33.3%) of the balance of their account in any one year until the balance remaining falls below \$150. If the total balance is \$150 or less, the entire amount may be used in a single fiscal year.

If you choose to use your credit this year, please indicate the amount of money you wish to use from the amount available to you this year, sign this form confirming your decision, and return it to the AMLJIA at the fax number above. Once we receive the signed form, we will send a credit invoice indicating the difference between your total contribution minus the amount of the credit which you elected to use.

Member Name: City of Homer

Rate Stabilization Fund Balance: \$17,642

Credit Amount Available this Year: \$5,881

Remaining Balance if One-Third Used: \$11,761

Amount Desired to Use:

Signature and Title

Date

PLEASE FAX THIS COMPLETED FORM TO 907-279-3615

THREE-YEAR PARTICIPANT MEMBERSHIP AGREEMENT

This Three-Year Participant Membership Agreement ("Agreement"), dated _____, is between the _____ ("the Participant") and Alaska Municipal League Joint Insurance Association, Inc. ("AMLJIA").

WHEREAS, AMLJIA is a joint insurance arrangement as authorized under AS 21.76.010 *et seq.*, whose participating members have agreed to pool contributions in order to assume risks for losses to the participants on a group basis; and

WHEREAS, the Participant desires either to renew its current membership in AMLJIA or to become a participating member of AMLJIA; and

WHEREAS, it is in the mutual interests of AMLJIA, the Participant, and other participating members that AMLJIA maintain a stable membership in order to more effectively administer the joint insurance arrangement and serve the needs of the participating members; and

WHEREAS, the Board of Trustees of AMLJIA has determined that in order to encourage participating members to make a multi-year membership commitment, it is efficient and cost-effective, both for participating members and for AMLJIA, to offer a discount on the annual contributions required to be paid

by all participating members that commit to a three-year AMLJIA membership term; and

WHEREAS, the Participant desires to commit to a three-year membership in AMLJIA, subject to the terms and conditions stated herein as well as in the AMLJIA Cooperative Participation Agreement ("CPA") and the AMLJIA Participant Coverage Memorandum ("PCM");

NOW THEREFORE, in consideration of the mutual representations, warranties, covenants, and agreements set forth below, the Participant and AMLJIA agree as follows:

1. The Participant agrees to become a participating member of, or to renew its membership in, AMLJIA effective July 1, 2016.

2. The Participant shall continue its membership in AMLJIA for a period of not less than three (3) years, through and including June 30, 2019, subject to the terms and conditions stated herein as well as in the CPA and the PCM. The period of the Participant's membership under this Agreement encompasses the Fiscal Years 2017, 2018, and 2019.

3. The Participant's annual AMLJIA membership contribution for each of the Fiscal Years 2017, 2018, and 2019 shall be discounted by five percent (5%) off the amount of the membership contribution that the Participant would be charged in

the absence of this Agreement, provided the Participant remains a participating member of AMLJIA throughout the three-year effective period of this Agreement.

4. Should AMLJIA determine that the rate upon which the Participant's annual membership contribution is increased by more than ten percent (10%) for either of the Fiscal Years 2018 or 2019, AMLJIA shall notify the Participant of the amount of the anticipated rate increase not later than 45 days prior to the end of the then-current Fiscal Year. In the event of such a rate increase, the Participant shall have the option to cancel this Agreement and to provide written notice of such cancellation and written notice of intent to withdraw from AMLJIA effective at the end of the then-current Fiscal Year. Notice of cancellation of this Agreement and notice of intent to withdraw from AMLJIA pursuant to this paragraph must be received by AMLJIA not later than thirty (30) days after the Participant's receipt of AMLJIA's notice of rate increase, and must comply with the provisions of Section 19 of the CPA except to the extent that the period in which the Participant is permitted to provide notice of intent to withdraw may be shorter under this paragraph than under Section 19 of the CPA.

5. Should the Participant give notice of intent to withdraw from AMLJIA effective at any time prior to the end of

the Fiscal Year 2018 (June 30, 2018), except as provided in paragraph 4 of this Agreement, the Participant shall, within thirty (30) days of the date of such notice pay to AMLJIA the total principal amount of the annual membership contribution discounts it received pursuant to this Agreement, plus interest at the rate of five percent (5%) per annum. In addition, the Participant shall pay liquidated damages in an amount equal to 20 percent of the Participant's estimated deposit for each year remaining in the term of this Agreement, to compensate the Association for the loss of its contribution to the Association's surplus for the remainder of the term of this Agreement.

6. Should the Participant fail to pay to AMLJIA any amount as and when due under paragraph 5 of this Agreement, AMLJIA, in addition to any and all other rights it may have under applicable law, shall have the express right to:

(a) Intercept revenue-sharing, municipal assistance, and other funds due to be paid or administered by or through the State of Alaska to or for the benefit of the Participant, up to and including an amount equal to the unpaid portion of the principal and interest due under this Agreement until paid in full;

(b) Initiate a lawsuit against the Participant in the appropriate court for the State of Alaska, Third Judicial District at Anchorage, to recover any unpaid amounts under this Agreement as well as any other relief to which AMLJIA may be entitled.

7. This Agreement constitutes the entire agreement of the parties, and no other agreement, statement, or promise shall be valid or binding on any party. This Agreement may not be amended, modified, altered, or supplemented other than by means of a written addendum duly executed by the parties.

8. In the event that any provision of this Agreement or the application of any such provision to any person or set of circumstances, shall be determined to be invalid, unlawful, void, or unenforceable to any extent, the remainder of this Agreement, and the application of such provision to persons or circumstances other than those as to which it is determined to be unlawful, void, or unenforceable, shall not be impaired or otherwise affected and shall continue to be valid and enforceable to the fullest extent permitted by law.

9. The waiver by any party hereto of any breach of any term, covenant, or condition of this Agreement shall not be deemed to be a waiver of such term, covenant, or condition or any subsequent breach of the same or any other term, covenant,

or condition of this Agreement. Any waiver of a term, covenant, or condition of this Agreement shall be valid only if in writing.

10. This Agreement shall be interpreted and construed under and pursuant to the laws of the State of Alaska. Venue for any action to enforce any obligation under this Agreement shall lie solely in the state courts of Alaska situated in Anchorage, Alaska.

11. No party to this Agreement may assign its rights nor delegate its duties under this Agreement at any time without the express written consent of the other party. Subject to the foregoing, the provisions of this Agreement shall be binding upon and inure to the benefit of both parties and their respective legal representatives, successors, and assigns.

12. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original. Facsimile and electronic document copies hereof shall be deemed to be originals.

13. If it shall be necessary for either the Participant or AMLJIA to employ an attorney to enforce its rights pursuant to this Agreement because of the default of the other party, the prevailing party in any such action shall be entitled to recover its actual reasonable attorney's fees and costs.

DATED this _____ day of _____, ____.

By: _____

Its: _____

DATED this __ day of _____, 20__.

ALASKA MUNICIPAL LEAGUE JOINT
INSURANCE ASSOCIATION, INC.

By: Kevin Smith

Its: Executive Director



Alaska Public Entity Insurance

Program Premium Summary

Policy Year: July 1, 2016 - July 1, 2017

Revised Quote #3: With WC Payroll as shown on the AMLJIA quote.

Insured: City of Homer

AcctID# 418

Part I Property & Mobile Equipment	Limit of Insurance	Coverage Limit Applies	Declared Value	Deductible	Gross Premium	Gross Prem w/ Optional 3-yr Agreement
Property - All Risk Coverage	\$200,000,000	Per Occurrence			\$110,693.21	\$105,158.55
Buildings			\$56,088,594	\$100,000		
Contents			\$7,859,566	\$10,000		
Fine Arts			\$0	\$10,000		
Docks & Other Structure			\$77,852,191	\$100,000		
Total Insured Value			\$141,800,351			
Mobile Equipment	\$5,000,000		\$1,954,422	\$5,000	\$5,760.42	\$5,472.38
Earthquake & Flood Coverage	\$75,000,000	Annual APEI Aggregate		\$100,000	\$21,717.86	\$20,631.95
Equipment Breakdown Covg	\$200,000,000	Per Occurrence		\$10,000	Included	Included

Part II Liability & Automobile	Limit of Insurance	Coverage Limit Applies	Deductible	Rated Payroll or Vehicle Count	Gross Premium	Gross Prem w/ Optional 3-yr Agreement
General Liability	\$15,500,000			\$6,226,918	\$46,754.42	\$44,416.70
Comprehensive Liability		Per Occurrence	\$0			
Public Officials E&O		Per Occ / Annual Agg	\$0			
Law Enforcement Liability		Per Occurrence	\$10,000			
Employment Practices Liability		Per Occurrence	\$10,000			
Employee Benefits Liability		Per Occurrence	\$0			
Sewer Backup Liability		Per Occurrence	\$10,000			
Non-owned Auto		Per Occurrence	\$5,000			
Volunteer Medical Coverage	\$50,000	Per Occurrence	\$0		Included	Included
Automobile					\$47,497.20	\$45,122.51
Liability	\$15,500,000	Per Occurrence	\$0	82	Included	Included
Physical Damage	Actual Cash Value		\$5,000	37	Included	Included
UM/UIM Liability	\$250,000	Per Occurrence	\$0		Included	Included
UM/UIM Physical Damage	\$25,000		\$250		Included	Included

Alaska Public Entity Insurance

Program Premium Summary (continued)

Policy Year: July 1, 2016 - July 1, 2017

Revised Quote #3: With WC Payroll as shown on the AMLJIA quote.

Insured: City of Homer

AcctID# 418

Part III Workers' Compensation	Limit of Insurance	Deductible	Rated Payroll	Gross Premium	Gross Prem w/ Optional 3-yr Agreement
Workers' Compensation (including Federal Act, if any)	Statutory	\$0	\$6,226,918	\$205,862.47	\$195,569.35
Employer's Liability	\$1,000,000				
Part IV Specialty Coverages	Limit of Insurance	Coverage Limit Applies	Deductible	Gross Premium	Gross Prem w/ Optional 3-yr Agreement
Public Entity Crime Coverage	\$1,000,000	Per Occurrence	\$2,500	Included	Included
Cyber Liability	\$2,000,000	Aggregate	\$2,500	Included	Included
Total Premium 2016/2017				\$438,285.58	\$416,371.44
Member Dividend Check to be issued upon receipt of premium payment				\$0.00	\$0.00
Premium Cost After Dividend				\$438,285.58	\$416,371.44



Property Premium Allocation For Buildings and Other Structures

Policy Year 2016/2017

Revised Quote #3: With WC Payroll as shown on the AMLJA quote.

City of Homer

AcctID#: 418

APEI ID#	Description	Location	City	Building Value	Contents Value	Docks & Other Structures	Total Insured Value	Allocated Premium
418-201	Airport Terminal	3720 FAA Rd	Homer	3,295,122	57,216	0	3,352,338	\$3,130.37
418-202	ALA PPO Grant NV107507 (Library)	500 Hazel St	Homer	0	35,000	0	35,000	\$32.69
418-203	Animal Shelter	3577 Heath St.	Homer	962,988	16,490	0	979,478	\$914.62
418-204	City Hall	491 East Pioneer	Homer	3,311,465	115,804	0	3,427,269	\$3,200.33
418-205	Deep Water Dock (Dock, Fenders, Gate)	Harbor	Homer	0	0	8,200,000	8,200,000	\$7,657.03
418-206	Dock replacement at Beluga Lake	Beluga Lake	Homer	0	0	58,647	58,647	\$54.77
418-207	Drying Bed Structure	3575 Heath St	Homer	461,920	0	0	461,920	\$431.34
418-208	EDP Equipment Floater	City Ops	Homer	0	217,825	0	217,825	\$203.40
418-209	EDP Software Floater	City Ops	Homer	0	115,000	0	115,000	\$107.38
418-210	Ferry Office/Pump Station (End #32 - Vacant)	PW/ 4667 Homer Spit Rd	Homer	513,153	166,612	0	679,765	\$634.76
418-211	Fire Department	604 East Pioneer	Homer	2,452,335	130,004	0	2,582,339	\$2,411.35
418-212	Fish Grinder Building	Fish Dock Rd	Homer	64,682	0	0	64,682	\$60.40



Property Premium Allocation For Buildings and Other Structures

Policy Year 2016/2017

Revised Quote #3: With WC Payroll as shown on the AMLJIA quote.

City of Homer

AcctID#: 418

APEI ID#	Description	Location	City	Building Value	Contents Value	Docks & Other Structures	Total Insured Value	Allocated Premium
418-213	Former Homer Middle School/Agreed Value	Sterling & PioneerAv	Homer	2,570,000	0	0	2,570,000	\$2,399.82
418-214	Harbor Load-Launch Ramp	Harbor	Homer	3,500,000	0	0	3,500,000	\$3,268.25
418-215	Harbor Ramp 5 Restroom	Harbor Ramp 5	Homer	279,000	0	0	279,000	\$260.53
418-216	Harbormaster's Building and Boardwalk	4311 Freight Dock Road	Homer	2,325,000	205,000	0	2,530,000	\$2,362.47
418-217	Ice Plant/Fish dock	812 Fish Dock Rd	Homer	0	1,872,505	18,959,495	20,832,000	\$19,452.61
418-218	Library	500 Hazel Street	Homer	6,100,000	1,077,792	0	7,177,792	\$6,702.52
418-219	Load & Launch Restrooms	Homer Spit Rd	Homer	151,992	0	0	151,992	\$141.93
418-220	New Water Treatment Plant	Diamond Ridge	Homer	10,672,046	850,223	0	11,522,269	\$10,759.33
418-221	Pioneer Dock (Fenders, dock, gate)	Harbor	Homer	0	0	19,100,530	19,100,530	\$17,835.78
418-222	Police Station	4060 Heath St	Homer	1,777,193	286,078	0	2,063,271	\$1,926.65
418-223	Port Maintenance	4667 Homer Spit Rd	Homer	2,000,000	300,000	0	2,300,000	\$2,147.70
418-224	Public Works Building	3575 Heath St	Homer	2,071,249	312,603	0	2,383,852	\$2,226.02
418-225	Public Works Pole Shed	Main St	Homer	343,705	0	0	343,705	\$320.95



Property Premium Allocation For Buildings and Other Structures

Policy Year 2016/2017

Revised Quote #3: With WC Payroll as shown on the AMLJIA quote.

City of Homer

AcctID#: 418

APEI ID#	Description	Location	City	Building Value	Contents Value	Docks & Other Structures	Total Insured Value	Allocated Premium
418-226	Ramp 2 Restrooms	Homer Spit Rd	Homer	225,000	0	0	225,000	\$210.10
418-227	Raw Water Pump Station	Diamond Ridge	Homer	343,068	414,241	0	757,309	\$707.17
418-228	Sewer Treatment Plant	3573 Heath St	Homer	10,871,916	1,438,857	0	12,310,773	\$11,495.60
418-229	STP Operations Plant	3575 Heath St	Homer	466,760	168,213	0	634,973	\$592.92
418-230	Water Tank	4667 Homer Spit Rd	Homer	0	5,722	2,488,927	2,494,649	\$2,329.46
418-231	Water Tank	Diamond Ridge	Homer	0	5,722	1,490,303	1,496,025	\$1,396.97
418-232	Water Tank .25mg	Bayview	Homer	0	5,722	265,486	271,208	\$253.26
418-233	Water Tank 1mg	Skyline Drive	Homer	0	45,772	1,858,399	1,904,171	\$1,778.08
418-234	Water Tank/Ct	Skyline Drive	Homer	0	17,165	1,194,685	1,211,850	\$1,131.60
418-235	Wood Grid (Tora)	Harbor	Homer	0	0	106,835	106,835	\$99.76
418-236	Ramp 4 restroom	Harbor	Homer	200,000	0	0	200,000	\$186.76
418-237	Fishing Lagoon Restroom	Harbor	Homer	200,000	0	0	200,000	\$186.76
418-238	Ramp 6 restroom	Harbor	Homer	200,000	0	0	200,000	\$186.76
418-239	DWD Restroom	Harbor	Homer	215,000	0	0	215,000	\$200.77



Property Premium Allocation For Buildings and Other Structures

Policy Year 2016/2017

Revised Quote #3: With WC Payroll as shown on the AMLJA quote.

City of Homer

AcctID#: 418

APEI ID#	Description	Location	City	Building Value	Contents Value	Docks & Other Structures	Total Insured Value	Allocated Premium
418-240	End of the Road Restroom	Harbor	Homer	215,000	0	0	215,000	\$200.77
418-241	SBH (Ramps 1-8, Barge Ramp, Steel Grid, Lighting)	Harbor	Homer	0	0	8,827,550	8,827,550	\$8,243.03
418-242	Float System 1 (A-S)	Harbor	Homer	0	0	9,259,815	9,259,815	\$8,646.68
418-243	Float System 2(AA, T-W)	Harbor	Homer	0	0	1,038,050	1,038,050	\$969.32
418-244	Float System 4(AAA, CC-JJ)	Harbor	Homer	0	0	3,858,670	3,858,670	\$3,603.17
418-245	Float System 5	Harbor	Homer	0	0	1,144,800	1,144,800	\$1,069.00
418-246	Waste oil shop	Harbor	Homer	150,000	0	0	150,000	\$140.07
418-247	Dwd Shed	Harbor	Homer	50,000	0	0	50,000	\$46.68
418-248	Pioneer Dock Shed	Harbor	Homer	100,000	0	0	100,000	\$93.38
Total (includes Flood and Earthquake):				56,088,594	7,859,566	77,852,191	141,800,351	\$132,411.07

Note: Fine Arts premium is excluded from this exhibit



Mobile Equipment Premium Allocation

Policy Year 2016/2017

Revised Quote #3: With WC Payroll as shown on the AMLIA quote.

City of Homer

AcctID#: 418

Equipment ID#	Serial #	Model Year	Make	Model	Insured Value	Premium
		2015	Polaris	570 RZR	12,700	\$37.43
159	TBD	2014	Elgin	Pelican Sweeper	200,000	\$589.47
411		2011	Bobcat	Versa Handler	50,000	\$147.37
153	5827	2007	Komatsu	D37 PX-21A	83,871	\$247.20
174	H50171	2006	Komatsu	Wheel Loader & accessories	66,175	\$195.04
173	11146	2006	Komatsu	Excavator and attachments	137,063	\$403.98
419	H50172	2006	Komatsu	Wheel Loader & Accessories	67,025	\$197.55
175	EW180BV8751170	2004	Volvo	EX180B Wheeled Excavator	110,100	\$324.51
170	Unknown	2003	Bobcat	5600 Toolcat	49,695	\$146.47
172	86937	2003	John Deere	Loader 644H	156,132	\$460.18
168	CAT016HCARL00252	2002	Caterpillar	163H-00 Motor Grader	246,128	\$725.43
430	PER24111H902	2002	Peregrine	Harbor Tug	145,000	\$427.37
165	7456	1995	John Deere	Backhoe	64,083	\$188.88
259	95385	1995	Patchman	AC Patcher	27,183	\$80.12
164	24674	1994	Champion	Road Grader	161,000	\$474.53



Mobile Equipment Premium Allocation

Policy Year 2016/2017

Revised Quote #3: With WC Payroll as shown on the AMLIA quote.

City of Homer

AcctID#: 418

Equipment ID#	Serial #	Model Year	Make	Model	Insured Value	Premium
162	80862	1991	Case	Jl Uni Loader	28,494	\$83.98
161	2496	1987	Caterpillar	Loader	129,039	\$380.33
414	BBE-2102773	1986		20" Skiff w/Honda 90	20,000	\$58.95
150	7976	1986	Caterpillar	Grader	114,700	\$338.06
169	8190	1980	Caterpillar	12G Motor Grader	35,000	\$103.16
250	10110003642	0	Bomag	Compactor	10,598	\$31.24
155	E002D02262C	0	Hyster	Forklift	10,000	\$29.47
284	65201	0	Trailmax	Equipment Trailer	20,436	\$60.23
154	WLC821002	0	Wiggins	Forklift - 4x4	10,000	\$29.47
Total					1,954,422	\$5,760.42



Automobile Premium Allocation

Policy Year 2016/2017

Revised Quote #3: With WC Payroll as shown on the AMLJA quote.

City of Homer

AcctID#: 418

Member Vehicle ID	VIN #	Model Year	Make	Model	Insured Value	Physical Damage Coverage?	Auto Phys Damage Deductible	Vehicle Premium
136	1FDUF5HY6GEA04358	2016	Ford	F-550 w/ sander & plow	0	N		\$289.47
177	1M2AX07CXFM021192	2015	Mack	GU713	150,000	Y	5,000	\$1,221.05
123	1FTFX1EF8EKD94206	2014	Ford	F-150	25,733	Y	5,000	\$492.63
122	1FTFX1EF8EKD94205	2014	Ford	F-150	25,733	Y	5,000	\$492.63
527	1FM5K8AR0EGC60937	2014	Ford	Expedition	35,000	Y	5,000	\$592.11
429	1FTEX1EM1DKE99582	2013	Ford	F150	24,735	Y	5,000	\$484.75
135	1FDUF5HY4DEB04700	2013	Ford	F550	37,481	Y	5,000	\$585.38
615	1FMJK1G58DEF53649	2013	Ford	Expedition EL	34,975	Y	5,000	\$591.91
519	1FMJU1G51DEF53650	2013	Ford	Expedition	31,571	Y	5,000	\$565.03
404	1FCU5K30BKB73512	2011	Ford	Escape	30,000	Y	5,000	\$552.63
400	1FTMF1EWGAKE65861	2010	Ford	F150	16,614	Y	5,000	\$420.63
428	1FTWF3B52AEA41382	2010	Ford	F350	27,374	Y	5,000	\$505.58
526	2G1WS57M691270077	2009	Chevrolet	Impala	19,855	Y	5,000	\$446.22
525	2G1WS57M691267602	2009	Chevrolet	Impala	19,855	Y	5,000	\$446.22
524	2G1WS57M491269686	2009	Chevrolet	Impala	19,855	Y	5,000	\$446.22
403	1GCDT199798151786	2009	Chevrolet	Colorado	23,628	Y	5,000	\$476.01



Automobile Premium Allocation

Policy Year 2016/2017

Revised Quote #3: With WC Payroll as shown on the AMLJIA quote.

City of Homer

AcctID#: 418

Member Vehicle ID	VIN #	Model Year	Make	Model	Insured Value	Physical Damage Coverage?	Auto Phys Damage Deductible	Vehicle Premium
151	JALE5B16377905595	2009	Elgin	Sweeper	145,355	Y	5,000	\$1,199.05
523	93202	2008	Chevrolet	Van	22,379	Y	5,000	\$466.15
119	48816	2008	Ford	F450	26,524	Y	5,000	\$498.87
426	44437	2008	Ford	F350	21,114	Y	5,000	\$456.16
118	30857	2008	Ford	F250	24,750	Y	5,000	\$484.86
612	1K9AF44809NO58658	2008	KME	4X4 Custom Pumper Fire Truck	465,531	Y	5,000	\$5,163.48
117	29111	2007	Ford	F150	20,542	Y	5,000	\$451.64
517	81780	2007	Ford	Expedition	33,524	Y	5,000	\$580.45
518	81781	2007	Ford	Expedition	33,524	Y	5,000	\$580.45
116	68119	2006	Ford	F350	0	N		\$289.47
112	21115	2006	Ford	F150	0	N		\$289.47
115	21117	2006	Ford	F150	0	N		\$289.47
308	54764	2006	Ford	Freestyle	0	N		\$289.47
635	85637	2006	Ford	Expedition	0	N		\$315.79
113	21116	2006	Ford	F150	0	N		\$289.47
176	1FVACWDC76HW43298	2006	Freightliner	VN	23,550	Y	5,000	\$475.39



Automobile Premium Allocation

Policy Year 2016/2017

Revised Quote #3: With WC Payroll as shown on the AMLJIA quote.

City of Homer

AcctID#: 418

Member Vehicle ID	VIN #	Model Year	Make	Model	Insured Value	Physical Damage Coverage?	Auto Phys Damage Deductible	Vehicle Premium
405	1FTRF12W35NA82331	2005	Ford	F150	0	N		\$289.47
504	701947	2004	Dodge	Intrepid Sedan	0	N		\$289.47
633	91385	2003	Ford	F350	0	N		\$289.47
401	91386	2003	Ford	F250	0	N		\$289.47
510	2358	2003	Ford	Crown Victoria	0	N		\$657.89
134	52548	2003	Ford	F-550 w/ sander & plow	0	N		\$289.47
516	67676	2003	Ford	Excursion	0	N		\$315.79
402	91384	2003	Ford	F250	0	N		\$289.47
622	64282	2002	Ford	F-350 4X4 Diesel	115,400	Y	5,000	\$1,477.89
111	1J4FA29P22P756386	2002	Jeep	Wrangler	0	N		\$315.79
107	230746	2001	Chevrolet	S10	0	N		\$289.47
634	1700	2001	Ford	F550	10,000	Y	5,000	\$368.42
424	67898	2001	Ford	F578	10,000	Y	5,000	\$368.42
157	18730	2001	Freightliner	End Dump	80,516	Y	5,000	\$891.92
105	469366	2000	Chevrolet		0	N		\$289.47
104	469484	2000	Chevrolet		0	N		\$289.47



Automobile Premium Allocation

Policy Year 2016/2017

Revised Quote #3: With WC Payroll as shown on the AMLJIA quote.

City of Homer

AcctID#: 418

Member Vehicle ID	VIN #	Model Year	Make	Model	Insured Value	Physical Damage Coverage?	Auto Phys Damage Deductible	Vehicle Premium
503	288855	2000	Dodge	Durango SUV	10,000	Y	5,000	\$394.74
651	A65777	2000	Freightliner	Rescue J41	264,945	Y	5,000	\$3,052.05
132	52302	1999	Ford	F550	10,000	Y	5,000	\$368.42
101	81910	1999	Ford	Ranger	0	N		\$289.47
102	81909	1999	Ford	Ranger	0	N		\$289.47
103	13448	1999	Ford	Van Econoline	0	N		\$289.47
507	164068	1998	Ford	Crown Victoria	0	N		\$657.89
508	4015	1998	Ford	Expedition	0	N		\$315.79
114	4241	1997	Ford	Ranger	0	N		\$289.47
133	8280	1997	Ford	F350	0	N		\$289.47
621	3043	1997	Ford	F350	96,000	Y	5,000	\$1,273.68
406	2960	1995	Chevrolet	S10	0	N		\$289.47
121	226994	1995	Chevy		0	N		\$289.47
120	9314	1995	Ford	F150	0	N		\$289.47
409		1995	FORD 4X4 HV-2	F150	0	N		\$289.47
130	7806	1994	Chevrolet		0	N		\$289.47



Automobile Premium Allocation

Policy Year 2016/2017

Revised Quote #3: With WC Payroll as shown on the AMLJA quote.

City of Homer

AcctID#: 418

Member Vehicle ID	VIN #	Model Year	Make	Model	Insured Value	Physical Damage Coverage?	Auto Phys Damage Deductible	Vehicle Premium
131	4592	1994	Ford	F150	0	N		\$289.47
408	4590	1994	Ford	F150	0	N		\$289.47
129	5702	1994	Ford	Ranger	0	N		\$289.47
407	4591	1994	Ford	F150	0	N		\$289.47
109	9371	1993	Chevrolet	S10	0	N		\$289.47
423	750365	1993	Chevrolet		0	N		\$289.47
427	14681	1993	Chevrolet		0	N		\$289.47
108	7299	1992	Ford	Ranger	0	N		\$289.47
163	284	1992	International	Vactor Truck	144,774	Y	5,000	\$1,196.29
106	520	1991	Chevrolet		0	N		\$289.47
631	9027	1990	Ford		0	N		\$289.47
642	2730	1989	Emergency		248,727	Y	5,000	\$2,881.34
171	46117	1989	Ford	F800	29,500	Y	5,000	\$680.26
125	7289	1989	GMC		0	N		\$289.47
124	2634	1987	Chevrolet		0	N		\$289.47
641	7601	1987	Emergency		165,000	Y	5,000	\$2,000.00



Automobile Premium Allocation

Policy Year 2016/2017

Revised Quote #3: With WC Payroll as shown on the AMLJIA quote.

City of Homer

AcctID#: 418

Member Vehicle ID	VIN #	Model Year	Make	Model	Insured Value	Physical Damage Coverage?	Auto Phys Damage Deductible	Vehicle Premium
421	8452	1985	Chevrolet		0	N		\$289.47
160	8331	1984	Ford		0	N		\$289.47
Total Vehicle Count: 82			Count of Vehicles with Physical Damage coverage: 37					\$47,497.20



Workers' Compensation Premium Allocation

Policy Year 2016/2017

Revised Quote #3: With WC Payroll as shown on the AMLJIA quote.

City of Homer

AcctID#: 418

Class Code	Class Description	Payroll	Experience Mod	Loss Control Credit	Gross WC Premium	Gross WC Rate per \$100 of Payroll
5509	Street, Road, Maintenance	223,205	1.14	-7.4%	10,253.87	4.5939
6836	Harbor, Marine	783,253	1.14	-7.4%	36,060.82	4.6040
7520	Water Works Operators, Drivers	505,951	1.14	-7.4%	16,275.20	3.2168
7580	Sewage Treatment Operators, Drivers	407,242	1.14	-7.4%	13,099.98	3.2168
7710	Firefighters & Drivers	390,101	1.14	-7.4%	22,861.97	5.8605
7711	Firefighters & Drivers~Volunteers	36,000	1.14	-7.4%	2,109.79	5.8605
7720	Police Officers	1,495,580	1.14	-7.4%	50,664.95	3.3876
8203	Ice Dealers & Drivers	192,269	1.14	-7.4%	13,857.87	7.2075
8380	Municipal Garage, Retail Fuel Sales	431,847	1.14	-7.4%	20,793.78	4.8151
8810	Clerical, Professional, Elected Officials	1,512,442	1.14	-7.4%	6,233.48	0.4121
9015	Building, Operators, Owners, Lease	65,391	1.14	-7.4%	3,220.94	4.9257
9102	Parks and Recreation	183,637	1.14	-7.4%	10,429.82	5.6796
		6,226,918			205,862.47	

Alaska Public Entity Insurance
UNINSURED/UNDERINSURED MOTORISTS COVERAGE SELECTION FORM

Policy Year: July 1, 2016 - July 1, 2017

Insured: City of Homer

AcctID# 418

APEI's automobile policy includes Uninsured Motorists (UM) and Underinsured Motorists (UIM) bodily injury coverages with a policy limit of \$250,000 per accident. It also includes UM and UIM property damage coverage at a limit of \$25,000 per accident with a \$250 deductible. UM and UIM property damage coverage applies only to vehicles for which the member has purchased physical damage coverage.

Uninsured Motorists Coverage pays for bodily injury losses to you and your passengers as a result of an accident with a driver who has no liability protection and is legally responsible for the injuries or the damage. This includes a hit-and-run vehicle whose owner and operator cannot be identified.

Underinsured Motorists Coverage pays for bodily injury losses to you and your passengers as a result of an accident with a driver who has liability protection but not enough to pay the full amount that the injured person is legally entitled to recover as damages.

We offer higher limits of UM and UIM bodily injury at an additional cost for members desiring to increase their coverage. Please indicate below whether or not you wish to add coverage at these higher limits, and if so, which limits you are requesting.

Uninsured Motorists and Underinsured Motorists Coverage Selection

_____ I select UM/UIM bodily injury coverage at higher limits as indicated below:

	Split Limit (per Person / per Accident)	Additional Premium
_____	\$250,000 / \$300,000	\$9,243.00
_____	\$300,000 / \$500,000	\$16,808.91
_____	\$500,000 / \$500,000	\$18,676.00
_____	\$500,000 / \$1,000,000	\$20,353.09
_____	\$1,000,000 / \$2,000,000	\$38,838.06

_____ I decline high UM/UIM bodily injury limits, and will retain UM/UIM bodily injury coverage at the APEI standard limit of \$250,000 per accident for no additional premium

Signature of Member: _____

Date: _____



City of Homer

www.cityofhomer-ak.gov

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Memorandum 16-098

TO: MAYOR WYTHER AND CITY COUNCIL

FROM: JO JOHNSON, MMC, CITY CLERK

DATE: JUNE 6, 2016

SUBJECT: AMENDMENT TO CITY COUNCIL MEETING MINUTES OF MAY 9, 2016 TO REFLECT PUBLIC TESTIMONY ON ORDINANCE 15-37(A).

It was brought to my attention that the City Council minutes of May 9, 2016 contained an inaccurate statement in reference to Ordinance 15-27(A).

I request that Council amend the May 9th minutes to reflect the accurate testimony of Barb Brodowski in relation to the proposed three-month 8.5% sales tax on food.

The Council may amend the minutes previously adopted by a majority vote.

RECOMMENDATION:

Amend the City Council meeting minutes of May 9, 2016 to reflect public testimony on Ordinance 15-37(A).

From: [Barb Brodowski](#)
To: [Jo Johnson](#)
Subject: 5-9-2016 Minutes
Date: Friday, May 20, 2016 6:41:52 PM

Jo,

Initially, you had my talk of 5-9-2016 correct for the 5-9-2016 council meeting minutes until they were changed. I have copied your comments of the 5-9 minutes regarding my talk on 5-9-2016 and they are not what I said. I have enclosed my talk of 5-9-2016 and I made it a point when I wrote my talk and said my talk to keep repeating the statement that the 8.5% tax on food was only for June, July, and August and only for 3 months over and over again not 6 months as stated in the minutes of 5-9. My repetition was on purpose to make it clear to the people on what I was trying to say and what is going to happen if the seasonal tax goes on a ballot.

I am disappointed in the City of Homer for changing my statement. It needs to be changed back to what I actually was stating and I expect it to be changed.

5-9-2016 Council Meeting minutes:

Barb Brodowski, city resident, commented the Kenai Borough attempted to tax food for six months instead of three months and the Assembly voted it down. The Council is trying to increase sales tax on food to 8.5% for six months instead of three months. It will make it tough for young people to remain in Homer. She suggested amending Ordinance 15-37 to leave sales tax at the existing rate.

May 9, 2016

My name is Barb Brodowski and I am a resident of Homer.

Last week the Kenai Borough attempted to tax food for 6 months of the year instead of the existing 3 months. It was voted down by the Assembly.

This week the City of Homer is proposing an 8.5% tax on all food during the months of June, July, and August instead of the existing 7.5% for those 3 months.

Every company, organization or governmental department here in Homer wants the best and most qualified people to work for them. It will become a real issue when those prospective candidates looking at open positions realize that in addition to the high cost of living here in Homer, that all food products here will be taxed at 8.5% regardless if it is only for 3 months.

Also, the City wants young people to live here, start and support their families here. It will be a tough call for these young people to stay locally when they realize that every morsel of food will be taxed at 8.5% for 3 months of the year.

It is really sad that the City of Homer and the Kenai Borough must continue to increase the tax on food in order to balance their budgets.

Before this tax comes up for a vote in October, the City of Homer should amend Ordinance 15-37 (A) to leave the tax on food at the existing rate, of which I do not approve of, and not increase it to 8.5%.

Thank you.

Barb Brodowski

Motion carried.

LEWIS/ADERHOLD - MOVED TO SUSPEND THE ORDER OF BUSINESS TO HEAR ANNOUNCEMENTS/PRESENTATIONS BEFORE VISITORS.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

The agenda as amended was approved by consensus of the Council.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

Barb Brodowski, city resident, commented the Kenai Borough attempted to tax food for six months instead of three months and the Assembly voted it down. The Council is trying to increase sales tax on food to 8.5% for ~~six months instead of three months~~ **(June, July, and August)**. It will make it tough for young people to remain in Homer. She suggested amending Ordinance 15-37 to leave sales tax at the existing rate.

Wayne Aderhold, city resident and Homer Cycling Club, announced Bike Month. There is lots of room to improve bike behavior on roads and trails. The League of American Bicyclists will sponsor Smart Cycling, a course taught by two lead cycling instructors. It will be held on August 6th. There is a \$50 fee that includes a book and certificate. For more information contact aderhold@xyz.net.

Kevin Hogan, city resident, commented on Resolutions 16-049 and 16-050. He suggested a 4-month limit to transition for a new attorney by RFP. Consideration could be given to in-house attorneys that get around the PERS penalty. He is glad Holly Wells stepped up for the lead attorney position as she handles herself professionally. Attorney services should stay in the community and keep the dollars from going to Anchorage. He objects to the current firm as they are involved in setting policy and have advised it is okay to discriminate.

August Weber, Homer resident, opposes Ordinance 15-37(A). If an extra 1% sales tax is imposed something should be given back to the taxpayers.

Tim Clark, city resident, opposes Ordinance 15-37(A). When he arrived in Homer 15 years ago there was a 5.5% combined sales tax. He spends a minimum of \$50 a day on groceries to feed



City of Homer

www.cityofhomer-ak.gov

Finance Department

491 East Pioneer Avenue
Homer, Alaska 99603

finance@cityofhomer-ak.gov

(p) 907-235-8121

(f) 907-235-3140

Memorandum 16-099

TO: MAYOR WYTHER AND HOMER CITY COUNCIL
FROM: JOHN LI, FINANCE DIRECTOR
DATE: JUNE 6, 2016
SUBJECT: 2017 PROPOSED BUDGET SCHEDULE

Included is the 2017 Proposed Budget Development Schedule.

RECOMMENDATION:

Review and approve the 2017 Budget Schedule.

Budget Development Schedule For Fiscal Year 2017

Council Meeting		Time	Event
6/13/2016		6:00 PM	Budget Development Schedule to Council
6/27/2016			Finalize Budget Development Schedule
7/25/2016			Submit to departments, budget work sheets including salary and fringe benefit costs.
8/8/2016		5:00 PM	Committee of the Whole, Council to discuss budget priorities for the coming year.
		6:00 PM	Regular Meeting, Public Hearing - public input on budget priorities for the coming year.
8/22/2016			Departmental Draft Budget (work sheets) and narratives to Finance.
9/12/2016		5:00 PM	During Committee of the Whole, Council to discuss Revenue Sources for General Fund.
	Week of		Departments to review draft budget
	Week of		City Manager, Finance Director, and Department Heads to review budgets
9/26/2016			Preliminary budget assumptions to Council.
10/10/2016			City Manager's Budget (Proposed Budget) to Council.
		5:00 PM	Committee of the Whole, Council to discuss budget
		6:00 PM	Regular Meeting - Public Hearing.
10/24/2016		5:00 PM	Committee of the Whole, Council to discuss budget
		6:00 PM	Regular Meeting - to introduce Budget Ordinance and Fee/Tariff Resolutions
11/28/2016		5:00 PM	Committee of the Whole, Council to discuss budget
		6:00 PM	Regular Meeting - Public Hearing.
12/12/2016		6:00 PM	Regular Meeting - Public Hearing & FY 2017 Budget Adoption

VISITORS

ANNOUNCEMENTS
PRESENTATIONS
BOROUGH REPORT
COMMISSION REPORTS

Session 16-09, a Regular Meeting of the Homer Advisory Planning Commission was called to order by Chair Stead at 6:30 p.m. on June 1, 2016 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMISSIONERS BRADLEY, HIGHLAND, STEAD, VENUTI

ABSENT: BOS, ERICKSON, STROOZAS

STAFF: CITY PLANNER ABBOD
DEPUTY CITY CLERK JACOBSEN

Approval of Agenda

Chair Stead called for a motion to approve the agenda.

HIGHLAND/BRADLEY SO MOVED

There was no discussion.

VOTE: 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).

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 Minutes of May 18, 2016

Chair Stead called for a motion to adopt the consent agenda.

BRADLEY/HIGHLAND SO MOVED

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

Presentations

Reports

A. Staff Report PL 16-28, City Planner's Report

City Planner Abboud reviewed the staff report.

There was brief discussion about the helicopter by Beluga Lake. Their plan is to make a floating dock for the helicopter to operate from. City Planner Abboud explained he may need to talk to them about their temporary structure in the uplands and he may have to address flood standards. They went through permitting with DOT and there are copies at the Planning Office. The City doesn't have much say about anything operative on the lake, but does have a little more authority on the uplands.

Question was raised regarding public notice and if the city has any say about flight paths. City Planner Abboud explained the DOT followed their process, but wasn't sure of the specifics. It was handled through the Central Region Aviation Leasing Agent Manager, Jamie Brooks, and he has copies of the permits in the Planning office. It isn't clear in Alaska Statutes, but they say it's a float plane lake because it's the traditional use of the lake. There was some discussion that it's arguable whether local zoning codes apply the aviation owned land around the lake, but no one has pursued it so far. In the future maybe they can look at an airport district for the airport land to make it more specific for their operation. The area the helicopter is now is CBD, which is also problematic. Mr. Abboud said flight paths are FAA territory. The advice he has received that our authority is valid until it starts to impede or interfere with operational aspects of the airport.

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.

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 COMMISSION 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.

Plat Consideration

A. Staff Report PL 16-30 for Glacerveiw Subdivision 2016 Replat, Preliminary Plat

City Planner Abboud reviewed the staff report.

Scott Smith, founder and President of Youth with a Mission and applicant, said he didn't have any comments, but thanked them for the CUP approval at last month's meeting. It seem like everything is moving forward. He's still working with the Fire Marshall and hopes to have that work wrapped up by the end of the week. This action to move the lot line will help orient the positioning of various structures they hope to build in the next several years.

There were no public comments and no questions from the Commission.

BRADLEY/VENUTI MOVED TO ADOPT STAFF REPORT PL 16-30 GLACIERVIEW SUBDIVISION 2016 REPLAT PRELIMINARY PLAT WITH STAFF COMMENTS AND RECOMMENDATIONS.

There was brief comment that this preliminary plat is very straight forward and should be approved.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

Pending Business

A. Staff Report PL 16-31, Comprehensive Plan Update Chapter 6 Parks & Recreation (formerly Chapter 7)

City Planner Abboud reviewed the staff report and the Parks and Recreation chapter.

Initial discussion points included:

- Benefits of the Adopt-a-Park program and the need for the City to do more advertising to raise awareness and get the word out that we are looking for partners
- Ways to establish an endowment fund
 - City provides seed money
 - The Homer Foundation may be a resource for ideas to get it started

- Promoting affluent citizens to put their names on parks
- Matching fund opportunities

Commissioner Highland expressed her thoughts that parks and recreation should have its own chapter. She thinks the Parks, Recreation, and Culture chapter in the current plan is done really well. Homer plays an important part of parks and recreation in the state. She doesn't want to see it get absorbed by other things, but that it is its own chapter and its own thought process.

City Planner Abboud explained how the information was broken down into other sections or plans. For example, the trails are in transportation and we have a trails plan, so it doesn't seem appropriate to repeat the goals for trails in another section; and open space and green infrastructure mapping is in Chapter 4. He touched on other items, noting the information is still there, just separated out into more appropriate sections.

Other commissioners agreed it would be nice to have a parks and recreation chapter, but understand the reasoning for moving things around and that it might be better to have the topics moved into more appropriate slots. The current plan is a bit cumbersome and these changes could help streamline the updated plan.

They continued to review the implementation plan in the current plans chapter 7, touching on

- A high tunnel and volunteers to for the city's green house
- Physical barriers and parks
- Merging with community recreation is something Council would have to approve but would include a director, new employees, and probably higher wages.
- The multi-purpose arts and cultural facility and the arts and culture plan are things that need partners and something the private or non-profit sector would bring to the city.
- Updating 1E9 from ten years to five years.
- Include from the current plan page 7-2 desired improvements – programs hold critical importance to the quality of life and its economic vitality.

Commissioner Highland said she was involved in putting some map together with Steve Baird. She will see if she can find it and bring it.

New Business

Informational Materials

A. City Manager's Report – May 23, 2016

Comments of the Audience

Comments of Staff

Deputy City Clerk Jacobsen said Commissioner Erickson is not planning to request re-appointment and the Clerk's office will advertise a vacancy. She also let them know the City is working on doing an ADA self-evaluation and transition plan on city facilities later this year.

Comments of the Commission

Commissioner Highland commented that Homer lost a very special person with the passing of Carmen Fields.

Commissioner Bradley thanked the group for the work on the Comprehensive Plan. She has been going over the museum's policy and procedure on collections and its hard work trying to figure out where things go.

Commissioner Venuti asked if the vacancy could be filled by a non-city resident, and City Planner Abboud confirmed that it could. Mr. Venuti said it was an interesting meeting.

Chair Stead thanked everyone for the good discussion tonight.

Adjourn

There being no further business to come before the Commission, the meeting adjourned at 7:59 p.m. The next regular meeting is scheduled for June 15, 2016 at 6:30 p.m. in the City Hall Cowles Council Chambers. A worksession may be held at 5:30 p.m.

MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK

Approved: _____

PUBLIC HEARING(S)

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

Resolution 16-054

Ordinances 16-24, 16-25, 16-26, 16-27, 16-28, 16-29 and 16-30

A **public hearing** is scheduled for **Monday, June 13, 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 16-24, 16-25, 16-26, 16-27, 16-28, 16-29 and 16-30 internet address:

<http://www.cityofhomer-ak.gov/ordinances>

Resolution 16-054 internet address:

<http://www.cityofhomer-ak.gov/resolutions>

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.

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.

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.

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.

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.

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.

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.

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.



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 Tribune: June 8, 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 16-24**, 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; **Resolution 16-054**, Amending the City of Homer Fee Schedule to Implement a New Graduated Harbor Moorage Rate Structure; **Ordinance 16-25**, 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; **Ordinance 16-26**, Amending Homer City Code 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; **Ordinance 16-27**, Amending the FY2016 Operating Budget by Appropriating Funds in the Amount of \$38,000 from Port and Harbor Reserves for the Deep Water Dock Uplands Improvements; **Ordinance 16-28**, Amending the FY2016 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 the City Voters Approve the Expenditure; **Ordinance 16-29**, 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; and **Ordinance 16-30**, 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 Homer City Code 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 was distributed to the City of Homer kiosks located at City Clerk's Office, and the Homer Public Library on Thursday, June 2, 2016 and posted the same on City of Homer Website on Wednesday, June 1, 2016.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal of said City of Homer this 1st
day of June, 2016.

Renee Krause

Renee Krause, CMC, Deputy City Clerk



**CITY OF HOMER
HOMER, ALASKA**

Port and Harbor Director/
Port & Harbor Advisory Commission

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.

WHEREAS, The Port Director/Harbormaster established how harbor moorage fees are structured and implemented, and are to be included in the City of Homer Fee Schedule; and

WHEREAS, The City of Homer Fee Schedule to amend the harbor moorage rate structure is effective January 1, 2017.

WHEREAS, The Port and Harbor Advisory Commission discussed and unanimously supported the recommendation by the Port Director/Harbormaster to implement a new graduated harbor moorage rate structure of \$0.05 increase per linear foot, based on the following equation,

Permanent Moorage Rate	$\left(\frac{\$}{\text{foot}} \right)$	$\frac{\$43.49 + (\$0.05 \times \text{foot}) \times \text{vessel length per foot}}{\text{foot}}$
------------------------	---	--

and cap the increases at the 86 foot vessel size.

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby amends the City of Homer Fee Schedule to include the graduated harbor moorage rate structure effective January 1, 2017 as follows:

PORT AND HARBOR DEPARTMENT

Harbor Office - 235-3160

Fish Dock - 235-3162

(The following fees have been set by legislative enactments to HCC 10, Ord. 95-18(A) and Resolutions 14-114, 12-037(S), 12-023, 10-89, 06-52, 06-04, 05-123, 04-96, 03-154(S), 03-104, 03-88, 00-39, 99-118(A), 99-101, 99-78(S), 99-30(A), 95-69 (Port/Harbor Tariff No. 600), Resolution 95-19, Resolution 01-84(S)(A), Resolution 02-81(A), Resolution 07-121, Resolution 08-123, Resolution 15-091)

All rates except load and launch ramp fees and parking fees for Ramps 1 - 4, which are inclusive of sales tax, will have sales tax applied. The resulting figure will be rounded to the nearest half dollar for billing purposes.

43
44 **BOAT CHANGE FEE:**

45 \$25.00 administrative fee

46
47 **STALL WAIT LIST:**

48 A \$30.00 per year charge will be assessed for a listing on a permanent reserved stall
49 assignment.

50 Large quantity waste oil disposal (with Harbor Master approval) - \$3.25 gallon

51
52 **PARKING FEES:**

53 Parking fees to be collected at Ramp 1, Ramp 2, Ramp 3 and Ramp 4 seasonally (Memorial
54 Day through Labor Day). Parking fee is \$5 per calendar day. Posted parking time limits will be
55 established and enforced as per Homer city code 10.04.100.

56
57 Seasonal permits for day use parking (Ramps 1-4): \$250.00.

58 Long Term parking permits required for Vehicles 20' or less parked in excess of seven (7)
59 consecutive 24-hour days.

60
61 Long Term Parking annual permit (January 1st through December 31st): fee \$200.00.

62
63 Long Term Parking annual permit fee for vessel owners paying annual moorage in the Homer
64 Harbor: fee \$100.00.

65
66 Vehicles over 20' and trailers are not eligible for long term parking permits.

67
68 Monthly parking permit for vehicles less than 20': fee \$70.00 for 30 consecutive days.

69
70 Monthly parking permit for vehicles over 20': fee \$85.00 for 30 consecutive days in a portion of
71 Lot 9 only.

72
73 Long term parking will be enforced year around.

74
75 Parking lot restrictions for long term parking, May 1 through October 1, as depicted on
76 attached map (Attachment A).

77
78 Existing code definitions for restricted parking, vehicles, junk vehicles, and fines for violations
79 apply.

80 Fines, \$25.00 per calendar day, limited to \$250.00 fine per calendar year, with \$200.00 of the
81 fine credited towards the long term parking annual permit.

ANNUAL HARBOR MOORAGE FEES:

\$43.49 per linear foot with an increase of \$0.05 per foot based on the following equation,
plus \$50.00 administrative charge:

Permanent Moorage Rate	(\$ foot)	$\frac{\$43.49 + (\$0.05 \times \text{foot}) \times \text{vessel length per foot}}{\text{foot}}$
------------------------	-------------	--

The graduated increases shall cap at the 86 foot vessel size.

Reserved Stall - length of the float stall assigned, or overall length of vessel whichever is greater, plus \$50.00 administrative charge.

Float Plane Fee - daily moorage rate of (2) 24' vessels shall be assessed on a daily basis for float planes or a monthly rate equal to the monthly rate for (2) 24' vessels.

PORT DOCKAGE FEES:

Dockage charges will be assessed based on lineal foot per calendar day or portion thereof as follows:

0' to 100'	\$338.00	451' to 475'	\$1,604.00	651' to 675'	\$3,917.00
101' to 200'	\$506.00	476' to 500'	\$1,762.00	676' to 700'	\$4,420.00
201' to 300'	\$788.00	501' to 525'	\$1,996.00	701' to 725'	\$5,119.00
301' to 350'	\$1,005.00	526' to 550'	\$2,154.00	726' to 750'	\$5,858.00
351' to 375'	\$1,098.00	551' to 575'	\$2,334.00	751' to 775'	\$6,644.00
376' to 400'	\$1,206.00	576' to 600'	\$2,582.00	776' to 800'	\$7,459.00
401' to 425'	\$1,337.00	601' to 625'	\$2,957.00		
426' to 450'	\$1,490.00	626' to 650'	\$3,443.00		

A service charge of \$52 will be assessed to each vessel.

These charges are applicable to the “outer face” and “trestle berth” of Deep Water Dock and to all berthing locations on Pioneer Dock. The “inside berth” (berth No.2) of Deep Water Dock will have a 4-hour minimum dockage charge of 1/6 the daily rate, and a half day (up to 12 hours) docking charge of ½ the daily rate, with no service charge applicable.

WHARFAGE:

Minimum wharfage on any shipment will be ten dollars (\$10). Except as otherwise specifically provided, rates are in dollars per short ton of 2,000 lbs. or per 40 cu. ft.

128		
129	COMMODITY	WHARFAGE RATE
130	Freight N.O.S.	\$7.96
131	(Not Otherwise Specified)	
132	Freight at barge ramp	\$5.14
133	Poles, logs, cants or cut	\$3.95/thousand board ft.
134	finished lumber per M.M.	
135	(Note: Industry standard conversion formulas shall be used in converting pounds to board	
136	feet measure.)	
137		
138	Logs that are unloaded at Port of Homer barge beaching site will be charged 50% of the	
139	wharfage rate applicable to outbound (export) shipment. However if these cargoes are not	
140	exported over Deep Water Dock with full payment of outbound wharfage within 60 days of	
141	unloading at the barge beaching site, then the additional 50% of wharfage will be owed and	
142	paid for inbound products.	
143		
144	Petroleum products	\$0.84/barrel
145	(inbound and outbound)	\$0.02 per gallon
146	Wood Chips (all grades)	\$ as per contract
147		
148	Seafood/fish product	Setting a tariff of \$4.76 per ton of seafood/fish
149		product across the dock, regardless of species.
150		
151	Livestock: Horses, mules,	\$10.12 per head
152	cattle, hogs, sheep, goats,	
153	all other livestock	
154		
155	Fowl: Any kind, crated	\$10.12 per crate
156		
157	Boats: Up to and including twenty (20) feet LOA	\$15.66 each
158	Over twenty (20) feet LOA	\$1.60 per lineal ft.
159	(Fishing boats, pleasure craft, skiffs, dinghies and other boats moved over the docks.)	
160		
161	Demurrage:	0.09/sq. ft.
162		
163	UPLANDS STORAGE:	
164	Land for Gear Storage:	
165	First come-first served basis; approved by Harbormaster; primarily for fishing related gear.	
166	Open areas, fishing gear	0.12/ sq. ft.
167	Open areas, non-fishing gear	0.17/ sq. ft.
168	Boat Trailers:	
169	Short term storage, up to 7 days - space available basis - no fee.	
170	Long term storage, 8 days or more - not available May 1 to Oct 1	
171	Up to 30 feet	\$ 75.00/month Oct 1 to May 1

172 Over 30 feet \$100.00/month Oct 1 to May 1

173 TIDAL GRIDS:

174 The City of Homer operates two tidal grids. The wooden grid is for vessels of less than 60 feet
175 in length. The steel grid is only for use by vessels of 60 feet or greater in length. Vessels that
176 remain on either grid after their scheduled tide may be assessed a 50% surcharge for each
177 unscheduled tide. Use of the steel grid shall be charged at the minimum rate applicable for a
178 60' boat if a boat of less length is allowed to use this grid.

179

180 The rate per foot per tide is \$1.05 for vessels 0' - 59'

181 The rate per foot per tide is \$2.55 for vessels 60' - 80'

182 The rate per foot per tide is \$3.25 for vessels 81' - 100'

183 The rate per foot per tide is \$3.82 for vessels 101' - 120'

184 The rate per foot per tide is \$4.24 for vessels 121' - 140'

185

186 WATER:

187 Potable water furnished to vessels at the Deep Water Dock and Main Dock:

188 Quantity charge - \$38.81 per one thousand gallons (minimum five thousand gallons).

189 Scheduled deliveries will have a minimum charge of one hundred and two (\$102.00) dollars
190 for combined connection and disconnection.

191 Unscheduled deliveries will have a minimum charge of one hundred thirty nine dollars and
192 thirty two cents (\$139.32) for combined connection and disconnection.

193

194 ELECTRICITY (per kilowatt):

195 Reserved stalls having a meter base at the berth shall be charged a meter availability fee.

196 The meter availability fee - \$23.95 per month

197 Connect/disconnect fee - \$28.80

198

199 Metered transient vessels will be charged a meter availability fee of \$28.80 per month with a
200 one month minimum charge to be applied for shorter connection periods.

201 Connect/Disconnect fee 28.80. Unless other arrangements have been made in writing with
202 the Harbormaster, transient vessels shall be charged the following rates (where metered
203 power is unavailable).

	<u>110 volt</u>	<u>220 volt</u>	<u>208 volt/3-phase</u>
204 Daily (or part thereof)	\$ 10.20	\$ 20.12	\$42.50
205 Monthly	\$152.67	\$341.70	available meter only

207

208 * Vessels requiring conversion plugs may purchase them from the Harbormaster's office for a
209 nominal fee.

210

211 208 volt/3-phase electrical power is available at System 5 on a first come first served basis, for
212 vessels will be charged the following rates:

213 1. There will be an electrical usage charge per kilowatt hour as determined by the
214 local public utility:

2. Vessels will be charged a meter availability fee of \$28.80 per month with a one month minimum charge to be applied for shorter connection periods.
3. There will be a \$28.80 connect/disconnect fee.

TOWING:

Inside small boat harbor: Skiff with operator – 1/2 hour \$68.00, Skiff with operator - 1 hour \$102.00. Any additional personnel required will be charged at rate of \$102.00 per hour each.

PUMPING VESSEL:

\$40.79 per day or portion thereof for electrical pumps.

\$69.97 per hour or portion thereof for gas pumps.

LABOR/PERSONNEL:

All labor provided by City personnel shall be charged at \$102.00 per hour (1/2 hour minimum at \$51.00). Work requiring callouts shall be charged at a minimum of two hours.

SPECIAL SERVICES:

Special services, including waste, bulk oil, or garbage disposal shall be billed at the City's actual cost plus 125% of city costs for services arranged for by the City but provided by others. Waste oil in quantities greater than 5 gallons, shall be charged a \$3.35 per gallon handling and disposal fee.

REGULATED GARBAGE HANDLING FEE:

Contact the Homer Harbormaster office for a list of contractors certified to handle regulated garbage at the Port of Homer. Fees will be negotiated between the contractor and vessel managers.

SEARCH AND RESCUE FEES:

When the City utilizes city equipment and personnel to provide search and rescue assistance to vessels outside of the Homer Port and Harbor, such as towing and rescue, the Harbormaster will charge users of those services \$102.00 per hour for skiff and operator for the first hour and for additional search and rescue assistance beyond one hour. Additional personnel will be charged at the rate of \$102.00 per man per hour.

PUBLIC LAUNCH RAMPS:

Vessels shall be charged \$13.00 per day to launch from the public launch ramps from April 1 through October 15. (Reserved stall lessees exempt for the boat assigned to and registered to the reserved stall only, not for other boats owned by the same individual.)

Vessel owners or operators may obtain a seasonal permit for \$130.00 entitling a specific vessel and owner to launch from April 1 through October 15. (Reserved stall lessees exempt for the boat assigned to and registered to the reserved stall only, not for other boats owned by the same individual.)

BEACHES AND BARGE RAMP:

The use of beaches and barge ramp under the City ownership or control for commercial barge vessel repair, equipment loading or similar purposes, must be approved by the Harbormaster. A beach use agreement will be filled out and signed by the user and Harbormaster prior to use of the beach.

The Harbormaster shall charge a fee of \$1.50 per foot based on the overall length of the vessel, for vessels landing or parking on the beaches under City ownership or control. This same rate shall apply to vessels using the barge ramp.

Charges for extended beach or barge ramp use may be adjusted by the Harbormaster under appropriate circumstances.

The user of any beach area or the barge ramp must repair any damage to the beach or ramp and remove all debris. Failure to make such repairs and removal will result in repairs and cleanup by the harbor staff. The costs incurred by the harbor staff will be fully charged to the beach user. Labor rate for the harbor staff will be one hundred and two dollars (\$102.00) per hour per person, plus appropriate equipment rental and material costs.

Sandblasting of vessel hull is not permitted on City beaches or barge ramp; water blasting using pressures that result in removal of paint is also prohibited. No paint chips or other paint materials are to be put into the water as a result of any maintenance done on the beach or ramp.

FISH DOCK:

The Fish Dock is to be used primarily for the loading and unloading of fish, fish products and fishing gear.

Cranes located onboard the vessel moored at Fish Dock may be utilized for loading/unloading the vessel only with prior approval granted by the Harbor Officer on duty.

Every person using a crane on the Fish Dock shall first obtain a license from the City.

Blocking access to cranes \$150.00/hour

Unattended vessels \$150.00/hour

Failure to obtain prior approval for a use other than loading and unloading fish, fish products or fishing gear will result in the imposition of a surcharge of thirty (\$30.00) dollars per hour in addition to the regular fee.

ITEM	FEE
Annual access	\$52.00 per year
Card (private license)	(annual renewal fee)

303	Card replacement fee	\$15.00 per occurrence
304	Cold Storage	\$334.75/month
305	(Cold storage rate structure	\$309/per month for two (2) consecutive months
306	is for storage area of eight (8) feet	
307	by ten (10) feet	\$283.25/per month for three (3)
308	consecutive	
309		months
310		\$275.50/per month for nine (9) month season
311		Minimum one month rental
312		Inspection \$50/per hour
313	Bait Storage Fee (4x4x4)	
314	Per Day	\$5.15
315	Per Week	\$25.75
316	Per Month	\$77.25
317		
318	Ice Plant Bin Storage	\$200/per month, minimum two (2) months
319	(Roofed over, open sided	
320	storage bins at west end of	
321	of ice plant building sixteen (16) feet	
322	by twelve (12) feet)	
323		
324	Fish Dock crane	\$90.64/per hour
325	Minimum charge per hour for crane	Fifteen minutes
326	Ice	\$130.90/per ton
327		
328	Seafood Wharfage/Fish product	Setting a tariff of \$4.76 per ton of
329		seafood/fish product across the docks.
330		Regardless of species bait in quantities greater
331		than one ton that is loaded onto a vessel at Fish
332		Dock, shall be charged seafood wharfage.
333		
334	Freight NOS, Nonfish Cargo	\$14.50/per ton for cargo going over the
335		Fish Dock.
336		
337	Fish Waste Disposal Fees/Fish Grinder	\$5.00/Tub
338		\$30.00/Tote
339		
340	Fishing gear is free from wharfage, except as otherwise provided under a lease agreement,	
341	contract or operating agreement with the City of Homer, ice brought onto Fish Dock to be	
342	loaded into totes or transferred to boats at the dock, shall be charged wharfage at the Freight	
343	NOS rate, unless this is ice that was purchased from the City Ice Plant.	
344		

Minimum per hour charge for the cranes and cold storage inspection will be one quarter hour (fifteen minutes). All additional charges will be in one-quarter hour (fifteen minutes) increments.

MARINE REPAIR FACILITY:

User fees and vendor fees to be collected for use of the Homer Marine Repair Facility are as follows:

- (1) Upland Dry Dockage use Fee per Month: \$ 0.17 per square foot/ for vessels paying annual moorage in Homer harbor 0.20 per square foot for transient daily, monthly, semiannual moorage vessels
- (2) Administration Fee per month of Dry Dockage uplands usage: \$50.00
- (3) Beach Landing Fee per calendar day: \$1.50 per foot
- (4) Vendor Fee per calendar year: \$150.00
- (5) Harbor Labor Fee: \$102.00 per hour/\$51.00 minimum

PASSED AND ADOPTED by the Homer City Council this 23rd day of May, 2016.

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, MMC, CITY CLERK

Fiscal Impact: To be determined.



Memorandum 16-084

TO: MAYOR BETH WYTHE & HOMER CITY COUNCIL
FROM: PORT & HARBOR ADVISORY COMMISSION
THROUGH: BRYAN HAWKINS, PORT DIRECTOR/HARBORMASTER
DATE: MAY 13, 2016
SUBJECT: NEW MOORAGE RATE STRUCTURE

Background

As you know, the Port and Harbor Advisory Commission and Port and Harbor staff has been hard at work since 2011 on the subject of harbor moorage rate increases and fee structure changes with the goal of making Homer Harbor's moorage rates sustainable and equitable. The commission's first goal of rate increases and sustainability was completed by amending the Terminal Tariff with Resolution 14-115, annually increasing moorage rates to be consistent with the Consumer Price Index, and Resolution 15-072, have moorage fees increased 3.2% per year for ten consecutive years, both taking effect January 1, 2016.

The secondary goal regarding equitability and the application of the fee structure to harbor users was first studied in 2014 and a square foot model was discussed, but after much input from large vessel owners that a square foot model was unfair, they ultimately decided against it. The commission then began looking into a graduated liner method for applying the rates to harbor users. Resolution 15-073 was adopted by City Council on August 15, 2015, allowing the Port and Harbor to contact with Northern Economics to assist the Port and Harbor Commission and staff in developing a graduated moorage rate structure, accompanied by a linear method version for comparison.

Northern Economics prepared a final study on January 12, 2016 and presented their findings to staff and the commission at their regular meeting on January 27, 2016. They recommended two rate structures and different approaches to applying each option. The first recommended alternative, Alternative A, was a progressive graduated rate structure with tiers set at a constant interval of 5 feet and a rate increase between tiers starting at 1.0 percent and decreasing to 0.1 percent with larger vessel sizes. The second recommended alternative, Alternative B, was a progressive continuous rate structure in which the annual moorage rate is calculated using the following equation:

$$\text{Permanent Moorage Rate} \left(\frac{\$}{\text{foot}} \right) = \frac{\$43.49 + (\$0.05 \times \text{foot}) \times \text{vessel length per foot}}{\text{foot}}$$

Two more discussions and public hearings were held on this topic and the commission came to a final consensus at their March 23, 2016 meeting and voted a unanimous yes to the following motion:

STOCKBURGER/DONICH MOVED TO ADOPT ALTERNATIVE B AT FIVE CENTS PER FOOT INCREASE AND CAP THE VESSEL SIZE AT 86 FEET.

As stated previously, the current Marina billing software cannot support a different billing method. This software is out of date and falling further and further behind in supplying our needs; Harbor Staff has been working on finding a replacement software program, so far realizing that there is not a program currently on the market that fits our needs and we will have to have a custom program made. Staff is still hoping to resolve this issue before the end of the year so a new rate structure can be implemented by January 1, 2017.

Recommendation

Approve Resolution 16-054 amending the City of Homer Fee Schedule and Resolution 16-055 amending the Port of Homer Terminal Tariff No. 600 to change from the standard per linear foot moorage rate structure to a graduated rate structure of \$0.05 increase per linear foot, based on the given equation, and cap the increases at the 86 foot vessel size. This new rate structure shall take effect January 1, 2017. An extension will be requested by Port and Harbor staff if there is a delay in implementing the new Marina billing software.

Attached: Resolution 14-115 Amending Terminal Tariff to Include Annual CPI Moorage Rate Increases
Resolution 15-072 Amending Terminal Tariff to Include 3.2% Moorage Rate Increases for 10 Years
Resolution 15-073 Approving the 3.2% Moorage Rate Increase & to Contract with Northern
Economics for a Harbor Rate Structure Study
Northern Economics Moorage Rate Structure Study dated January 12, 2016
Port & Harbor Advisory Commission Meeting Minutes dated March 23, 2016 Re: Pending Business –
Harbor Rates

**CITY OF HOMER
HOMER, ALASKA**

City Clerk

RESOLUTION 14-115

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
AMENDING THE PORT OF HOMER TERMINAL TARIFF NO. 600
MOORAGE RATES.

WHEREAS, Fees are reviewed annually during the budget cycle; and

WHEREAS, The Port and Harbor Advisory Commission discussed and recommended that the harbor moorage rates should be increased to the Port of Homer Terminal Tariff No. 600, consistent with the Consumer Price Index.

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby amends the Port of Homer Terminal Tariff No. 600 as follows:

RULE: 34.18 - HARBOR MOORAGE RATES (A)

EFF: 01JAN2013

SUBSECTION 200

(a) CALCULATION OF MOORAGE RATES:

Mooring charges shall commence when a vessel is made fast to a wharf, pier, harbor float or other facility, or when a vessel is moored to another vessel so berthed (rafting). Charges shall continue until such vessel is completely free from and has vacated the port and harbor facilities.

A vessel moored at any time between 12:01 A.M. and 10:00 A.M. shall be charged a full day's moorage. The Harbormaster may, in his discretion and with proper and appropriate advance notice, waive a daily rate for a vessel that will occupy mooring space for a minimum time and, provided that the Harbormaster determines the use of the public facilities by others will not be congested or adversely affected.

Mooring charges shall be calculated on the length of the vessel, or in the case of a reserved stall, the length of the float stall assigned, whichever is greater.

Length shall be construed to mean the distance expressed in feet from the most forward point at the stem to the aftermost part of the stern of the vessel, measured parallel to the base line of the vessel. The length shall include all hull attachments such as bowsprits, dinghies, davits, etc.

PORT AND HARBOR OF HOMER 4350 HOMER SPIT ROAD HOMER, ALASKA 99603 PHONE: 907.235.3160 TERMINAL TARIFF NO. 600	FMC NO. 600	PAGE	35
		REVISED PAGE NO.	15th

RULE: 34.18 - HARBOR MOORAGE RATES

(continued)

For billing purposes, when the actual length of the vessel is not immediately available, length of the vessel as published in "Lloyd's Register of Shipping" may be used. The City of Homer reserves the right to: (1) obtained the length from the vessel's register, or (2) measure the vessel.

All vessels in the harbor are subject to these rates, except properly registered seine skiffs or work skiffs attached to the mother vessel. Work skiff is defined as a boat that is usually carried on the deck or super structure of the mother vessel and is regularly used in the commercial enterprise of the mother vessel.

(b) ANNUAL MOORAGE FEE:

The annual moorage fee for reserved moorage and transient moorage privileges shall be ~~forty dollars and fifty cents~~ **forty-one dollars and seventy cents (\$40.50 \$41.70)** per lineal foot based on the overall length of the vessel (including all hull attachments such as bowsprits, davits, dinghies, swimsteps etc.) plus a fifty dollar (\$50.00) administration charge; or for a reserved stall, the length of the finger float stall assigned, or the overall length of the vessel, whichever is greater plus a fifty dollar (\$50.00) administration charge.

Any reproduction in the moorage fee due to a substituted or amended moorage agreement is not applied retroactively and the owner or operator is not entitled to a refund or a pro-rata adjustment of the moorage fees already due or paid. Any moorage agreement that expires will, after five days, automatically be charged a monthly rate retroactive to the expiration date. Unregistered vessels will also, after 5 days, automatically be charged a monthly rate retroactively to the date the vessel entered the harbor.

- (1) All reserved stall assignments are on an annual basis beginning October 1 and ending September 30 of the following year. Prepayment of a full year's moorage is due on or before October 1 of each year. Payment for reserved moorage will only be accepted from the individual assigned the reserved stall. The reserved stall payment shall be paid in full at the time the reserved stall/moorage agreement is executed to the satisfaction of the Harbormaster. Any other arrangements are at the discretion of the Harbormaster and must be

79 made in advance.

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80

81

PORT AND HARBOR OF HOMER 4350 HOMER SPIT ROAD HOMER, ALASKA 99603 PHONE: 907.235.3160 TERMINAL TARIFF NO. 600	FMC NO. 600	PAGE	36
		REVISED PAGE NO.	7th

82

83 RULE: 34.18 - HARBOR MOORAGE RATES

84 (continued)

85

86 (2) A reserved stall assignment granted after October 1 will be charged a fee based
87 on the number of months (including the month which it is granted regardless
88 of the day of the month) left in the fiscal year ending September 30.

89

90 (c) A semiannual transient rate is available on a prepaid basis only for transient vessels
91 mooring in the Small Boat Harbor for a period of six consecutive months. The
92 transient semiannual rate is 67% of the annual rate. Vessels that do not renew will
93 automatically be charged the monthly rate.

94

95 (d) The monthly transient rate will be 17% of the annual rate. Vessels that are properly
96 registered and pay all moorage fees in advance may deduct fifty cents (\$.50) per foot
97 per month.

98

99 (e) The daily transient rates are: 3% of the annual rate.
100 Vessels that properly register and pay all moorage fees in advance may deduct five
101 dollars per day from the daily rate.

102

103 (f) FLOAT PLANE FEES:


104 With proper registration and specific permission from the Harbormaster, float planes
105 may arrange for short-term moorage in the Small Boat Harbor. This is only allowed
106 when ice and weather conditions prevent float planes from landing on Beluga Lake.

107

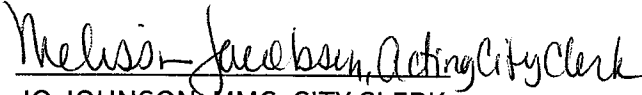
108 A fee in the amount equal to the daily rate for moorage of two (2) 24' vessels shall be
109 assessed on a daily basis for float planes mooring within the confines of the Small
110 Boat Harbor. A monthly rate in the amount equal to the monthly rate for two 24'
111 vessels shall be assessed for float plane moorage for longer periods, and the moorage
112 charge computed for a float plane's stay in the harbor shall be the lowest total charge
113 resulting from the application of either the daily or the monthly rate indicated.

PASSED AND ADOPTED by the City Council of Homer, Alaska, this 8th day of
December, 2014.

CITY OF HOMER


MARY E. WYTHE, MAYOR

ATTEST:


JO JOHNSON, MMC, CITY CLERK

Fiscal Note: N/A

Lewis/

RESOLUTION 15-072

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
AMENDING THE PORT OF HOMER TERMINAL TARIFF NO. 600 AND
THE CITY OF HOMER FEE SCHEDULE ANNUAL MOORAGE RATES.

WHEREAS, City Council Resolution 06-100 resolves to establish a goal of gradually, over ten years, attaining a cash balance in depreciation reserve accounts equal to 40% of depreciable capital assets (excluding land); and

WHEREAS, In November 2012, the Homer City Council allocated \$20,000 for the purpose of a port and harbor fee and tariff rate study; and

WHEREAS, In May 2013 an RFP was issued requesting proposals from qualified firms to enter into a contract to conduct the study; and

WHEREAS, The contract was awarded to Northern Economics who completed the work in November 2013; and

WHEREAS, Northern Economics presented the report to the City Council in December, 2013 and forward the report to the Port and Harbor Commission with the direction to review and implement; and

WHEREAS, The Commission determined to focus on the harbor rates as its first priority of recommendations of the report; and

WHEREAS, Northern Economics recommended either a square foot method or a graduated linear foot method (the per foot moorage rate increases as vessels become longer) to achieve a fair and equitable distribution of moorage fees; and

WHEREAS, The Commission considered and rejected a square foot method to achieve the rate increase over a ten year period; and

WHEREAS, The Commission has selected the graduated linear foot method as its preferred alternative to achieve a fair and equitable rate distribution; and

WHEREAS, The Commission has determined it necessary to increase rates at 3.2% per year for the next ten years, plus the annual consumer price index (CPI) to achieve the financial goal; and


WHEREAS, The Commission held an open house on April 22 and a public hearing on June 24 to receive testimony.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby amends the Port of Homer Terminal Tariff No. 600 and the City of Homer Fee Schedule for annual moorage fees to include a 3.2% moorage fee increase per year in addition to the annual CPI increase effective January 1, 2016 and;

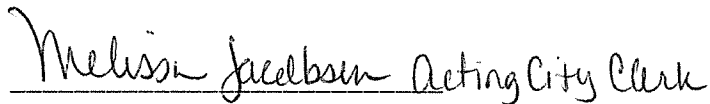
BE IT FURTHER RESOLVED that a graduated linear foot rate structure be developed, along with its implementation schedule in time for its use in assessing moorage rates effective January 1, 2017.

PASSED AND ADOPTED by the Homer City Council on this ^{24th} ~~10th~~ day of August, 2015.

CITY OF HOMER


MARY E. WYTHE, MAYOR

ATTEST:


JO JOHNSON, MMC, CITY CLERK

Fiscal Note: N/A

**CITY OF HOMER
HOMER, ALASKA**

Lewis/
Port and Harbor Director

RESOLUTION 15-073

A RESOLUTION OF THE HOMER CITY COUNCIL AWARDING A CONTRACT IN AN AMOUNT NOT TO EXCEED \$20,000 TO NORTHERN ECONOMICS TO PREPARE A GRADUATED RATE STRUCTURE, AND ALSO LINEAR RATE STRUCTURE FOR COMPARISON, AMENDING THE PORT OF HOMER TERMINAL TARIFF MOORAGE RATES TO INCORPORATE A 32% RATE INCREASE OVER TEN YEARS TO FUND THE PORT AND HARBOR RESERVES AS RECOMMENDED IN THE NORTHERN ECONOMICS NOVEMBER 2013 RATE STUDY; AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE APPROPRIATE DOCUMENTS.

WHEREAS, The Port and Harbor Advisory Commission held a worksession on April 8, 2014 to review and discuss the Port and Harbor Rate Study prepared by Northern Economics; and

WHEREAS, The Commission has addressed the Port and Harbor Rate Study at each of their regular meetings since then, considering a square foot methodology of assessing rates and also a straight linear method; and

WHEREAS, The Commission received input from large vessel owners that the square foot methodology put an unfair burden on their class of vessel; and

WHEREAS, The Commission brought forward a linear rate increase and received input from small vessel owners that supported considering a graduated methodology that would spread the cost more fairly among vessel classes; and

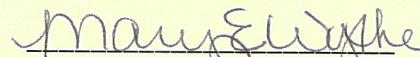
WHEREAS, Harbor staff suggested and the Commission agreed they have done as much as they can developing a rate structure that is perceived as fair and equitable and that Northern Economics has the experience to develop a graduated rate structure for the Commission to consider.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby awards a contract in an amount not to exceed \$20,000 to Northern Economics to prepare a graduated rate structure, and also linear rate structure for comparison, amending the Port of Homer Terminal Tariff Moorage Rates to incorporate a 32% rate increase over ten years to fund the Port and Harbor Reserves as recommended in the Northern Economics November 2013 Rate Study and authorizing the City Manager to execute the appropriate documents.

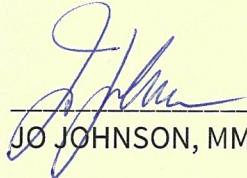
PASSED AND ADOPTED by the Homer City Council on this 10th day of August, 2015.



CITY OF HOMER


MARY E. WYTHE, MAYOR

ATTEST:


JO JOHNSON, MMC, CITY CLERK

Fiscal Note: \$20,000 funded under account 400.600

Memorandum

Date: January 12, 2016
To: Bryan Hawkins, Port Director, City of Homer
From: Northern Economics, Inc.
Re: Homer Harbor Rate Structure

This memo evaluates alternative rate structures for the Homer Harbor. Homer's current moorage rate structure is a flat fee charged per linear foot of vessel length or stall length, whichever is greater. The City of Homer is interested in investigating graduated rate structures in which the rate charged per foot would vary by vessel size. The purpose of this study is to provide an objective analysis of alternative rate structures and options for Homer Harbor.

Recommendations

Based on the findings of this rate structure analysis, Northern Economics makes the following recommendations to be considered by the Port and Harbor Commission.

Recommended alternatives

Northern Economics recommends two rate structure alternatives to be moved forward for further discussion and evaluation by the Port and Harbor Commission. The first recommended alternative, Alternative A, is a progressive graduated rate structure with tiers set at a constant interval of 5 feet and a rate increase between tiers starting at 1.0 percent and decreasing to 0.1 percent with larger vessel sizes. The second recommended alternative, Alternative B, is a progressive continuous rate structure in which the annual moorage rate is calculated using the following equation:

$$\text{Permanent Moorage Rate} \left(\frac{\$}{\text{foot}} \right) = \frac{\$43.19 + \frac{\$0.05}{\text{foot}} \times \text{vessel length (feet)}}{\text{foot}}$$

The recommended alternatives were selected from a list of five rate structure options that exemplify the most common trends found throughout the rate structures sampled for this study.

Two different approaches to applying the recommended alternatives have also been identified. The first approach is a rate structure that starts at a minimum vessel length of 6 feet and progresses consistently out to 200 feet, the maximum vessel length serviced by the harbor, similar to the current flat rate structure. The second approach is to place a cap on the rate structure for vessels that are too large to fit into a stall and instead must side tie to a transit raft. This second approach would result in a progressive rate for vessels up to 86 feet in length and a flat rate for larger vessels that are required to use a transient raft instead of a stall. The second approach is aimed at adjusting the rate structure for the different level of service provided to vessels that use a stall compared to vessels using the transient raft.

User group differentiation

Some of the harbors sampled in the rate structure review charge different rates based on the user type, typically differentiating between recreational and commercial users. The harbors that implemented different user-based rate structures typically catered strongly to a single user group, most commonly commercial fishing, unlike Homer's harbor which accommodates a variety of user groups. Reduced rates for commercial users are often subsidized by other local government departments through transfers and are used as a tool to increase sales tax revenues and job creation within the community or a specific industry. Northern Economics does not recommend that Homer adopt a user-based rate structure at this time since the harbor serves a diverse group of users and does not receive any financial benefits from the city for sales tax revenues its users generate.

Continue to offer discounts for longer reserved moorage

Homer Harbor currently offers discounts for yearly, semi-annual, and monthly billing cycles for reserved moorage. These discounts help to reduce administrative costs associated with billing and collecting reserved moorage fees and assist in managing cash flows within the harbor. Northern Economics recommends maintaining this practice under the selected rate structure.

Transition over multiple years

Northern Economics recommends transitioning to the selected rate structure over multiple years to mitigate steep increases in moorage rates that could potentially shock the market and negatively impact demand. Continued annual increases based on the change in the Anchorage Consumer Price Index (CPI), as well as the 3.2 percent annual increase established by Resolution 15-072, should also be factored into the transition plan. Due to the progressive nature of the recommended alternative rate structures, vessels with longer lengths may require a longer transition period than smaller vessels. Table 1 illustrates an example of a transition plan for the two recommended alternatives. This example uses the average annual increase in CPI between 2010 and 2014, 2.3 percent, as a proxy for future annual CPI-based rate adjustments. The columns for years 1 through 7 show the annual percentage increase in moorage rates during the example transition plans. The shaded cells indicate years in which an additional rate increase is added to the annual CPI and Resolution 15-072 rate adjustment to bring the current flat rate structure in line with the recommended alternatives.

Table 1. Example Transition Plan: Percent Increase in Moorage Rate by Year

Alternative	Vessel Length (ft)	% Change From Flat	Res. 15-072 Increase	Average Increase in CPI (%)	Moorage Rate Increase (%) by Year						
					1	2	3	4	5	6	7
Alternative A	18	1.0	3.2	2.3	6.5	5.5	5.5	5.5	5.5	5.5	5.5
	32	3.9	3.2	2.3	7.5	7.5	5.5	5.5	5.5	5.5	5.5
	54	7.5	3.2	2.3	8.0	8.0	8.0	5.5	5.5	5.5	5.5
	86	13.1	3.2	2.3	8.1	8.1	8.1	8.1	8.1	5.5	5.5
	112	16.4	3.2	2.3	8.2	8.2	8.2	8.2	8.2	8.2	5.5
Alternative B	18	1.4	3.2	2.3	6.9	5.5	5.5	5.5	5.5	5.5	5.5
	32	3.0	3.2	2.3	7.0	7.0	5.5	5.5	5.5	5.5	5.5
	54	5.5	3.2	2.3	7.3	7.3	7.3	5.5	5.5	5.5	5.5
	86	9.2	3.2	2.3	7.8	7.8	7.8	7.8	5.5	5.5	5.5
	112	12.2	3.2	2.3	7.9	7.9	7.9	7.9	7.9	5.5	5.5
Current Structure	18	-	3.2	2.3	5.5	5.5	5.5	5.5	5.5	5.5	5.5
	32	-	3.2	2.3	5.5	5.5	5.5	5.5	5.5	5.5	5.5
	54	-	3.2	2.3	5.5	5.5	5.5	5.5	5.5	5.5	5.5
	86	-	3.2	2.3	5.5	5.5	5.5	5.5	5.5	5.5	5.5
	112	-	3.2	2.3	5.5	5.5	5.5	5.5	5.5	5.5	5.5

Table 2 shows the annual moorage fees that would result from the transition plan illustrated in Table 1. The transition plan takes place over six years for Alternative A and five years for Alternative B with a maximum annual increase in annual moorage rates of 8.2 percent when the annual CPI-based adjustments and Resolution 15-072 annual increases are factored in.

Table 2. Example Transition Plan- Annual Moorage by Year

Alternative	Vessel Length (ft)	Annual Moorage Fee (\$) by Year							
		Current	1	2	3	4	5	6	7
Alternative A	18	782.82	833.70	879.56	927.93	978.97	1,032.81	1,089.62	1,149.55
	32	1,391.68	1,495.40	1,606.85	1,695.23	1,788.47	1,886.83	1,990.61	2,100.09
	54	2,348.46	2,536.63	2,739.87	2,959.41	3,122.17	3,293.89	3,475.06	3,666.18
	86	3,740.14	4,043.95	4,372.44	4,727.61	5,111.63	5,526.85	5,830.83	6,151.52
	112	4,870.88	5,271.95	5,706.05	6,175.89	6,684.42	7,234.82	7,830.54	8,261.22
Alternative B	18	782.82	836.68	882.69	931.24	982.46	1,036.49	1,093.50	1,153.64
	32	1,391.68	1,489.02	1,593.17	1,680.80	1,773.24	1,870.77	1,973.66	2,082.21
	54	2,348.46	2,520.83	2,705.84	2,904.44	3,064.18	3,232.71	3,410.51	3,598.09
	86	3,740.14	4,031.85	4,346.31	4,685.29	5,050.72	5,328.50	5,621.57	5,930.76
	112	4,870.88	5,257.50	5,674.80	6,125.23	6,611.41	7,136.18	7,528.67	7,942.75
Current Structure	18	782.82	825.88	871.30	919.22	969.78	1,023.11	1,079.39	1,138.75
	32	1,391.68	1,468.22	1,548.97	1,634.17	1,724.05	1,818.87	1,918.91	2,024.45
	54	2,348.46	2,477.63	2,613.89	2,757.66	2,909.33	3,069.34	3,238.16	3,416.26
	86	3,740.14	3,945.85	4,162.87	4,391.83	4,633.38	4,888.21	5,157.07	5,440.70
	112	4,870.88	5,138.78	5,421.41	5,719.59	6,034.17	6,366.05	6,716.18	7,085.57

Once a transition plan is developed, Northern Economics recommends publishing planned rate increases a few year in advance to allow vessel owners to plan ahead and make necessary adjustments to absorb the moorage rate increases.

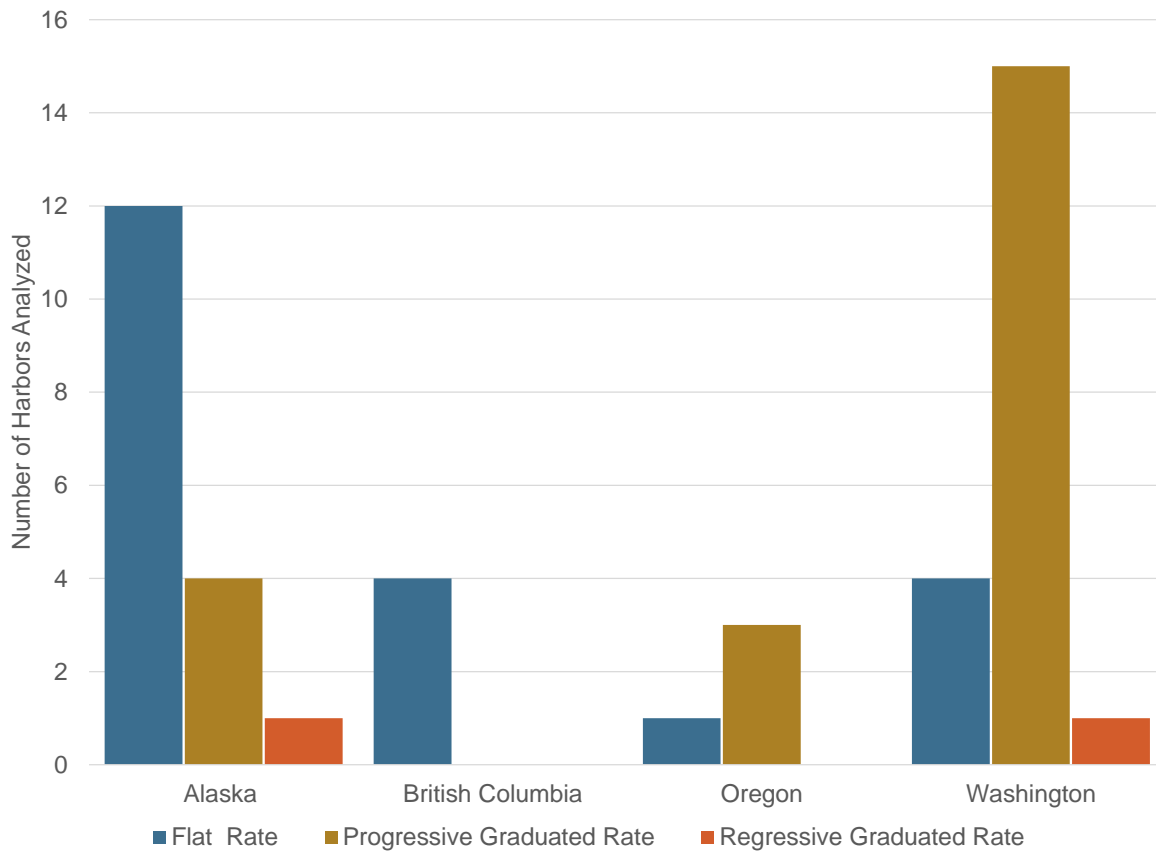
Rate Structure Review

Northern Economics analyzed the permanent moorage rate structures of 45 harbors across Alaska, British Columbia, Washington, and Oregon. Three distinct rate structures were identified within these harbors:

- **Flat Rate:** moorage rate per foot is constant, regardless of vessel or slip size.
- **Progressive Graduated Rates:** moorage rate per foot increases with the vessel or slip size.
- **Regressive Graduated Rates:** moorage rate per foot decreases with the vessel or slip size.

Of the 45 rate structures analyzed, 22 had flat rates and 23 had graduated rates. Of those with graduated rates, 21 were progressive and 2 were regressive. Figure 1 illustrates the distribution of the harbors analyzed by location and rate structure type. While flat rate structures are most common among Alaska harbors, both progressive and regressive rate structures are also being used in the state. Graduated rate structures are prevalent in Oregon and Washington.

Figure 1. Frequency of Rate Structure Types by Location



Source: websites and rate sheets collected from harbors

Table 3 lists the harbors analyzed in this study with the details about their graduated rate structures. These data were used as the basis for the five rate structure options and resulting recommended alternatives presented in this report.

Table 3. Graduated Rate Structures by Port

Port ^a	State	Graduation	Tier Size (ft)	Rate Change per Tier (%)	Transient Structure
Astoria	OR	Progressive	9	3-10	Graduated
Bainbridge	WA	Progressive	8	6-9	Graduated
Ballard Mill	WA	Progressive	2-8	6-9	Only offer Monthly
Bandon	OR	Progressive	various	\$0.01 ^b	Graduated
Bellingham	WA	Progressive	3-11	2-17	Graduated
Blaine	WA	Progressive	3-14	1-16	Flat Rate
Bremerton	WA	Progressive	4	2-9	Flat Rate
Dana Point	OR	Progressive	5	2-22	Flat Rate
Elliot Bay	WA	Progressive	2-10	2-9	Flat Rate
Everett	WA	Progressive	2-5	5-22	Permanent + Flat Fee
Fishermen's Terminal	WA	Progressive	10	1-9	Graduated
Friday Harbor	WA	Progressive	2-10	1-2	Graduated
Haines	AK	Progressive	40	\$6 ^c	Flat Rate
Kennewick	WA	Regressive	5-20	1-25	Flat Rate
Kodiak	AK	Progressive	20	7-20	1/60 of Annual
Olympia	WA	Progressive	8	4-13	Flat Rate
Petersburg	AK	Progressive	8-12	11-15	Flat Rate
Port Angeles	WA	Progressive	10	6-9	Graduated
Port Townsend	WA	Progressive	2-5	1-8	Flat Rate
Shilshole Bay	WA	Progressive	2-10	1-16	Graduated
Tacoma	WA	Progressive	2	various	Only offer Monthly
Thorne Bay	AK	Regressive	5-13	1-2	Graduated
Unalaska	AK	Progressive	10	7-23	Graduated

Notes:

^a Harbors with flat rate structures are not included in the table. These harbors included Brentwood Bay (BC), Chenega Bay, Comox (BC), Cordova, Dillingham, Grays Harbor (WA), Juneau, Kalama (WA), Ketchikan, Kingston (WA), Nanaimo (BC), Nome, Poulsbo (WA), Seward, Sitka, Skagway, Toledo (OR), Valdez, Whittier, and Wrangell.

^b Rate structure uses a \$0.01 increase between tiers instead of a consistent percent change between tiers

^c Rate structure uses a \$6 increase between tiers instead of a consistent percent change between tiers

Source: Websites and rate sheets collected from harbors.

Separate rate structures for transient and permanent moorage were common throughout the rate structures sampled, but the structure of transient moorage and premium over the permanent rate varied significantly between ports. In all cases, daily transient moorage rates were higher than the permanent moorage rates. Some harbors apply a separate graduated rate structure for transient moorage, but there were also a number of harbors that use a flat rate structure for transient moorage.

Rate Structure Options for Homer

Within graduated rate structures there are two main variables that can be manipulated to produce a customized rate structure. The first is the size and number of tiers within the graduated scale. These tiers can be set to a single uniform size or vary based on vessel size, slip size, or demand. Often tiers are matched with fleet or infrastructure characteristics, such as slip sizes, popular recreational vessels, or species-specific commercial fishing vessel lengths. The second variable is the extent of change

between tiers. The degree of change between tiers may be constant or vary across tiers. Often the rate change is proportional to the size of the tiers.

Based on the rate structure review, Northern Economics developed five rate structure options that illustrate the most common attributes found in the graduated rate structures sampled. These structure options illustrate how a graduated rate structure could be applied to Homer.

Option 1: A progressive graduated rate structure in which the tiers correspond to the slip sizes available in Homer Harbor. The rate increase for each tier ranges from 2 to 5 percent and increases at a decreasing rate.

Option 2: A progressive graduated rate structure with smaller tiers set at a constant interval of 5 feet. The rate increase for each tier ranges from 1.0 to 0.1 percent and increases at a decreasing rate.

Option 3: A progressive graduated rate structure with fewer tiers set at a constant interval of 20 feet. The rate increase for each tier ranges from 4 to 10 percent and increases at an increasing rate

Option 4: A regressive graduated rate structure with tiers set at a constant interval of 10 feet. The rate decrease for each tier ranges from 1 to 4 percent and decreases at an increasing rate.

Option 5: A progressive continuous rate structure in which the annual moorage rate is calculated using the following equation:

$$\text{Permanent Moorage Rate} \left(\frac{\$}{\text{foot}} \right) = \frac{\$43.19 + \frac{\$0.05}{\text{foot}} \times \text{vessel length (feet)}}{\text{foot}}$$

To narrow down the five options presented above, Northern Economics considered the pros and cons of each rate structure and how well each option could be adapted to fit Homer Harbor. Table 4 summarizes the pros and cons identified for each rate structure option.

Table 4. Rate Structure Options Pros and Cons

Rate Structure	Pros	Cons
Option #1	Tiers are directly tied to the infrastructure used (slip size)	Larger tiers and bigger rate jumps between tiers
Option #2	Smaller tiers and rate increases, facilitating a smoother transition between tiers	Incentivizes vessel owner to try to fit into the lowest tier possible
Option #3	Simple rate structure with few tiers	Large tiers and big rate jumps between tiers
Option #4	Reduces rates for larger vessels	Does not reflect the cost of accommodating larger vs. smaller vessels
Option #5	Logical and justifiable rates charged per foot of vessel length	Very detailed rate sheets needed for successful implementation

Tier Size

One of the main differentiating factors between the five rate structure options presented above is tier size. Option 3 has the largest tiers (20 feet), followed by Option 1 (corresponding with slip size, ranging from 2 to 25 feet) and Option 4 (10 foot). Option 2 has the smallest tier size (5 feet). Option 5 employs a continuous rate that effectively has a tier size of 1 foot.

Transitioning from a flat rate structure to a graduated rate structure that uses fewer but larger tiers may be seen as a drastic change and cause some dissention among customers whose vessels are close to the transition points between tiers. Larger rate increases between tiers may also be seen as biased towards smaller vessel sizes or a specific user group. For these reasons, Northern Economics recommends implementing a rate structure that uses smaller tier sizes.

Regressive vs Progressive

The majority of the graduated rate structures sampled are progressive, meaning that they employ an increasing rate change between tiers. Progressive rates reflect the logic that larger vessels requiring larger turning basins and exert more force on harbor infrastructure, resulting in decreased utilization of the harbor basin and more wear and tear on facilities than smaller vessels. Larger vessel owners are thus charged a higher rate per foot to account for the increased costs associated with infrastructure designed to accommodate their vessels.

Regressive graduated structures were the least common structure found within the sample. Regressive structures are often used at harbors that want to attract larger vessels to fill available capacity or attract commercial vessels that bring in additional revenue to local governments through other taxes or fees. Homer Harbor currently has a waiting list, attracts a diverse range of harbor users and vessels sizes, and does not receive a financial benefit from the City of Homer's tax revenues. For these reasons Northern Economics does not recommend a regressive rate structure for Homer Harbor.

Recommended Alternative Rate Structures for Homer

Based on the criteria discussed above, Northern Economics recommends Options 2 and 5 as potential alternative rate structures for Homer Harbor. Moving forward, Option 2, a progressive rate structure with smaller tiers and rate increases, will be referred to as Alternative A and Option 5, the continuous progressive rate structure, will be referred to as Alternative B.

Northern Economics developed rate tables for each alternative, shown in Table 5 and Table 6, using the 2016 flat rate of \$43.49 per foot as the starting point for each structure.

Table 5 contains the rate structure for Alternative A, a progressive graduated structure using consistent 5-foot tiers. The rate changes between tiers increases incrementally at a decreasing rate between 1.0 percent and 0.1 percent. Under Alternative A, annual moorage for a 30 foot vessel would be \$1,343.24, which is 53 percent more than the annual moorage for a 20 foot vessel. Compared to the 2016 flat rate structure, the annual moorage under alternative A for a 30 foot vessel would increase by just over 3 percent.

Table 5. Rate Table, Alternative A

Vessel Size	% Increase in Tier	Annual Rate (\$/foot)
0-15	-	43.49
16-20	1.00	43.92
21-25	0.98	44.35
26-30	0.95	44.77
31-35	0.93	45.19
36-40	0.90	45.60
41-45	0.88	45.99
46-50	0.85	46.39
51-55	0.83	46.77
56-60	0.80	47.14
61-65	0.78	47.51
66-70	0.75	47.86
71-75	0.73	48.21
76-80	0.70	48.55
81-85	0.68	48.88
86-90	0.65	49.19
91-95	0.63	49.50
96-100	0.60	49.80
101-105	0.58	50.08
106-110	0.55	50.36
111-115	0.53	50.62
116-120	0.50	50.88
121-125	0.48	51.12
126-130	0.45	51.35
131-135	0.42	51.57
136-140	0.40	51.77
141-145	0.37	51.97
146-150	0.35	52.15
151-155	0.32	52.32
156-160	0.30	52.48
161-165	0.27	52.62
166-170	0.25	52.75
171-175	0.22	52.87
176-180	0.20	52.98
181-185	0.17	53.07
186-190	0.15	53.15
191-195	0.12	53.22
196-200	0.10	53.27

Alternative B is a progressive continuous rate structure in which the annual moorage rate per foot increases consistently by \$0.05 per foot. The rate is calculated according to the formula:

$$\text{Permanent Moorage Rate} \left(\frac{\$}{\text{foot}} \right) = \frac{\$43.19 + \frac{\$0.05}{\text{foot}} \times \text{vessel length (feet)}}{\text{foot}}$$

Table 6 displays the calculated annual moorage rates under Alternative B. The rate increase per foot for this alternative was developed to mirror the rates presented in Alternative A.

Table 6. Rate Table, Alternative B

Vessel Length (ft)	Annual Rate (\$/ft)	Vessel Length (ft)	Annual Rate (\$/ft)	Vessel Length (ft)	Annual Rate (\$/ft)	Vessel Length (ft)	Annual Rate (\$/ft)	Vessel Length (ft)	Annual Rate (\$/ft)	Vessel Length (ft)	Annual Rate (\$/ft)
6	43.49	40	45.19	74	46.89	108	48.59	142	50.29	176	51.99
7	43.54	41	45.24	75	46.94	109	48.64	143	50.34	177	52.04
8	43.59	42	45.29	76	46.99	110	48.69	144	50.39	178	52.09
9	43.64	43	45.34	77	47.04	111	48.74	145	50.44	179	52.14
10	43.69	44	45.39	78	47.09	112	48.79	146	50.49	180	52.19
11	43.74	45	45.44	79	47.14	113	48.84	147	50.54	181	52.24
12	43.79	46	45.49	80	47.19	114	48.89	148	50.59	182	52.29
13	43.84	47	45.54	81	47.24	115	48.94	149	50.64	183	52.34
14	43.89	48	45.59	82	47.29	116	48.99	150	50.69	184	52.39
15	43.94	49	45.64	83	47.34	117	49.04	151	50.74	185	52.44
16	43.99	50	45.69	84	47.39	118	49.09	152	50.79	186	52.49
17	44.04	51	45.74	85	47.44	119	49.14	153	50.84	187	52.54
18	44.09	52	45.79	86	47.49	120	49.19	154	50.89	188	52.59
19	44.14	53	45.84	87	47.54	121	49.24	155	50.94	189	52.64
20	44.19	54	45.89	88	47.59	122	49.29	156	50.99	190	52.69
21	44.24	55	45.94	89	47.64	123	49.34	157	51.04	191	52.74
22	44.29	56	45.99	90	47.69	124	49.39	158	51.09	192	52.79
23	44.34	57	46.04	91	47.74	125	49.44	159	51.14	193	52.84
24	44.39	58	46.09	92	47.79	126	49.49	160	51.19	194	52.89
25	44.44	59	46.14	93	47.84	127	49.54	161	51.24	195	52.94
26	44.49	60	46.19	94	47.89	128	49.59	162	51.29	196	52.99
27	44.54	61	46.24	95	47.94	129	49.64	163	51.34	197	53.04
28	44.59	62	46.29	96	47.99	130	49.69	164	51.39	198	53.09
29	44.64	63	46.34	97	48.04	131	49.74	165	51.44	199	53.14
30	44.69	64	46.39	98	48.09	132	49.79	166	51.49	200	53.19
31	44.74	65	46.44	99	48.14	133	49.84	167	51.54		
32	44.79	66	46.49	100	48.19	134	49.89	168	51.59		
33	44.84	67	46.54	101	48.24	135	49.94	169	51.64		
34	44.89	68	46.59	102	48.29	136	49.99	170	51.69		
35	44.94	69	46.64	103	48.34	137	50.04	171	51.74		
36	44.99	70	46.69	104	48.39	138	50.09	172	51.79		
37	45.04	71	46.74	105	48.44	139	50.14	173	51.84		
38	45.09	72	46.79	106	48.49	140	50.19	174	51.89		
39	45.14	73	46.84	107	48.54	141	50.24	175	51.94		

Effect of Rate Structures on Moorage Fees Paid by Vessel Owners

To demonstrate the impact of the alternative rate structures on vessel owners, Table 7 shows the annual moorage payment (not including sales tax and the administrative fee) for vessels ranging from 18 to 80 feet in length under the alternative rate structures and the 2016 flat rate of \$43.49 per foot. The table also shows the percent change in moorage payments relative to the 2016 flat rate.

Table 7. Annual Moorage Revenue and Change by Alternative and Vessel Length

Rate Structure	Vessel Length (ft.)						
	18	24	32	42	54	68	80
Annual Moorage Payment (\$)							
Alternative A	790.65	1,064.48	1,446.04	1,931.76	2,525.47	3,254.74	3,883.86
Alternative B	793.62	1,065.36	1,433.28	1,902.18	2,478.06	3,168.12	3,775.20
2016 Flat Rate	782.82	1,043.76	1,391.68	1,826.58	2,348.46	2,957.32	3,479.20
Change From 2016 Flat Rate (%)							
Alternative A	1.0	2.0	3.9	5.8	7.5	10.1	11.6
Alternative B	1.4	2.1	3.0	4.1	5.5	7.1	8.5

Figure 2 compares the 2016 annual flat rate per foot with the two recommended alternative rate structures.

Figure 2. Comparison of Alternative Rate Structures by Vessel Length

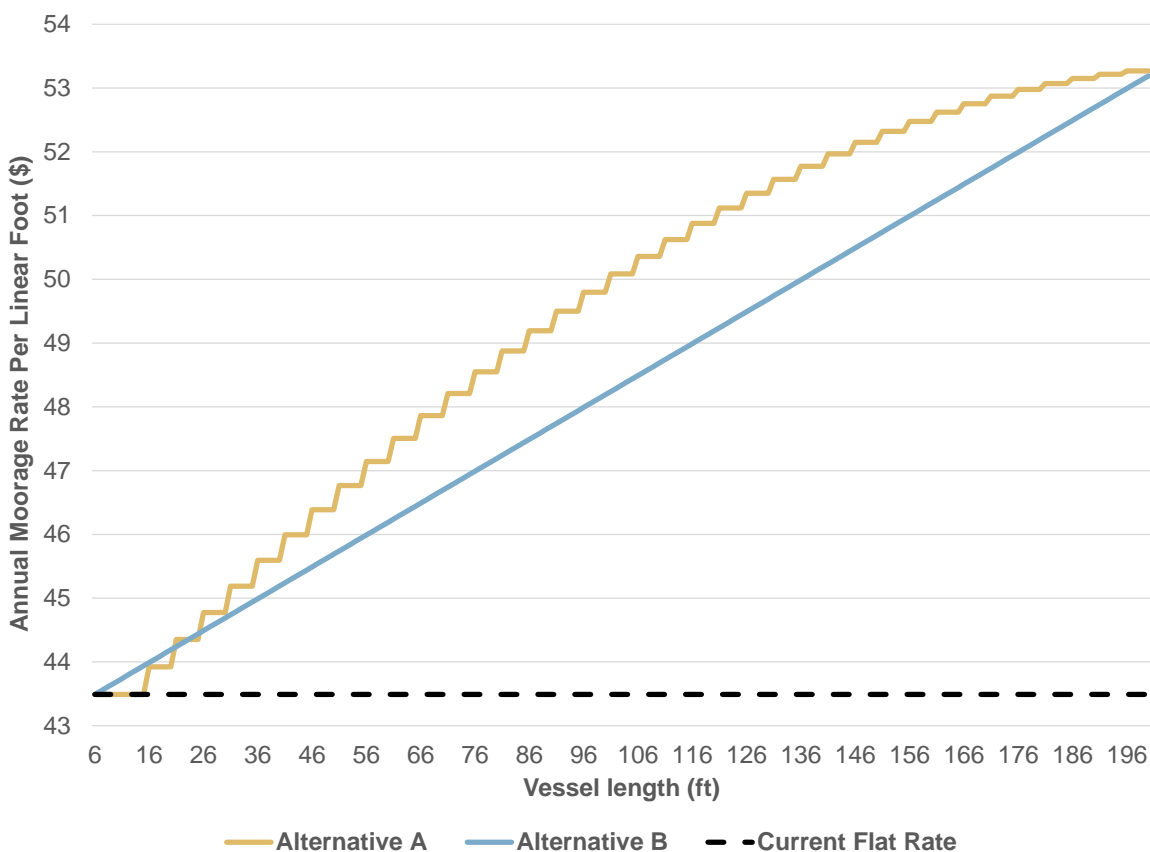
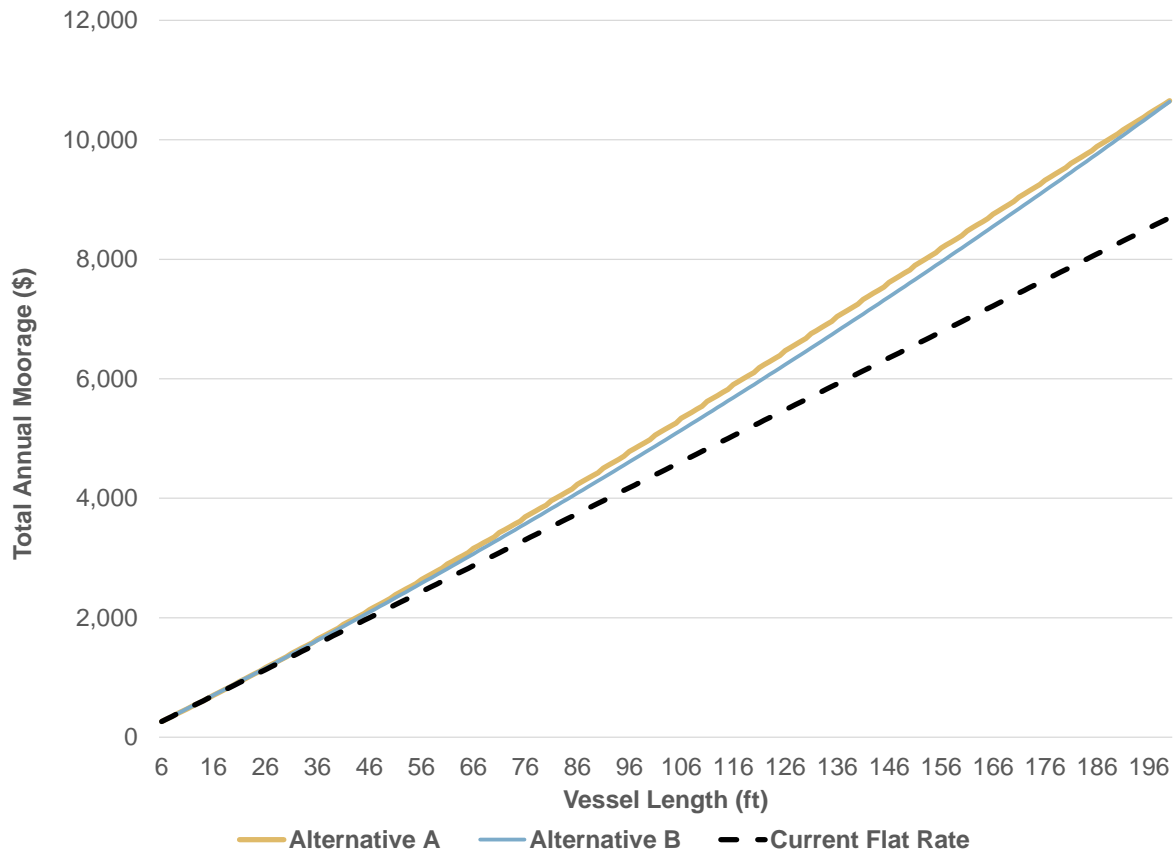


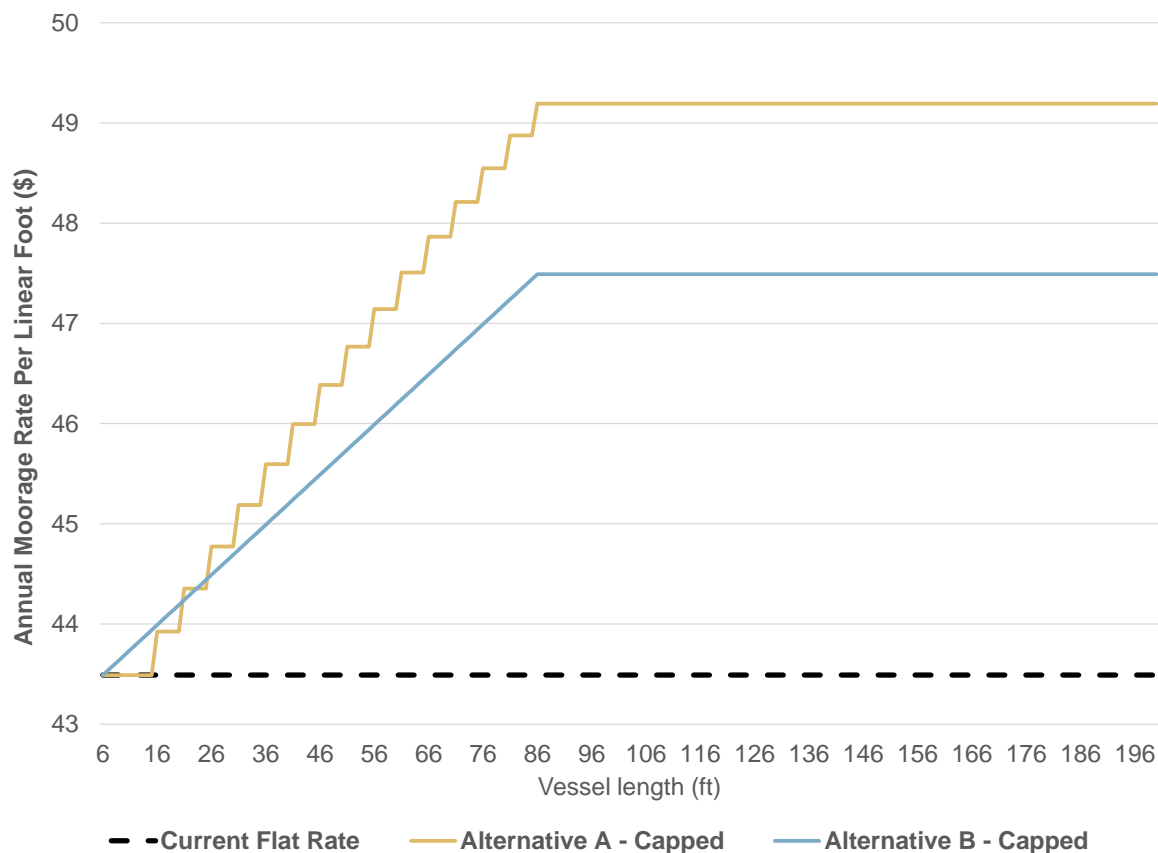
Figure 3 shows the total annual moorage by vessel length for the two recommended alternatives as well as the 2016 flat rate structure. Sales tax and administration fees are not included in the rates.

Figure 3. Comparison of Annual Moorage under Recommended Alternatives by Vessel Length



Homer Harbor has 883 stalls ranging from 18 feet to 75 feet and can accommodate vessels up to 86 feet in length. Vessels longer than 86 feet use the harbor by side tying to transit rafts. Due to the lower level of service offered to vessels at the transit rafts, one modification could be to add a cap on the annual rate for vessels over 86 feet in length. Figure 4 shows the two recommended alternatives with the rate cap.

Figure 4. Annual Moorage Rate under Recommended Alternatives with Cap



Differentiation by User Type

In addition to length-based rate structures, some harbors charge different rates based on the user type. Four harbors within the sample have class-based divisions, all of which are divided into recreational vessels and commercial vessels. Fishermen's Terminal in Seattle and Blaine Harbor in Bellingham each apply separate graduated rate structures for commercial and recreational vessels. In both cases, the monthly moorage rate per foot is significantly less, between 13 and 39 percent at Fishermen's Terminal and between 28 and 35 percent at Blaine Harbor for commercial vessels. The tiers used in the graduated rate structure for commercial vessels are also much larger than those used for recreational vessels. Commercial-specific rate structures are also set to accommodate larger vessels, with the first tiers ending at 80 feet under both rate structures.

The Port of Nanaimo and Comox Valley Harbor in British Columbia also charge separate moorage rates for commercial and recreational vessels. Both of these harbors use separate flat rate structures for each user type. Moorage for commercial vessels is 32 to 35 percent less than the moorage for recreational vessels at both of these harbors.

Table 8. Commercial Moorage Discounts by Harbor

Harbor	Rate Structure	Discount for Commercial Relative to Recreational (%)
Blaine	Graduated-Progressive	28-35
Comox	Flat Rate	34
Fishermen's Terminal	Graduated-Progressive	13-39
Nanaimo	Flat Rate	32-35

Source: Websites and rate sheets collected from harbors.

Both Fishermen's Terminal and Blaine Harbor require proof of active commercial fishing in order to qualify for the commercial rates. Fish tickets, landing permits, or fishing permits from the current or previous season are acceptable as proof of active commercial fishing. Both harbors emphasize that the vessel must be actively participating in commercial fishing activities and require that these documents be submitted every two years for long term tenants.

Blaine Harbor implemented a reduced rate structure for commercial vessels in 2011 in an effort to promote the local fishing and maritime trade community. Commercial users are subsidized through the Economic Development Fund. Blaine Harbor's goal in offering reduced commercial moorage is to attract vessels from other harbors, increase taxes paid to Whatcom County, and promote job creation within the community. After a review of its active commercial fishing rate structure in 2014, Blaine's Port Commission approved a two percent increase in commercial rates starting in 2017 in an attempt to reduce the amount of subsidy provided by the Economic Development Fund.

Fishermen's Terminal has a long history of supporting the commercial fishing industry, and for its first 88 years in operation this facility was exclusively for commercial fishing vessels. Fishermen's Terminal is part of the larger Port of Seattle system, which includes Sea-Tac Airport, cargo terminals, cruise ship terminals, Bell Harbor Marina, and Shilshole Bay Marina. The facilities within this port system are focused on specific user groups and Fishermen's Terminal, as the name suggests, caters primarily to commercial fishermen. The reduced rate structure for active commercial vessels, like Blaine Harbor, was implemented to encourage commercial fishing activities within the community. Fishermen's Terminal does not operate as an enterprise and is not expected to break even, but instead is used as an economic driver that results in increased revenues through other tax structures in King County. While this program is not directly subsidized, the Port of Seattle receives a portion of the revenues collected through King County property taxes and the Port Authority then distributes a portion of the transferred revenues to Fishermen's Terminal.

In the case of both Blaine Harbor and Fishermen's Terminal, user-specific rate structures are used as an economic stimulant with the goal of generating additional revenues through other local tax structures. Subsidies or transfers from local governments allow for the ports implementing these rate structures to be compensated for the increased economic activity they are encouraging.

Annual Moorage Rates Comparison								
								rev 3/12/2015
RESERVED MOORAGE Based on Homer Harbor Stall Sizes*								
Harbor	Rate Formula	20'	24'	32'	40'	50'	60'	75'
Homer	\$41.70 x length + fee	\$884.00	\$1,050.80	\$1,384.40	\$1,718.00	\$2,135.00	\$2,552.00	\$3,177.50
Kodiak	0-40 ft: \$30.00 x length	\$600.00	\$720.00	\$960.00	\$1,200.00	\$2,050.00	\$2,460.00	\$4,575.00
	40-60 ft: \$41.00 x length							
	61-80 ft: \$61.00 x length							
	81-100 ft: \$71.50 x length							
Seward	\$47.47 x length + fee	\$1,009.40	\$1,259.28	\$1,639.04	\$2,018.80	\$2,553.50	\$3,028.20	\$3,740.25
Valdez	\$34.46 x length	\$689.20	\$827.04	\$1,102.72	\$1,288.80	\$1,378.40	\$2,067.60	\$2,584.50
	Tour Boats: \$69.46 x length	-	-	-	-	-	\$4,167.60	\$5,209.50
Whittier	\$64.20 x length	\$1,284.00	\$1,540.80	\$2,054.40	\$2,568.00	\$3,210.00	\$3,852.00	\$4,815.00
TRANSIENT MOORAGE Based on Varied Boat Sizes								
Harbor	Rate Formula	18'	24'	32'	45'	58'	70'	85'
Homer	\$41.70 x length + admin fee	\$800.60	\$1,050.80	\$1,384.40	\$1,926.50	\$2,468.60	\$2,969.00	\$3,594.50
Kodiak	0-40 ft: \$30.00 x length	\$540.00	\$720.00	\$960.00	\$1,845.00	\$2,378.00	\$4,270.00	\$6,077.50
	40-60 ft: \$41.00 x length							
	61-80 ft: \$61.00 x length							
	81-100 ft: \$71.50 x length							
Seward	\$52.23 x length + fee	\$1,000.14	\$1,373.52	\$1,791.36	\$2,530.35	\$3,209.34	\$3,836.10	\$4,679.55
Valdez	\$39.63 x length	\$713.34	\$951.12	\$1,268.16	\$1,482.40	\$1,783.35	\$2,774.10	\$3,368.55
Whittier	\$64.20 x length***	\$1,155.60	\$1,540.80	\$2,054.40	\$2,889.00	\$3,723.60	\$4,494.00	\$5,457.00
* Not all harbor have stalls that are comparable. Because of this, costs are estimated on how much it would be if that size of vessel moored in a Homer slip at a different harbor's rate. This ensures accurate comparisons.								
**Kodiak's rates are based on a Graduated Linear Method								
***At this time, no annual transient passes are being given in Whittier								

Daily moorage rates by vessel length (dollars per foot)									
26'		36'		44'		56'		60'	
Skagway	\$0.35	Skagway	\$0.35	Skagway	\$0.35	Skagway	\$0.35	Skagway	\$0.35
Wrangell (Prepaid)	\$0.40	Wrangell (Prepaid)	\$0.40	Wrangell (Prepaid)	\$0.40	Wrangell (Prepaid)	\$0.40	Wrangell (Prepaid)	\$0.40
Hoonah	\$0.50	Hoonah	\$0.50	Hoonah	\$0.50	Hoonah	\$0.50	Hoonah	\$0.50
Kodiak	\$0.50	Kodiak	\$0.50	Craig	\$0.50	Craig	\$0.50	Craig	\$0.50
Craig	\$0.50	Craig	\$0.50	Haines	\$0.50	Haines	\$0.50	Haines	\$0.50
Haines	\$0.50	Haines	\$0.50	Petersburg	\$0.50	Petersburg	\$0.50	Petersburg	\$0.50
Petersburg	\$0.50	Petersburg	\$0.50	Bellingham (Nov-Mar)	\$0.50	Bellingham (Nov-Mar)	\$0.50	Bellingham (Nov-Mar)	\$0.50
Bellingham (Nov-Mar)	\$0.50	Bellingham (Nov-Mar)	\$0.50	Juneau	\$0.54	Juneau	\$0.54	Juneau	\$0.54
Juneau	\$0.54	Juneau	\$0.54	Juneau- Auke Bay	\$0.54	Juneau- Auke Bay	\$0.54	Juneau- Auke Bay	\$0.54
Juneau- Auke Bay	\$0.54	Juneau- Auke Bay	\$0.54	Seattle (Active C. Fishing)	\$0.62	Seattle (Active C. Fishing)	\$0.62	Seattle (Active C. Fishing)	\$0.62
Seattle (Active C. Fishing)	\$0.62	Seattle (Active C. Fishing)	\$0.62	Seward (Tenant)	\$0.64	Seward (Tenant)	\$0.64	Seward (Tenant)	\$0.64
Seward (Tenant)	\$0.64	Seward (Tenant)	\$0.64	Ketchikan	\$0.68	Ketchikan	\$0.68	Ketchikan	\$0.68
Ketchikan	\$0.68	Ketchikan	\$0.68	Kodiak	\$0.69	Kodiak	\$0.69	Kodiak	\$0.69
Seward (Transient)	\$0.70	Seward (Transient)	\$0.70	Seward (Transient)	\$0.70	Seward (Transient)	\$0.70	Seward (Transient)	\$0.70
Bellingham (Apr-Oct)	\$0.75	Bellingham (Apr-Oct)	\$0.75	Bellingham (Apr-Oct)	\$0.75	Bellingham (Apr-Oct)	\$0.75	Bellingham (Apr-Oct)	\$0.75
Wrangell (Invoiced)	\$0.80	Wrangell (Invoiced)	\$0.80	Wrangell (Invoiced)	\$0.80	Wrangell (Invoiced)	\$0.80	Wrangell (Invoiced)	\$0.80
Seattle (Recreational)	\$0.80	Seattle (Recreational)	\$0.80	Seattle (Recreational)	\$0.80	Seattle (Recreational)	\$0.80	Seattle (Recreational)	\$0.80
Sitka	\$0.87	Sitka	\$0.87	Sitka	\$0.87	Sitka	\$0.87	Sitka	\$0.87
Homer	\$1.22	Homer	\$1.22	Homer	\$1.22	Homer	\$1.22	Homer	\$1.22
NOTES:									
* Bold = multiple daily rate categories									
*Whittier not included due to lack of daily rate data available									

Monthly moorage rates by vessel length (dollars per foot)									
26'		36'		44'		56'		60'	
Wrangell Summer Floats	\$0.65	Wrangell Summer Floats	\$0.65	Wrangell Summer Floats	\$0.65	Wrangell Summer Floats	\$0.65	Wrangell Summer Floats	\$0.65
Hoonah	\$2.77	Hoonah	\$2.50	Hoonah	\$2.73	Hoonah	\$2.58	Hoonah	\$3.09
Wrangell	\$3.50	Wrangell	\$3.50	Wrangell	\$3.50	Wrangell	\$3.50	Wrangell	\$3.50
Skagway	\$3.50	Skagway	\$3.50	Skagway	\$3.50	Skagway	\$3.50	Skagway	\$3.50
Craig	\$4.00	Craig	\$4.00	Craig	\$4.00	Craig	\$4.00	Craig	\$4.00
Juneau	\$4.20	Juneau	\$4.20	Juneau	\$4.20	Juneau	\$4.20	Juneau	\$4.20
Haines	\$5.00	Haines	\$5.00	Haines	\$5.00	Haines	\$5.00	Haines	\$5.00
Bellingham (Active C. Fish)	\$5.90	Seattle (Active C. Fishing)	\$5.83	Seattle (Active C. Fishing)	\$5.83	Seattle (Active C. Fishing)	\$5.83	Seattle (Active C. Fishing)	\$5.83
Petersburg	\$6.00	Bellingham (Active C. Fish)	\$5.90	Bellingham (Active C. Fish)	\$5.90	Bellingham (Active C. Fish)	\$5.90	Bellingham (Active C. Fish)	\$5.90
Homer	\$6.39	Petersburg	\$6.00	Petersburg	\$6.00	Petersburg	\$6.00	Petersburg	\$6.00
Bellingham (Recreational)	\$6.92	Homer	\$6.39	Homer	\$6.39	Homer	\$6.39	Homer	\$6.39
Juneau- Auke Bay	\$7.05	Juneau- Auke Bay	\$7.05	Juneau- Auke Bay	\$7.05	Juneau- Auke Bay	\$7.05	Juneau- Auke Bay	\$7.05
Ketchikan	\$7.10	Ketchikan	\$7.10	Ketchikan	\$7.10	Ketchikan	\$7.10	Ketchikan	\$7.10
Seward (Reserved)	\$8.55	Bellingham (Recreational)	\$7.13	Bellingham (Recreational)	\$7.56	Seattle (Commercial)	\$7.82	Seattle (Commercial)	\$7.82
Seattle (Recreational)	\$8.81	Seattle (Commercial)	\$7.82	Seattle (Commercial)	\$7.82	Bellingham (Recreational)	\$7.86	Seward (Reserved)	\$8.55
Seward (Transient)	\$9.40	Seward (Reserved)	\$8.55	Seward (Reserved)	\$8.55	Seward (Reserved)	\$8.55	Bellingham (Recreational)	\$9.16
Sitka	\$14.94	Seattle (Recreational)	\$8.94	Seward (Transient)	\$9.40	Seward (Transient)	\$9.40	Seward (Transient)	\$9.40
Seattle (Active C. Fishing)	<i>min. 30'</i>	Seward (Transient)	\$9.40	Seattle (Recreational)	\$9.73	Seattle (Recreational)	\$9.76	Seattle (Recreational)	\$9.76
Seattle (Commercial)	<i>min. 30'</i>	Sitka	\$14.94	Sitka	\$14.94	Sitka	\$14.94	Sitka	\$14.94
NOTES:									
* Bold = multiple monthly rate categories									

*Whittier and Kodiak not included due to lack of **monthly** rate data available

*Hoonah **monthly** rates based on stall length. For this comparison, the most appropriate stall size for the vessels above was chosen, and that monthly rate was divided by the length of the vessel for \$ per foot.

Annual moorage rates by vessel length (dollars per foot)

26'		36'		44'		56'		60'	
Skagway	\$13.00	Skagway	\$13.00	Skagway	\$13.00	Skagway	\$13.00	Skagway	\$13.00
Craig	\$15.75	Craig	\$15.75	Craig	\$15.75	Craig	\$15.75	Craig	\$15.75
Haines	\$20.00	Haines	\$20.00	Hoonah	\$24.00	Hoonah	\$24.00	Hoonah	\$24.00
Hoonah	\$24.00	Hoonah	\$24.00	Wrangell	\$25.00	Wrangell	\$25.00	Wrangell	\$25.00
Wrangell	\$25.00	Wrangell	\$25.00	Haines	\$26.00	Haines	\$26.00	Haines	\$26.00
Ketchikan (Inside City)	\$26.30	Ketchikan (Inside City)	\$26.30	Ketchikan (Inside City)	\$26.30	Ketchikan (Inside City)	\$26.30	Ketchikan (Inside City)	\$26.30
Kodiak	\$30.00	Kodiak	\$30.00	Ketchikan (Outside City)	\$31.58	Ketchikan (Outside City)	\$31.58	Ketchikan (Outside City)	\$31.58
Ketchikan (Outside City)	\$31.58	Ketchikan (Outside City)	\$31.58	Sitka	\$33.60	Sitka	\$33.60	Sitka	\$33.60
Sitka	\$33.60	Sitka	\$33.60	Petersburg	\$38.00	Homer	\$40.50	Homer	\$40.50
Petersburg	\$34.00	Petersburg	\$34.00	Homer	\$40.50	Kodiak	\$41.00	Kodiak	\$41.00
Homer	\$40.50	Homer	\$40.50	Kodiak	\$41.00	Petersburg	\$44.00	Petersburg	\$44.00
Seward (Tenant)	\$47.47	Seward (Tenant)	\$47.47	Seward (Tenant)	\$47.47	Seward (Tenant)	\$47.47	Seward (Tenant)	\$47.47
Juneau	\$47.88	Juneau	\$47.88	Juneau	\$47.88	Juneau	\$47.88	Juneau	\$47.88
Seward (Transient)	\$52.23	Seward (Transient)	\$52.23	Seward (Transient)	\$52.23	Seward (Transient)	\$52.23	Seward (Transient)	\$52.23
Bellingham (Active C. Fish)	\$69.03	Bellingham (Active C. Fish)	\$69.03	Bellingham (Active C. Fish)	\$69.03	Bellingham (Active C. Fish)	\$69.03	Bellingham (Active C. Fish)	\$69.03
Juneau- Auke Bay	\$80.37	Seattle (Active C. Fishing)	\$69.96	Seattle (Active C. Fishing)	\$69.96	Seattle (Active C. Fishing)	\$69.96	Seattle (Active C. Fishing)	\$69.96
Bellingham (Recreational)	\$80.97	Juneau- Auke Bay	\$80.37	Juneau- Auke Bay	\$80.37	Juneau- Auke Bay	\$80.37	Juneau- Auke Bay	\$80.37
Seattle (Recreational)	\$105.72	Bellingham (Recreational)	\$83.43	Bellingham (Recreational)	\$88.46	Bellingham (Recreational)	\$91.97	Seattle (Commercial)	\$93.84
Seattle (Active C. Fishing)	<i>min. 30'</i>	Seattle (Commercial)	\$93.84	Seattle (Commercial)	\$93.84	Seattle (Commercial)	\$93.84	Bellingham (Recreational)	\$107.18
Seattle (Commercial)	<i>min. 30'</i>	Seattle (Recreational)	\$107.28	Seattle (Recreational)	\$116.76	Seattle (Recreational)	\$117.12	Seattle (Recreational)	\$117.12

NOTES:

***Bold** = multiple **annual** rate categories

*Whittier not included due to lack of **annual** rate data available

- Opportunities- Project based cargo, marine maintenance and repair hub, tug/support vessel base, small scale regional freight distribution, winter moorage services
 - Threats- Anchorage based distribution center cost savings, Kenai/Nikiski based project docks and services, community perspective-unfriendly to industry, competing with Seward for marine services
- Summary of interviews to date
 - Big carriers aren't interested (no benefit)
 - Retailers like it (could save money)
 - At least two smaller carriers may be interested
 - Besides container cargo there is a market for marine support (moorage maintenance, etc.)
- Infrastructure improvements
 - New trestle, new buoys, berth 2 fenders, uplands yard fencing and security, barge berth alternatives, dock extension and mobile crane alternatives
- Where do we go from here
 - Development options will be outlined in Phase 2
 - Economics point to the need for an anchor tenant

STAFF & COUNCIL REPORT/COMMITTEE REPORTS/ BOROUGH REPORTS

A. Port and Harbor Director's Report for March 2016

Harbormaster Hawkins reviewed his staff report.

PUBLIC HEARING

PENDING BUSINESS

A. Harbor Rates

- i. Memo to Port & Harbor Commission from Port Director Re: Northern Economics Rate Study & Presentation dated 1/20/2016, and Rate Comparison Attachments
- ii. 2016 Northern Economics Rate Study
- iii. 2016 Presentation of Northern Economics Rate Study

The Commission reviewed alternatives A and B in the January 2016 draft schedule from Northern Economics. They acknowledged that there isn't a lot of difference in the alternatives and noted on alternative B the difference between a 75 foot boat and a 20 foot boat is about \$400 per year. They also touched on ideas of the economic benefit of small boats versus large boats and that ultimately, all sizes bring an economic benefit to the harbor and the city.

STOCKBURGER/DONICH MOVED TO ADOPT ALTERNATIVE B AT FIVE CENTS PER FOOT INCREASE AND CAP THE VESSEL SIZE AT 86 FEET.

Commissioner Stockburger commented that the argument is over the idea of perception. He leans toward alternative B because it goes by the foot, similar to the straight rate with a slight increase as boats get longer. Capping it at 86 feet recognizes the big boats in the harbor that are paying big bucks and are rafted out, but have no chance of getting a berth.

Commissioner Hartley agrees and thinks this will allow for flexibility when we build the new harbor.

Commissioner Carroll still agrees with a straight linear rate, its one harbor and everyone should pay the same.

Commissioner Stockburger added that we have a small boat harbor with some big boats in it and it's been hard to find a number that will work with all the vessel sizes. When we have a new harbor this formula can be used, possibly with a different number, when considering moorage and costs for the new harbor.

Commissioner Zimmerman clarified that this will be going up five cents per foot yearly along with the 3.2% plus the CPI that has already been adopted.

VOTE: YES: DONICH, ZIMMERMAN, ULMER, CARROLL, HARTLEY, STOCKBURGER

Motion carried.

B. Head Tax for Passenger Vessels

Harbormaster Hawkins reviewed that the enterprise budget is currently based on moorage. Seeing trends that business is increasing because this is a great place to recreate results in some forward thinking to implement a way to collect something from other user groups to help offset operations costs and spread the burden among a wider community.

Commissioner Zimmerman commented that after listening to the comments last meeting about the additional paperwork that would be included with a head tax, he's now thinking it targets a user group more than it should. He thinks it might be better to find something that's already in place and work to modify it.

Commissioner Donich said at the Homer Charter Association meeting a suggestion was brought up to have the spit designated as a separate district and collect an additional half a percent or so of sales tax to go to the enterprise fund. That would really broaden the reach and everyone who uses the spit would put in to the fund.

Chair Ulmer said she would rather see a toll bridge. She recently heard Cruise Construction cut spending in Homer because of the 7.5%. People can get what they want in Anchorage and ship it down. The tax on this end of the peninsula is driving people away.

Commissioner Stockburger agrees that some kind of service area tax for the spit, not a property tax but a sales tax. He doesn't think 7.5% is keeping people from coming to Homer. If a company has a job here they will come, but comparing the cost of gas to drive to Anchorage is more than \$37.50, which is the sales tax cap.

STOCKBURGER/HARTLEY MOVED TO EXPLORE THE POSSIBILITY OF USING A SERVICE AREA SALES TAX AS A MEANS OF COLLECTING FUNDS AS A MEANS TO COLLECT FROM OTHER USERS IN THE SERVICE AREA.



Memorandum 16-101

TO: MAYOR BETH WYTHE & HOMER CITY COUNCIL

FROM: BRYAN HAWKINS, PORT DIRECTOR/HARBORMASTER

DATE: JUNE 7, 2016

SUBJECT: HISTORY OF PORT & HARBOR MOORAGE RATE INCREASE & RATE STRUCTURE WORK

At their last regular meeting on May 23, 2016, City Council postponed Resolution 16-054, amending the Port and Harbor fee schedule to change the moorage rate structure to a graduated method, and 16-055, amending the Terminal Tariff, failed due to lack of a motion. The Port and Harbor Advisory Commission voiced their disappointment at their last meeting on May 25, 2016 and agreed that it was necessary for the group to meet with the Council at their next worksession to present their findings regarding the rate structure issue.

The original motion made by the Port and Harbor Advisory Commission was to adopt Alternative B (per Northern Economics' 2016 Rate Structure Study) at five cents per foot increase and cap the vessel size at 86 feet, and calculate the moorage using the following equation:

$$\text{Permanent Moorage Rate} \left(\frac{\$}{\text{foot}} \right) = \frac{\$43.49 + (\$0.05 \times \text{foot}) \times \text{vessel length per foot}}{\text{foot}}$$

To express to the Council the large amount of work that the Port and Harbor Advisory Commission and City staff has put into the moorage rate increase and structure issues, Port and Harbor staff has compiled a chronological history of all the commission's meetings, public hearings conducted, and resolutions passed by City Council that are directly related to rates since 2010 when this work began. The list includes PHC meetings where the topic was discussed, a summary of the commission's discussion at that meeting, the motions made, public comments taken, the worksessions conducted, and adopted resolutions by City Council.

Additionally, two rate studies have been conducted by Northern Economics. The 2013 study, titled Port and Harbor Rate Fee Structure and the Economic Impact of Mooring a MODU (Mobile Offshore Drilling Unit) at the Port of Homer's Deep Water Dock, totaled \$9,628.48 in costs. The 2016 study, focusing on a Graduated Linear Method with Linear Method Comparison to Incorporate a 32% Rate Increase over 10 Years to Fund Port and Harbor Reserves, cost \$15,300. Overall expenditures from Northern Economics have been \$24,928.48 for their assistance in helping the City create a fair and equitable rate structure and a plan on how to implement the increases over time.

Recommendation

Informational Purposes

Attached: Memo 16-084 to Homer City Council from Bryan Hawkins, Port Director/Harbormaster Re: History of New Moorage Rate Structure dated June 1, 2016

Chronological History of Staff & the Port & Harbor Advisory Commission's Work

PHC Regular Meeting, NOVEMBER 17, 2010 – Memorandum from Port & Harbor Advisory Commission to City Council Re: 2011 Preliminary Budget and Proposed 3% Rate Increase: Discussed concerns over credit cards fees and looking for options to find additional revenue.

PHC Regular Meeting, APRIL 27, 2011 – Memo to Port and Harbor Advisory Commission from Port Director Re: Proposed Port of Homer Projects for Bond Funding dated April 7, 2011: Proposed Port of Homer Projects for Bond Funding and expressing goals to reinvest funds into the harbor to keep it supporting itself; not enough money is going into the harbor reserves even with the 3% increase done in 2010.

RESOLUTION 11-060: Establishing a Committee to Develop a Port and Harbor Improvement Revenue Bonding Plan and Provide Committee Review and Oversight Throughout the Implementation and Completion of any Approved Plan; adopted June 13, 2011.

PHC Regular Meeting, OCTOBER 26, 2011 – Port and Harbor Improvement Committee Report: Overview of presentation that was given to City Council regarding chosen CIP projects, plus the new harbor office, and further discussion of establishing a bond. Additional discussion ensued regarding pro/cons of raising rates, services the harbor staff offers, and concerns on how fees are applied.

PHC Special Meeting, NOVEMBER 9, 2011 – Port and Harbor Improvement Committee Project Ranking and Bonding Process: Further discussion regarding the bonding process and the improvements that should be included.

RESOLUTION 11-099: Authorizing the City Manager to Draft and Submit a Revenue Bond Sale Application and Take Other Steps Necessary to Prepare for a Possible Bond Sale to Finance Construction of Six Top Priority Capital Projects Within the Homer Harbor; effective date October 24, 2011, adopted November 28, 2011.

PHC Regular Meeting, DECEMBER 14, 2011 – Capital Improvement Plan List Port and Harbor Projects: Bond sale recommendation from Improvement Committee and which projects are feasible.

PHC Regular Meeting, JANUARY 25, 2012 – Capital Improvement Plan List Port and Harbor Projects: Commissioners ranked their preferred harbor projects for funding. MOVED TO FORWARD THE RANKINGS OF THE SIX PROJECTS TO THE PORT AND HARBOR IMPROVEMENT COMMITTEE. Motion carried.

PHC Regular Meeting, FEBRUARY 22, 2012 – Harbor Improvement Cost Estimate Summary: Presentation by the Harbor Improvement Committee of their work to-date, engineer's estimated costs, and percentage of user fee increase to support bonding and options for implementation. MOVED THAT THE COMMISSION RECOMMEND TO THE COMMITTEE TO PROCEED WITH THE PREPARATION OF THE REVENUE BOND APPLICATION THAT INCLUDES ALL FIVE PROJECTS AND THAT THE APPLICATION IS PREPARED TO REQUEST \$6,000,000 FUNDING. Motion carried.

PHC Regular Meeting, MARCH 28, 2012 – Memo to Port and Harbor Advisory Commission from Community and Economic Development Coordinator Re: Harbor Improvement Projects: Need for the Projects & Consequences of Not Going Through with Proposed Projects dated March 16, 2012: Economic Development Coordinator reported what was needed for the Municipal Harbor Grant Program. MOVED THAT THE STATE GRANT REQUIREMENTS FOR THE FOUR PROJECTS BE PLACED ON THE NEXT AGENDA TO SET THE RECORD ON THE FINDINGS THAT THIS COMMISSION WOULD MAKE RELEVANT TO WHETHER OR NOT THEY ARE FEASIBLE PROJECTS OR TO BE DONE, OR SCRAPPED. Motion failed. Comments regarding the Load and Launch Ramp improvements included that there will be monies from Fish & Game. MOVED THAT WE NEED TO PROGRESS WITH THIS PROJECT BECAUSE OF SAFETY CONCERNS. IF WE

DON'T THERE WILL BE A BAD ACCIDENT OR THE RAMP WILL DETERIORATE. Motion carried. Discussed further each of the final chosen projects.

PHC Regular Meeting, APRIL 25, 2012 – Amendments to the Port and Harbor Terminal Tariff No. 600 for the purpose of Repaying a Revenue Bond in the Amount of \$6 Million: The Commission reviewed various revenue options to help pay for the bond. There was public testimony against the harbor head tax; MOVED THAT THE PORT AND HARBOR ADVISORY COMMISSION RECOMMEND TO THE CITY COUNCIL THAT THEY AMEND THE TERMINAL TARIFF NO. 600 TO STRIKE RULE 34.26 THE PASSENGER FEES FROM THE TARIFF. Motion carried. MOVED TO REMOVE THE ICE TARIFF INCREASE AS GENERATING FUNDS TO PAY FOR THE BOND. Motion carried. MOVED TO APPROVE THE RECOMMENDED DOCKAGE FEES THAT THE COMMITTEE PUT FORTH TO SUPPORT THE BOND PAYMENT. This would change the port dockage fees from a linear foot to a graduated rate schedule, same as Anchorage's port. Motion carried. ADJUST THE FUEL WHARFAGE FROM \$.0103 TO \$.025 PER GALLON IMPLEMENTED OVER A TWO YEAR PERIOD. Motion failed. MOVED TO ADJUST THE FUEL WHARFAGE RATE FROM EXISTING \$.0103 PER GALLON TO \$.02 PER GALLON. Motion carried. MOVED TO INCREASE MOORAGE FROM \$35.22 PER FOOT PER YEAR TO \$42.50 PER LINEAL FOOT PER YEAR TO BE APPLIED OVER THE NEXT TWO YEARS. The discussion began about the differences between smaller and larger vessels, the different impacts they have on the harbor, and how each one provides revenue to the harbor. Comparisons to other harbors were reviewed. Motion failed. MOVED TO INCREASE THE MOORAGE 15% FROM THE CURRENT RATE. Motion carried.

PHC Regular Meeting, APRIL 25, 2012 – Memo to Port and Harbor Advisory Commission from Bryan Hawkins, Port Director/Harbormaster Re: Harbor Improvement Committee Report of April 19, 2012 Meeting dated April 20, 2012: MOVED TO RECOMMEND TO COUNCIL TO HAVE THE HARBOR IMPROVEMENT COMMITTEE CHANGE THE CAPITAL IMPROVEMENT BOND INCLUDE ONLY SYSTEM 5 UPGRADE, RAMP 3 GANGWAY, AND PORTIONS OF THE FLOAT REPLACEMENT TO A MAXIMUM BOND OF \$4 MILLION. Motion carried.

RESOLUTION 12-043: Accepting and Approving Recommendations Submitted by the Port and Harbor Improvement Committee Regarding Capital Improvements in the Harbor and the Funding Thereof and Authorizing the City Manager to Prepare the Documents Necessary for Grant Funding, a Revenue Bond Sale, and the Fee Adjustments Necessary to Service the Bonds; effective May 14, 2012.

RESOLUTIONS 12-037(S) & 12-038(S): Amending the City of Homer Fee Schedule for Port and Harbor Fees and the Terminal Tariff No. 600 for the Purpose of Repaying a Revenue Bond and Contributing to the Port and Harbor Enterprise Reserves; effective June 11, 2012.

RESOLUTION 12-064: Expressing Support for a Municipal Harbor Facility Grant Application to the State of Alaska, Department of Transportation and Public Facilities (DOT&PF) in the Amount of \$4,206,000 for Ramp 3 Gangway and Approach, Harbor Floats Replacement and Upgrades to Electrical and Potable Water at System 5 and Authorizing the City Manager to Submit the Appropriate Documents; effective July 23, 2012.

RESOLUTION 12-065: Expanding the Scope of Work for the Port and Harbor Improvement Committee to Develop a Plan to Resource Funds from Various Sources for the Purpose of Upgrading the Port and Harbor Building; effective July 23, 2012.

RESOLUTION 12-093: Support of Full Funding for the State of Alaska Municipal Harbor Facility Grant Program in the FY2014 Capital Budget; effective October 22, 2012.

PHC Regular Meeting, DECEMBER 19, 2012 – Memo to Port and Harbor Advisory Commission from Port Director/Harbormaster Hawkins Re: Harbor Rate Study dated December 11, 2012: The commission began discussion

with history on how rates are configured and square foot vs. linear footage and the variety of vessel sizes and uses of the harbor. Harbormaster recommended hiring Northern Economics to conduct rate study.

RESOLUTION 13-046: Awarding the Contract to Conduct a Study on the Port and Harbor Rate Fee Structure and the Economic Impact of Mooring a MODU (Mobile Offshore Drilling Unit) at the Port of Homer's Deep Water Dock to the Firm of Northern Economics of Anchorage, Alaska, in the Amount of \$19,878.00 and Authorizing the City Manager to Execute the Appropriate Documents; effective May 13, 2013.

ORDINANCE 13-15: Authorizing Harbor Revenue Bonds of the City to be Issued in Series to Finance Harbor Improvements; Creating a Lien Upon Net Revenue of the Harbor for the Payment of the Bonds; and Establishing Covenants of the City Related to the Bonds; introduction April 22, 2013, effective May 14, 2013.

ORDINANCE 13-16: Authorizing the Issuance and Sale of a Series of Harbor Revenue Bonds by the City in the Principal Amount Not to Exceed \$4,200,000 for the Purpose of Financing the Design, Construction, and Acquisition of Harbor and Related Capital Improvements; Establishing the Terms of the Bonds; and Authorizing the Sale of the Bonds; introduction April 22, 2013, effective May 14, 2013.

Northern Economics Rate Study, SEPTEMBER 25, 2013 – The first draft of this study organized how the study is conducted and gave preliminary percentage increases for the commission and staff to review.

PHC Special Meeting, OCTOBER 9, 2013 – Memorandum from Port Director/Harbormaster Hawkins Re: Port of Homer Rate Study: Northern Economics Rate Study presentation to the commission; it details out each harbor facility's expense and an estimate of how much it would cost to replace that facility using a lifecycle approach. The end results covered how much rates needed to be increased to be sustainable, and to help with harbor reserves and facility depreciation costs.

Northern Economics Rate Study, NOVEMBER 7, 2013 – The focus of this final draft study was to use a life cycle approach to calculating rates and find overall percentage increases that would cover all operations, maintenance, and replacement costs for each facility in the Homer Port and Harbor. It was concluded from this study that the Small Boat Harbor would require a 31.85% (rounded to 32%) rate increase to become sustainable.

RESOLUTION 13-112: Confirming that the City will Provide Local Matching Funds in an Amount Up to \$800,000 for Repair, Replacement, and Rehabilitation of Infrastructure and Facilities at the Homer Small Boat Harbor Load and Launch Ramp; effective November 25, 2013.

ORDINANCE 14-05: Amending the FY 2014 Operating Budget by Appropriating \$500,000 from the Port and Harbor Enterprise Fund Depreciation Reserves for the Purpose of Providing the City's 25% Local Match for the New Port and Harbor Building; introduction January 27, 2014, effective date February 11, 2014.

ORDINANCE 14-06(A): Amending the FY 2014 Operating Budget by Appropriating Up to \$300,000 from the General Fund Balance for the Purpose of Providing a Loan to the Port and Harbor Enterprise Fund to Complete the Financing Package for the New Port and Harbor Building; introduction January 27, 2014, effective date February 11, 2014.

PHC Regular Meeting, FEBRUARY 26, 2014 – Worksession of Harbor Rate Study Review: Setting date for worksession to do thorough review.

PHC Worksession, APRIL 8, 2014 – Review and discuss the Northern Economics 2013 Rate Study

PHC Regular Meeting, APRIL 23, 2014 – Harbor Rate Increase Proposal: Point was made that if the port and harbor had a rate structure that was sustainable, we wouldn't have had to bond for the matching funds for the grant for the harbor improvements. A draft rate proposal prepared by staff was presented to the commission; the three methods suggested in the worksession for comparison was the existing linear method, a square foot method, and a graduated linear method. It included an EXTENSIVE comparison of the rate increases over a 5 or 10 year period including CPI increases. The suggested 32% increase comes from the Northern Economics' rate study. Discussed differences between transient moorage and reserved, costs related to vessel size and the stall size, what type of methods are being used in other harbors (including comparisons), and **the ultimate goal to find an equitable, sustainable rate for all harbor users** since there is a strong argument that large boats bring more money, jobs, and business to the harbor, with the counter argument from small vessel owners that smaller boats have to bear the costs for bigger boats when they have less damage, require less space, etc.) than bigger boats. It was determined that this discussion must continue for the next few meetings and include public input.

PHC Regular Meeting, MAY 28, 2014 – Harbor Rate Increase Proposal: There was talk of the gradual linear method and how it could be broken down into different size classes. They further discussed the reasoning behind a rate increase and where the money raised will be used. **MOVED TO ADOPT THE 10 YEAR PROGRAM FOR INCREASING COSTS.** Motion carried. The CPI increases will happen every year from here on out, while the 32% moorage rate increases will take place over the course of a 10 year period. It was suggested that the square foot method was the most fair and equitable way to distribute costs in the harbor than the current linear method. **MOVED TO APPLY THE SQUARE FOOT METHOD IN DEVELOPING THE RATE STRUCTURE.** Motion carried. It was suggested by staff that we may need to hire a consultant to help develop the final plan. Public comments were in agreement with the square foot method instead of the linear method.

PHC Regular Meeting, JUNE 25, 2014 – Harbor Rate Increase Proposal: Staff consolidated all the comparison worksheets down to the square foot rate model implemented over a 10 year schedule. Discussion on how this would be applied to transient vessels vs. reserved stall lessees and how the rates would be broken down at the transient daily, monthly, semi-annual, and annual rates. All commissioners agreed that getting word out to boat owners ASAP is important. **MOVED THAT THE COMMISSION PRESENT THIS RATE STUDY AS THE NEW FORMAT FOR CHARGING FOR MOORAGE IN THE HARBOR, WITH THE CAVEAT THAT WE WILL LOOK AT THE TRANSIENT ELEMENT, WHICH MAY CHANGE, BUT EVERYTHING ELSE STANDS AS PRESENTED.** Motion carried.

PHC Regular Meeting, JULY 23, 2014 – Harbor Rate Increase Proposal: Staff prepared a moorage rate comparison between 2004 through 2014 and a square foot rate schedule comparison for transient moorage. Commissioners discussed the varied increases depending on vessel sizes over periods of time. Per the square foot, the bigger boats would see the brunt of the change. They agreed that the CPI increases could begin for the 2015 year, but they need more time to set the new rates, get info out to vessel owners, and receive feedback. **MOVED THAT THIS COMMISSION RECOMMENDS TO THE CITY COUNCIL THAT WE ADJUST OUR HARBOR MOORAGE RATES AS A MINIMUM OF THE CPI EACH YEAR.** Motion carried.

PHC Regular Meeting, AUGUST 27, 2014 – Harbor Rate Increase Proposal: There was further discussion about the disparity/fairness of the 32 foot stall class. The commission agreed that staff could work with Northern Economics in preparing another rate study to compare different rate methods.

PHC Regular Meeting, SEPTEMBER 24, 2014 – Harbor Rate Increase Proposal: Public comments from several large vessel owners were unanimously against implementing the square foot method, stating that their large boats bring more jobs, business, and revenue to the harbor and the new method would unfairly increase their moorage fees. They cited that it's the smaller vessels that utilize more space in the harbor, and that if the harbor increases rates it's going to drive away the big boats that are generating the most revenue/jobs in Homer. The large vessel owners also pointed out the lack of stalls and amenities available yet they would still have to pay more. They feel the linear

method is fine the way it is and no changes should be made. One of the commissioners provided a presentation he prepared on the square foot model to help achieve equitable rates for all vessels including transient. MOVED TO CALCULATE SQUARE FOOT ASSESSMENTS BASED ON CLASS SIZE LENGTH AND WIDTH FOR RESERVE MOORAGE BERTHS WITH THAT SQUARE FOOT COST APPLIED TO OVERAGE ON A VESSEL THAT EXCEEDS THAT CLASS SIZE LENGTH AND/OR WIDTH, AND THAT ANNUAL TRANSIENT MOORAGE BE ASSESSED AT 75% OF THE RESERVED MOORAGE RATE, APPLIED TO THE LENGTH TIMES THE WIDTH OF THE TRANSIENT VESSEL. Revised: MOVED TO AMEND THE MOTION TO DIRECT STAFF TO PREPARE A NEW RATE SCHEDULE USING THE MOTION AS GUIDANCE FOR THE RATE SCHEDULE. Motion carried. Main motion as amended carried.

PHC Regular Meeting, OCTOBER 22, 2014 – Harbor Rate Increase Proposal: More public comments from large vessel owners reiterated their stance against the square foot method. They strongly believe it will cost them an excessive amount in moorage fees, drive business away, and is a direct attack to the commercial fleet. Ensued a lengthy commission discussion regarding what method to go with, even calling for a recess to think it over. MOVED TO REVERSE THE COMMISSION SUPPORT FOR CHANGING THE RATE STRUCTURE FROM LINEAR TO SQUARE FOOT AND STAY WITH THE CURRENT METHODS OF CALCULATING FEES. Motion carried. MOVED TO TAKE THE ORIGINAL RECOMMENDATION OF THE NORTHERN ECONOMICS STUDY AND SPREAD THE REQUIREMENTS TO BUILD THE RESERVE FUND THROUGHOUT ALL THE PORT AND HARBOR USERS AND REVENUE STREAMS. Motion failed. MOVED THAT 50% OF THE SALES TAX FROM BUSINESSES THAT ARE AROUND AND DEPEND ON THE HARBOR BE CREDITED TO THE PORT AND HARBOR RESERVE ACCOUNT. Motion carried. Further public comments from large vessel owners pertained to how the rate increases should be spread across the board for all users of the harbor, and how a square foot method, plus increase, was unfair to them, the commercial fishermen.

RESOLUTION 14-115: Amending the Port of Homer Terminal Tariff No. 600 (annual CPI Increase); public hearings held on October 27, 2014 and November 24, 2014, effective December 8, 2014.

PHC Regular Meeting, DECEMBER 17, 2014 – Harbor Rate Increase Proposal: Public comments agree with the CPI increase. The commission recognized the 3% CPI increase that was added to the 2015 budget and noted their action to move away from the square foot method. It will be brought up again at the next meeting and to schedule an open house to get more feedback from vessel owners.

PHC Regular Meeting & Worksession, JANUARY 28, 2015 – Harbor Rate Increase Proposal: **The commission has received good feedback and they recognize the linear rate schedule isn't the most equitable method, but the square foot method is not acceptable to other harbor users.** It was agreed to bring in an expert to evaluate the situation and propose a graduated linear rate schedule (which is used in other harbors in southeast and Kodiak), and to help the commission make a rational decision. Some commissioners questioned why we not just leave it as-is and increase it overall? It was reiterated that bigger boats, especially wider ones that are being built recently, are not equal in their need for space compared to smaller or narrower boats. The rates need to be applied to all harbor users in an EQUITABLE way. Big boat owners are saying make the smaller boats pay more, and the smaller boats are saying make the big boats pay more. Meanwhile, the harbor is in need of more revenue to support our infrastructure and build up the harbor reserves. Hiring a professional will help the group crunch all the numbers and the different scenarios. The commission was divided on whether it was worth the money or if we could do it ourselves. MOVED TO DIRECT STAFF TO ENGAGE NORTHERN ECONOMICS TO PREPARE A LINEAR GRADUATED RATE SCHEDULE FOR THE HARBOR. Motion failed.

PHC Regular Meeting, FEBRUARY 25, 2015 – Harbor Rate Increase Proposal: Public comments varied from being against increases all together, why hasn't there been opportunities for public input, and corrections from the commission and staff explained that there have been public hearings and that they didn't pass anything yet. Northern Economics provided a scope of work and quote to the commission for a rate study. The commission asked

staff to come back with further direction to the commission and what it would take for Northern Economics to conduct this study.

RESOLUTION 15-018; – Requesting the Kenai Peninsula Borough Transfer Their Portion of the Fisheries Business Tax Allocated by the State of Alaska to the Port and Harbor Enterprise Fund for the Purpose of Increasing and Maintaining the Port and Harbor Depreciation Reserves; effective March 23, 2015. (PHC's attempt to find additional revenues, which failed to be presented to the KPB Assembly)

PHC Regular Meeting, MARCH 25, 2015 – Harbor Rate Increase Proposal: Staff prepared revenue goal calculations and stated that we have tried finding other revenue sources in the passenger head tax, which charter boaters didn't like; we talked about rate increases by the square foot, which boat owners directly affected didn't like; then we talked to the City about giving back some sales tax they collect from the Spit, which hasn't gone anywhere. Now talking to the borough about getting money back from the fish tax is in progress. **MOVED TO PROPOSE A 2% RATE INCREASE EFFECTIVE OCTOBER FOR DISCUSSION AT AN OPEN HOUSE AND PUBLIC HEARING.** Motion carried.

PHC Regular Meeting, APRIL 22, 2015 – Harbor Rate Increase Proposal: Public comments were in agreement with the flat rate increase in addition to the annual CPI increase. Although they dislike their rates going up, they understand the need. It was announced a public hearing will be held at the next meeting. One commissioner reviewed information he provided on how the linear rate isn't fair and equitable across all classes of vessels when looking at how much area is used by various classes.

PHC Regular Meeting, MAY 27, 2015 – Harbor Rate Increase Proposal: It was agreed that the public consensus agreed with the need of an increase to help with the harbor improvements. A draft resolution will be presented for a 4.5% increase.

PHC Regular Meeting, JUNE 24, 2015 – Public Hearing on Harbor Rate Increase Proposal: Public comments during the hearing conveyed an overall agreement with the moorage increases and a change to a graduated rate structure. Some were just hearing about the commission's work on rates for the first time. They didn't agree that smaller boats should be paying the same rate as larger vessel owners as their boats have less of an impact on the harbor. Others commented that they disagreed with the changes and increases, and how the small vessel owners are only talking during the summer while the big boats are out fishing and can't come to the meetings. **MOVED TO ADOPT DRAFT RESOLUTION 15-0XX & MOVED TO SUBSTITUTE DRAFT RESOLUTION 15-0XXS FOR THE DRAFT RESOLUTION 15-0XX.** Extensive discussion ensued on how rates should be applied, who is affected by what fees, how much the increases should be for, and the course of the increase implementations. Motion carried. **MOVED TO AMEND TO DROP THE SQUARE FOOT SLIDING METHOD AND LOWER IT DOWN TO 2.5% INCREASE INSTEAD OF 3.2%.** Motion failed.

PHC Regular Meeting, JULY 22, 2015 – Harbor Rate Increase Proposal: **MOVED TO HIRE NORTHERN ECONOMICS TO PREPARE A GRADUATED RATE STRUCTURE FOR THE HARBOR AT A COST NOT TO EXCEED \$20,000 AND THAT THE STUDY BE COMPLETED NO LATER THAN NOVEMBER 1, 2015 AND REQUEST HARBORMASTER HAWKINS PREPARE THE NECESSARY DOCUMENTS FOR THIS CONTRACT.** The commission further discussed alternative revenue sources besides rate increases and the overall need for additional monies for the harbor and its reserves. They outlined the guidelines for the study with the clear point that rates should not decrease for any class of vessel. Motion carried. **MOVED TO AMEND TO ALSO HAVE THEM LOOK AT A STRAIGHT ACROSS THE BOARD INCREASE TO COMPARE THE TWO RATES.** Motion carried.

RESOLUTION 15-072; Amending the Port of Homer Terminal Tariff No. 600 and the City of Homer Fee Schedule Annual Moorage Rates to include a 3.2% moorage fee increase per year in addition to the annual CPI increase effective January 1, 2016 and; be it further resolved **that a graduated linear foot rate structure be developed along with its**

implementation schedule in time for its use in assessing moorage rates effective January 1, 2017; adopted August 24, 2015.

RESOLUTION 15-073: Awarding a Contract in an Amount Not to Exceed \$20,000 to Northern Economics to Prepare a Graduated Rate Structure, and Also Linear Rate Structure for Comparison, Amending the Port of Homer Terminal Tariff Moorage Rates to Incorporate a 32% Rate Increase Over Ten Years to Fund the Port and Harbor Reserves as Recommended in the Northern Economics November 2013 Rate Study; and Authorizing the City Manager to Execute the Appropriate Documents; effective August 10, 2015.

PHC Regular Meeting, SEPTEMBER 22, 2015 – Harbor Rate Increase Proposal: Public comments from multiple large vessel owners were questioning why the commission was back to raising the rates and discussing changing from the linear method. There was extensive clarification from the commission and staff on the work that they had been doing, that they can't break up the sales tax from the Spit, and why they need to increase the rates. Some of the large vessel owners were saying it was going to drive the commercial business away from Homer that supports this harbor. The commission chair wanted to clarify that they have this item as a continuous agenda item to ensure we get public's input on the matter until they get the final rate study back from Northern Economics. One commissioner presented his rate calculations and it was discussed how to share this information with Northern Economics.

Northern Economics Rate Structure Study, OCTOBER 27, 2015 – The first draft of the rate structure study was presented to Port and Harbor staff and one commissioner, which included multiple options and did not fully adhere to the Port and Harbor Commission's goals for a rate structure change. A meeting with staff and Northern Economics worked out the issues through additional drafts until a final one was created.

RESOLUTION 16-007: Support of Full Funding for the State of Alaska Harbor Facility Grant Program in the FY 2017 State Capital Budget; effective January 11, 2016.

Northern Economics Rate Structure Study, JANUARY 12, 2016 – This FINAL study investigated a graduated rate structure in which the moorage rate charged per foot would increase the bigger the boat became, and to compare that with the harbor's current flat, per-foot linear rate. The findings and recommendations provided by Northern Economics was two alternative rate structures: **ALTERNATIVE A** – based on tiers set at a constant interval of 5 feet and a rate increase between tiers starting at 1.0 percent and decreasing to 0.1 percent with larger vessel sizes; **ALTERNATIVE B** – a continuous rate structure in which the annual moorage rate is calculated using the following equation:

$$\text{Permanent Moorage Rate} \left(\frac{\$}{\text{foot}} \right) = \frac{\$43.49 + (\$0.05 \times \text{foot}) \times \text{vessel length per foot}}{\text{foot}}$$

PHC Regular Meeting, JANUARY 27, 2016 – Mike Fischer, Northern Economics Rate Study Presentation: The Rate Structure Study dated January 12, 2016 was presented to the commission, including a comparison between the graduated linear method and the currently used linear method, and two alternative options the City could adopt if they chose to go with a graduated rate structure. It was reiterated that no vessel would see a reduction in their rates. There was extensive questions from the commissioners and discussion from staff and Northern Economics. Public comments were allowed during the agenda topic, one city resident stating that the graduated rate structure was a better alternative than the square foot method, even if he feels the flat rate method is fine. There was further discussion from the commission, the public, and staff regarding vessel sizes and who contributes what to the harbor. It was agreed to keep the item on the agenda so they could further discuss the study's findings.

PHC Regular Meeting, FEBRUARY 24, 2016 – Harbor Rates: The commission discussed the Council approving the 3.2% and annual CPI moorage increases. They then returned to the Rate Structure Study and hashed out all the points, details, and work that they have either accomplished or still need to do regarding the rate structure issue.

PHC Regular Meeting, MARCH 23, 2016 – Harbor Rates: Public comments from one city resident provided lay-down copies of the rate structure drafts and a letter to the commission explaining his opinion on which alternative method should be approved of, along with capping it at the largest vessel size that can fit in the largest berth, and how transient vessels should receive a reduction in their rate. The commission reviewed the alternatives A and B listed in the study from Northern Economics and discussed in details how each option would affect harbor users, how in the future it could be applied to the harbor expansion project, and how staff can effectively implement it. **MOVED TO ADOPT ALTERNATIVE B AT FIVE CENTS PER FOOT INCREASE AND CAP THE VESSEL SIZE AT 86 FEET. Motion carried.**

RESOLUTION 16-054: Amending the Port and Harbor fee schedule to implement a new graduated harbor moorage rate structure; **postponed** May 23, 2016.

RESOLUTION 16-055: Amending the Terminal Tariff to implement a new graduated harbor moorage rate structure; **failed** due to lack of a motion May 23, 2016.

From: peterhuycke@aol.com
To: [Jo Johnson](#)
Subject: small boat harbor slip rental rates
Date: Tuesday, May 24, 2016 3:16:32 PM

from june, 1978 until sept. 2016 i rented a slip (most recently v-9). had to give it up as i cannot physically handle my peterson bay cabin. i know the commercial (including charter) guys are working stiffs and gotta have some breaks. on the other hand, do not like puker boats to have to carry the load.
what about this? project your needed income for slip rental. determine from all the documentation the total length of all the boats, including the transients. then convert the needed income and total boat length to a rate per foot. add fudge factors for ups and downs of slip rentals and profit. then you have the same rate per foot for all boats.

To Homer City Council members,

I have been watching the issue of revising the slip fees that are being considered by the harbor commission and the city council.

As a private boat owner who pays slip fees, I am in favor of finding a fair and equitable way of parsing out the costs of maintaining our harbor in the form of slip fees. I believe that charging the users by the square footage is a fair method of attaining equity. In the past, slip fees were charged by the linear foot and in doing so, it gave those boats with a wide beam a discount when compared to the charge that might have been levied on a square footage basis. I further understand that if we were to change to a square footage method, that the large boat owners will face a sudden increase in fees. Many large boat owners have objected to these increases. I sympathize with them to some extent. However I also feel that it should be recognized that just because some have experienced a good deal in the past, it is not a sound argument today for avoiding fair charges going into the future. I do support spreading these changes out over a few years time to allow business to plan these expenses into their budgets.

Please consider carefully the actions that are taken today and recognize that planning for fair charges will sustain the harbor in the future.

Sincerely,

Holly Van Pelt
Homer City Resident
P.O. Box 3309
Homer, AK 99603
907-299-0695

From: [james mcreary](#)
To: [Jo Johnson](#)
Subject: comments on Homer Harbor boat slip fees
Date: Tuesday, June 07, 2016 5:26:12 PM

To Homer City Council:

I am a small boat (24ft) owner going on my 3rd year of slip rental in Homer's Harbor. This year is my 6th year to spend all summer in Homer, a city I love more each year and expect many more to come. Like many other small boat owners I store my boat in Homer when summer is over and therefore for 75% of the year I do not occupy the harbor traffic lanes or consume other resources or more space than my vacant slip. Consequently I have become interested in the moorage fees and how they are assessed.

Since my slip fee is based upon boat length it does not seem fair that a 100ft boat (4x my length) would pay only 4 times my fee as it obviously consumes much more than 4x the harbor real estate (area) that I do. I know from experience that such a boat nearly occupies the entire channel when transiting the harbor. Even if the argument is confined only to the moorage area and a coarse estimate is used, a 100ft boat would consume roughly 16 times my moorage space, yet is paying only 4 times my fee.

When renting real estate, one is expected to pay more for larger area. More specifically local governments assess property taxes based upon real estate area not upon real estate length. I think that slip fees should be based more upon area as well. I am familiar with the Consultant Analysis dated October 27, 2015 as a fair compromise and support its adoption by the council.

In my private affairs I recognize the importance of fairness and trust that the council will adopt the same for small boat owners like me.

Respectfully,

James Mcreary

Slip T29

From: [debbie mcreary](#)
To: [Jo Johnson](#)
Subject: proposed slip fee rate adjustments
Date: Tuesday, June 07, 2016 7:25:48 PM

To Homer City Council:

I own a small fishing boat. It's 24 feet in length, a nice size to take out and enjoy fishing in the bay. I'm thankful to have a slip to leave it every day I am here for the summer. I arrive generally on June 1 and depart mid-August and therefore it's moored for not quite 3 months even though I pay for one year.

Recently I discovered there was quite a difference in moorage fees for small boat owners compared to the larger boats. Currently I pay 1.61 per square foot and on March 23, 2016 the Harbor Commission adopted a new graduated rate of 1.64. I compared those numbers to the annual cost for a 75 foot boat and found it to be currently 0.72 with a new graduated rate of 0.78 per square foot. This doesn't seem fair to me for the small boat owners to be paying a much higher cost per square foot. I think it would be better if the cost structure was more fair and equitable for the small boat owners. I believe the proposed cost structure from Northern Economics is more fair and equitable and should be reviewed and adopted as the new graduated rate for moorage fees. I hope the Council members will review the discrepancy between the small and large boats's fees and make changes that are fair to all and more equitable for small boat owners.

Thank you for looking into this matter.

Sincerely,
Deborah McCreary
mcreary10@gmail.com

From: [Terry Thompson](#)
To: [Department Clerk](#)
Subject: City Council - comment on Homer harbor rate structure
Date: Tuesday, June 07, 2016 9:50:13 PM

Good evening Ms. Johnson, please include my comments in the packet for members of the Homer City Council in relation to the proposed rate structure for the Homer harbor.

To the honorable Homer City Council members,

My name is Terry Thompson and I'm a resident of the City of Homer, my address is 4555 Emerald Rd. P.O. Box 2282. I am writing to you in reference to the proposed rate structure for the Homer harbor. I am a current Homer harbor user, and currently occupy a slip for my 24 ft. personal boat. I have always had a very good relationship with the Harbor Master and his staff at the Homer harbor. I find them professional and very helpful, and appreciate the work they do to maintain a first class harbor.

I have been following the ongoing debate about the proposed rate structure for slip rental in the harbor and wanted to provide you with my comments. I support the proposed rate structure as proposed by the consultant, Northern Economics. In my mind all users of the harbor should pay appropriate and equitable rates for access to harbor facilities. The rate structure proposed by the Harbor Commission are not equitable across the board to all boat owners. While I realize that it would be impossible to be absolutely equal, I personally believe that the rates as proposed by your consultant to be the best alternative to a fair and equitable rate.

Thank you for your service to Homer, and I look forward to a decision that is fair to all boat owners.

Regards,

Terry Thompson

From: [Rachel Barton](#)
To: [Department Clerk](#)
Subject: Port and Harbor Fees
Date: Tuesday, June 07, 2016 10:59:17 PM

To the City Clerk, City Council, Mayor Wythe et. al,

We are writing to formally lodge our objections to the proposed fee schedules for the Port & Harbor. As it stands, the schedule disproportionately and unjustly charges the average user of the Homer Harbor, while granting favored status to larger boat owners. If the goal is to create a sustainable and equitable rate for Homer Harbor, then we fear the Port & Harbor Advisory Commission has failed on both counts.

Please take a moment and consider the role of the Harbor in this community and in this state. If we wish to see the City of Homer thrive, its Harbor must thrive. Unreasonably arbitrary fee structures will not improve the Harbor or the local economy.

Furthermore, we are disturbed by the city's disregard for the expert opinion it both asked and paid for. Why this waste of both city funds and time? If they aren't expert enough that we listen to their advice, why waste their time by asking in the first place?

The City Council should reject this proposal and consider a truly fair and equitable fee schedule that reflects the diversity among harbor users and the community as a whole.

Sincerely,

Brian "Luke" Barton and Rachel Barton

Anchor Point, AK

From: [Capt. Ron Hurley](#)
To: [Department Clerk](#)
Subject: Harbor rate structure.
Date: Wednesday, June 08, 2016 4:41:41 AM

Harbor Commission Members,

Ron Hurley here of In-2-Fishin Charters. Until last year I was totally unaware of the difference in rates that one size boat owner versus another would pay for space in the Homer Harbor. I guess I just assumed that everyone would pay by the foot as I do. After some thought it became very clear that the larger the boat the more square footage it consumes. So, it is my belief that square footage should be the basis and not length in determining the rate we are charged. My charter boat, the Sweet "T", is 36.6 feet overall and 11 feet wide and I expect to pay more than someone with a 22 foot runabout. Taking this to the next level, I expect to pay more than someone with a boat the same length but a narrower beam (I occupy more square footage). Not being a civil engineer or mathematician, I have no idea how to figure the appropriate breakdown of usable space in the harbor, but there has to be a way. Please consider my thoughts and act responsibly.

Thank you for your time.

Ron Hurley
In-2-Fishin Charters
P. O. Box 1604
Homer, AK 99603

May 23, 2016

Good Evening Madam Mayor and Council Members

I am Sharon Minsch Homer resident and small boat owner.

I am speaking this evening in favor of Resolution 15-054 setting a public hearing for the new rate structure. I am opposed to the rate structure proposed by the P&H Commission.

It is my understanding that the Council directed the Commission to develop a rate structure that is fair and equitable to all users of the harbor. I know how long this has been worked on and how contentious the issue has been at the P&H

I do not agree with the proposed rates.

I believe the larger boats use more space, use more public right of way and require more expensive and oversized infrastructure. I believe we need a rate that reflects the much larger space in the harbor used by larger boats.

Below is a cost comparison using the existing rates of \$43.49 per lineal foot and costing it out on a square foot basis:

My 30 foot boat pays \$1334.40 annually (plus KPB tax) or \$111.17 a month. 10 wide by 30 length is 300 sqf of harbor space. Using a sqf method my rate is .37 per sf.

A 75 foot boat pays \$3261.75 annually (plus KPB tax) or \$271.81 per month. Estimate a 25 foot width x 75 feet and you get 1875 sqf of harbor space. Using a sqf method that rate is .14 per sqf.

The new Moorage Rate proposed schedule is \$43.49 per lineal foot with a .05 increase per foot up to an 86 foot vessel.

My 30 foot boat at $43.49 + 1.50$ (.05 per foot) for a rate of \$44.99 per lineal foot. That rate would be \$1349.70 annually. Based on 300 sqf of harbor space that is .37 per square foot.

A 75 foot boat at $43.49 + 3.75$ (.05 per foot) for a rate of 47.24 per lineal foot. That rate would be \$3543.75 annually. Based on 1875 sqf of harbor space that rate is .16 per sqf.

I am not proposing a straight sqf method. I am asking for a fair and equitable rate that recognizes how much more space and infrastructure the large boats use. Using this method you can easily see we are renting moorage space to the larger boats for less than half of what we are charging the smaller boats'.

I would encourage all smaller boat owners to take the time to understand the rates and weigh in on the disparity of what we pay. As you can see in memorandum 16-084, the large boat owners already weighed in against much change to the harbor rates.

Thank you.

A comparison of harbor rates for two size boats.

CURRENT RATES

30 foot boat pays 43.49 per foot or 1304.40 ANNUALLY, 108.17 monthly.

30 x 10 boat uses 300 sqf of harbor.

1304.40 annual rate divided by 300 sqf = 4.35 per sqf annually

108.17 monthly rate divided by 300 = .36 cents per sqf monthly

75 foot boat pays 43.49 per foot or \$3261.75 ANNUALLY, 271.75 monthly

75 x 25 uses 1875 sqf of harbor

3261.75 annual rate divided by 1875 sqf = 1.74 per sqf annually

271.25 monthly rate divided by 1875 sqf = .14 cents per sqf monthly

PROPOSED RATES

30 foot boat at 43.49 + .05 per lineal foot is 44.99 per foot

1349.70 annual rate divided by 300 foot = 4.50 annually

112.48 monthly rate divided by 300 = .37 per sqf monthly

75 foot boat at 43.49 + .05 per lineal foot is 47.24 per lineal foot

3543.00 annual rate divided by 1875 sqf = 1.89 per sqf annually

295.25 monthly rate divided by 1875 sqf = .16 per sqf monthly

What is a fair and equitable rate for all users of the Homer Harbor?

Sharon Minsch

June 7, 2016

I have attached the following from the unapproved minutes of May 25, 2016 Port and Harbor Commission meeting for discussion..

"COMMENTS OF THE CITY STAFF -Harbormaster Hawkins gave a brief overview of Councils action on the proposed rate structure. They moved Resolution 16-054 for the change to implement the rate structure in the fee schedule to public hearing and Resolution 16-055 to implement the rate structure in the tariff failed because no one made a motion and there was no discussion. He explained there were five small boat owners who testified this change was not fair to small boat owners, large vessels should pay more than what was in the proposal, that it not be adopted, and that it be postponed to a public hearing. The Commission discussed they need to be at the meeting on the 13th to defend their position. Commissioner Hartley commented he's heard comments that Council may develop a task force to do this. It's not going to stay like it is presently and it won't be what they established and unless they take part the result may be something we don't want at all. **The harbor is working well and they have reached a decent compromise. We heard all the comments and sat through all the back and forth. We support the large vessels because they provide a lot of income into the community and drive a lot of the economy.** He expects the Council will select the group of people to be on the task force.

Harbormaster Hawkins responded it appears all the work the Commission has done was not appreciated. Commissioner Hartley said he thinks they weren't aware of a lot of it. The Commission talked briefly about meeting with the Council to let them know more about the time and effort that went in to hearing the public testimony and weighing different options for the rates. Chair Ulmer agreed to talk to the Mayor about scheduling time at the June 13th meeting to have a worksession with the Council to discuss the recommended rate structure and the work that went into it. "

Setting rates for the Harbor is not about supporting the large vessel owners as the P&H Commission continues to do. It is about setting fair and equitable rates for all users of the Port and Harbor as the City Council directed them to do. It is about supporting the Port and Harbor- not any specific interest group.

We have read P& H minutes and waited patiently for over two years while the P&H struggled with how to do as they were directed. We know how hard they worked and we know how contentious it was to try to come up with rates there were fair and equitable. We know Federal and State subsidies to our Port are not going to be what they have been in the past. We need to act now and decide how to prepare for these changes.

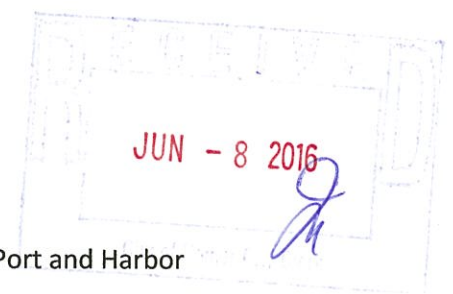
The system has been broken for a long time and it is past time to correct it. As with the Water and Sewer Enterprise Fund, rate setting should never be done as part of the budget process.

We need to make every dollar that we can for the harbor from every user by charging fair and equitable rates to all users for all services. The large boats are no more important to the Harbor than the small boats in terms of what they cost to rent moorage space in the harbor.

We are not asking for a sqf method which the large vessels feel is excessive. That said, I think .37 per sqf is excessive for our 30 foot boat when we charge .16 per sqf for the 80 foot boat. We are asking for a graduated rate that is fair and equitable to all users of the harbor regardless of size, income, length of time lived in Homer or any reason other criteria the cost to provide moorage.

SHARON MINSCIE
399-4266

321 Sharon Minsc



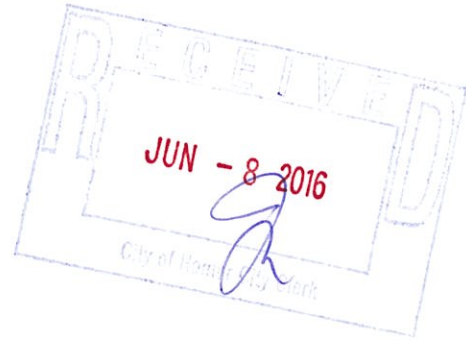
June 6, 2016

Memorandum

To: Homer City Council

From: Bob Howard

Subject: Setting Harbor Moorage Rates



SETTING FAIR AND EQUITABLE MOORAGE RATES FOR ALL USERS OF THE HARBOR IS PROBABLY THE MOST IMPORTANT AND FAR REACHING PUBLIC POLICY DECISION THAT THIS OR ANY OTHER COUNCIL WILL EVER MAKE ON BEHALF OF THE HARBOR.

This memo and its attachments have been prepared to lay out a possible approach to setting fair moorage rates for all users in the harbor.

The program includes three elements:

- Introducing our consultant's proposed rate structure the small vessel owners feel is fair.
- Introducing an Implementation Plan for the new rate structure
- Recommending this be handled at the Council level, and not the Harbor Commission level

Introducing Our Consultant's Proposal

Recall the City Council authorized retaining Northern Economics to prepare a fair and equitable graduated linear rate structure as envisioned by action taken in Resolutions 15-072 and 15-73 last year.

The Consultant's first draft details a structure shown on page 5 of its October 27, 2015, that appears the most fair of all proposals shown (**Attachment 1**). It is identified as **Table 3. Rate Table, Alternative 2**

The small vessel owners feel that the proposed schedule is fair, and needs to stand as the measure by which all other proposals need to be evaluated to determine if they are more fair than the one presented.

Why do we feel this proposal is fair?

It is consistent with Kodiak's rate structure, with Kodiak being lower at the small vessel end of the spectrum, while Kodiak is more on the upper end of the structure (**see Attachment 2**).

The Consultant's structure fits within a square foot analysis of our harbor as shown in **Attachment 3, "Developing a Basis for a Graduated Rate Structure"**. The Consultant's proposal is higher at the small vessel end of the spectrum, and lower at large vessel end of the spectrum.

These comparisons demonstrate that our Consultant was not hallucinating when he prepared the schedule for Homer. It is very well thought out and should stand as the “Gold Standard” for fairness.

The Implementation Plan

Resolution 15-072 carried the direction to develop a graduated linear foot rate schedule, and, in addition to develop its “implementation plan”. When I drafted the substitute resolution that became 15-072, I envisioned a graduated rate structure similar to the Consultant’s. I believed that due to the nature of the increase for the larger vessels, it would be appropriate to achieve its full implementation over several years. **Attachment 4** details the implementation program.

In summary, small vessels will be frozen at the current uniform rate of \$43.49 per year per foot of length until its respective proposed graduated rate structure escalates (estimated to be 5.5% per year) year after year until it becomes larger than \$43.49. This takes about 6 years for a 20’ long vessel.

At the same time, the vessels that need to go up, will do so by escalating the current \$43.49 by the same factor used for the small vessels, plus \$3 additional each year. Concurrently, we track what the value is of the Consultant’s respective graduated rate for each of the larger vessels.

When the escalating $\$43.49 + \3 reaches the value of the escalating graduated rate, the \$3 addition is dropped from the calculation. For the largest vessels, this takes about 6 years.

The reason that we need to freeze the small vessels, and not reduce any of their rates is that we need to assure adequate revenue is collected to meet our annual operating demands. Rates cannot go down unless there is an equivalent increase to maintain the same revenue.

The Commission Involvement

I recommend the Council directly take on the responsibility of resolving this public policy issue in a fair manner to all users of the harbor.

Other attached documents

- Rate Comparison of Kodiak to Homer(**Attachment 5**)
Why this? Because large boat owners opine they will leave the harbor if they are expected to pay their fair cost for the service area they require. The largest difference for our reserved slip moorage is just over \$800 per year. The cheapest round trip air fare is \$510

Memorandum

Date: October 27, 2015
To: Bryan Hawkins, Port Director, City of Homer
From: Northern Economics, Inc.
Re: Homer Harbor Rate Structure

This memo evaluates alternative rate structures for the Homer Harbor. Homer's current moorage rate structure is a flat fee charged per linear foot of vessel length or stall length, whichever is greater. The City of Homer is interested in investigating graduated rate structures in which the rate charged per foot would vary by vessel size. The purpose of this study is to provide an objective analysis of alternative rate structures and options for Homer Harbor.

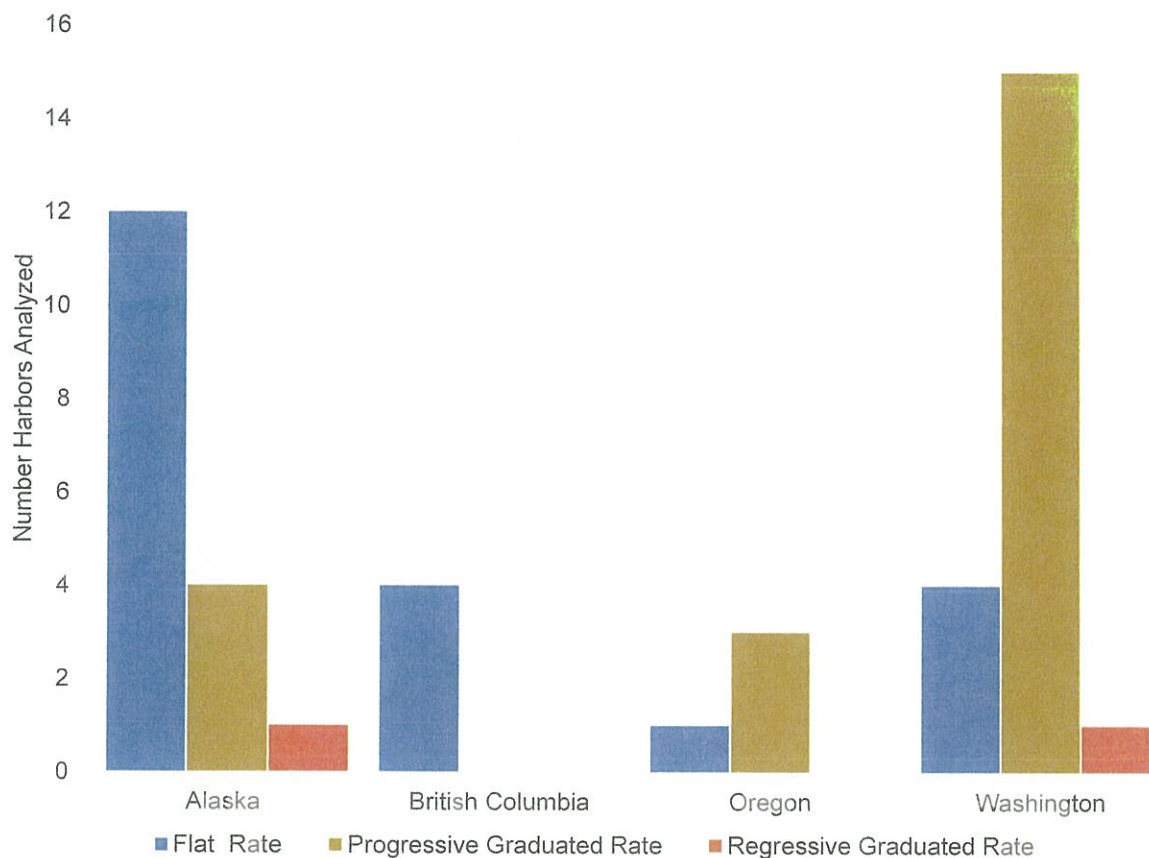
Rate Structure Review

Northern Economics analyzed the permanent moorage rate structures of 45 harbors across Alaska, British Columbia, Washington, and Oregon. Three distinct rate structures were identified within these harbors:

- **Flat Rate:** moorage rate per foot is constant, regardless of vessel or slip size.
- **Progressive Graduated Rates:** moorage rate per foot increases with the vessel or slip size.
- **Regressive Graduated Rates:** moorage rate per foot decreases with the vessel or slip size.

Of the 45 rate structures analyzed, 22 had flat rates and 23 had graduated rates. Of those with graduated rates, 21 were progressive and 2 were regressive. Figure 1 illustrates the distribution of the harbors analyzed by location and rate structure type. While flat rate structures are most common among Alaska harbors, both progressive and regressive rate structures are also being used in the state. Graduated rate structures are prevalent in Oregon and Washington.

Figure 1. Frequency of Rate Structure Types by Location



Source: websites and rate sheets collected from harbors

Table 1 lists the harbors analyzed in this study with the details about their graduated rate structures. These data were used as the basis for the five alternative rate structures presented in this report.

Table 1. Graduated Rate Structures by Port

Port ^a	State	Graduation	Tier Size (ft)	Rate Change per Tier (%)	Transient Structure
Astoria	OR	Progressive	9	3-10	Graduated
Bainbridge	WA	Progressive	8	6-9	Graduated
Ballard Mill	WA	Progressive	2-8	6-9	Only offer Monthly
Bandon	OR	Progressive	various	\$0.01 ^b	Graduated
Bellingham	WA	Progressive	3-11	2-17	Graduated
Blaine	WA	Progressive	3-14	1-16	Flat Rate
Bremerton	WA	Progressive	4	2-9	Flat Rate
Dana Point	OR	Progressive	5	2-22	Flat Rate
Elliot Bay	WA	Progressive	2-10	2-9	Flat Rate
Everett	WA	Progressive	2-5	5-22	Permanent + Flat Fee
Fishermen's Terminal	WA	Progressive	10	1-9	Graduated
Friday Harbor	WA	Progressive	2-10	1-2	Graduated
Haines	AK	Progressive	40	\$6 ^c	Flat Rate
Kennewick	WA	Regressive	5-20	1-25	Flat Rate
Kodiak	AK	Progressive	20	7-20	1/60 of Annual
Olympia	WA	Progressive	8	4-13	Flat Rate
Petersburg	AK	Progressive	8-12	11-15	Flat Rate
Port Angeles	WA	Progressive	10	6-9	Graduated
Port Townsend	WA	Progressive	2-5	1-8	Flat Rate
Shilshole Bay	WA	Progressive	2-10	1-16	Graduated
Tacoma	WA	Progressive	2	various	Only offer Monthly
Thorne Bay	AK	Regressive	5-13	1-2	Graduated
Unalaska	AK	Progressive	10	7-23	Graduated

Notes:

^a Harbors with flat rate structures are not included in the table. These harbors included Brentwood Bay, Chenega Bay, Comox, Cordova, Dillingham, Grays Harbor, Juneau, Kalama, Ketchikan, Kingston, Nanaimo, Nome, Poulsbo, Seward, Sitka, Skagway, Toledo, Valdez, Whittier, and Wrangell.

^b Rate structure uses a \$0.01 increase between tiers instead of a consistent percent change between tiers

^c Rate structure uses a \$6 increase between tiers instead of a consistent percent change between tiers

Source: Websites and rate sheets collected from harbors.

Separate rate structures for transient and permanent moorage were common throughout the rate structures sampled, but the structure of transient moorage and premium over the permanent rate varied significantly between ports. In all cases, daily transient moorage rates were higher than the permanent moorage rates. Some harbors apply a separate graduated rate structure for transient moorage, but there were also a number of harbors that charge a flat rate.

Alternative Rate Structures for Homer

Within graduated rate structures there are two main variables that can be manipulated to produce a customized rate structure. The first is the size and number of tiers within the graduated scale. These tiers can be set to a single uniform size or vary based on vessel size, slip size, or demand. Often tiers are matched with fleet or infrastructure characteristics, such as slip sizes, popular recreational vessels, or species-specific commercial fishing vessel lengths. The second variable is the extent of change

between tiers. The degree of change between tiers may be constant or vary across tiers. Often the rate change is proportional to the size of the tiers.

Based on the rate structure review, Northern Economics developed five alternative rate structures for the City of Homer to consider. These structures illustrate how the graduated rate structures found in other harbors could be applied to Homer. Following the structures are tables illustrating the effect each would have on vessels of different size.

Alternative 1: A progressive graduated rate structure in which the tiers correspond to the slip sizes available in Homer Harbor. The rate increase for each tier ranges from 2 to 5 percent and increases at a decreasing rate.

Alternative 2: A progressive graduated rate structure with smaller tiers set at a constant interval of 4 feet. The rate increase for each tier ranges from 2 to 8.5 percent and increases at a decreasing rate.

Alternative 3: A progressive graduated rate structure with fewer tiers set at a constant interval of 20 feet. The rate increase for each tier ranges from 4 to 10 percent and increases at an increasing rate

Alternative 4: A regressive graduated rate structure with tiers set at a constant interval of 9 feet. The rate decrease for each tier ranges from 1 to 4 percent and decreases at an increasing rate.

Alternative 5: A progressive continuous rate structure in which the annual moorage rate is calculated using the following equation:

$$\text{Permanent Moorage Rate} \left(\frac{\$}{\text{foot}} \right) = \frac{\$39.95 + \frac{\$0.05}{\text{foot}} \times \text{vessel length (feet)}}{\text{foot}}$$

Northern Economics developed rate tables for each of the alternatives outlined above, as shown in Table 2 through Table 6, calculating the rate required to maintain existing revenues (i.e., rate neutral). Note, however, that the analysis does not consider the elasticity of demand to changes in price.

Alternative 1, shown in Table 2 below, employs a progressive graduated rate structure that increases at a decreasing rate between tiers. The annual rate per foot under this alternative ranges from \$36.72 for vessels under 18 feet to \$46.70 for vessels over 76 feet. Under this rate structure, annual moorage for a 30 foot vessel would be \$486, or approximately 63 percent more than annual moorage for a 20 foot vessel.

Table 2. Rate Table, Alternative 1

Vessel Length (feet)	Change in Rate from Previous Tier (%)	Calculated Annual Rate (\$/foot)
0-18	-	36.72
19-20	5.00	38.55
21-24	4.50	40.29
25-32	4.00	41.90
33-40	3.50	43.37
41-50	3.00	44.67
51-75	2.50	45.78
76+	2.00	46.70

Table 3 contains the second alternative rate structure, a progressive graduated structure using consistent 4-foot tiers. Like the first alternative, the rate changes between tiers increases incrementally at a decreasing rate. Under alternative 2, annual moorage for a 30 foot vessel would be \$499 or 74 percent more than the annual moorage for a 20 foot vessel. Compared to the other alternatives presented in this study, alternative 2 has the widest range in rates across different vessel sizes.

Table 3. Rate Table, Alternative 2

Vessel Length (feet)	Change in Rate from Previous Tier (%)	Calculated Annual Rate (\$/foot)
0-15	-	31.02
16-20	8.50	33.66
21-25	8.00	36.35
26-30	7.50	39.08
31-35	7.00	41.81
36-40	6.50	44.53
41-45	6.00	47.20
46-50	5.50	49.80
51-55	5.00	52.29
56-60	4.50	54.64
61-65	4.00	56.82
66-70	3.50	58.81
71-75	3.00	60.58
76-80	2.50	62.09
81+	2.00	63.33

Alternative 3, shown in Table 4, is a progressive graduated rate structure that uses consistent 20 foot tiers. Unlike the first two progressive structures presented, the third alternative increases incrementally at an increasing rate. Larger tier sizes and increasing incremental rate changes between tiers results in steep increases between tiers. For example the annual moorage for a 45 foot vessel is \$317.90 or 19 percent more than the annual moorage for a 40 foot vessel.

Table 4. Rate Table, Alternative 3

Vessel Length (feet)	Change in Rate from Previous Tier (%)	Calculated Annual Rate (\$/foot)
0-20	-	39.68
21-40	4.00	41.26
41-60	6.00	43.74
61-80	8.00	47.24
81+	10.00	51.96

Table 5 shows Alternative 4, a regressive graduated rate structure using 15-foot tiers. This regressive rate structure decreases incrementally at an increasing rate. Under this rate structure, annual moorage for a 30 foot vessel is \$406.80 or 48 percent more than the annual moorage for a 20 foot vessel. Under a regressive rate structure, the difference in annual moorage between vessels of diverse sizes will be less than a progressive rate structure.

Table 5. Rate Table, Alternative 4

Vessel Length (feet)	Change in Rate from Previous Tier (%)	Calculated Annual Rate (\$/foot)
0-15	-	43.03
16-25	1.00	42.60
26-35	1.50	41.96
36-45	2.00	41.12
46-55	2.50	40.09
56-65	3.00	38.89
66-75	3.50	37.53
76-85	4.00	36.03

Alternative 5 is a progressive continuous rate structure in which the annual moorage rate per foot increases consistently by \$0.05 for every foot. As noted above, the rate is calculated according to the formula:

$$\text{Permanent Moorage Rate} \left(\frac{\$}{\text{foot}} \right) = \frac{\$39.95 + \frac{\$0.05}{\text{foot}} \times \text{vessel length (feet)}}{\text{foot}}$$

Table 6 displays the calculated annual rate under alternative 5 for various vessel length. The rate increase per foot for this alternative was developed to maintain existing revenues and produce the same average weighted annual cost per foot that is currently charged in Homer Harbor.

Table 6. Rate Table, Alternative 5

Vessel Length (feet)	Calculated Annual Rate (\$/foot)
10	40.48
20	41.02
30	41.55
40	42.09
50	42.62
60	43.15
70	43.69
80	44.22
90	44.76

Effect of Rate Structures on Moorage Fees Paid by Vessel Owners

To demonstrate the impact of the alternative rate structures on vessel owners, Table 7 shows the annual moorage payment (not including sales tax and the administrative fee) for vessels ranging from 18 to 68 feet under the alternative rate structures and the current rate of \$41.70 per foot. The table also shows the percent change in moorage payments relative to the current flat rate.

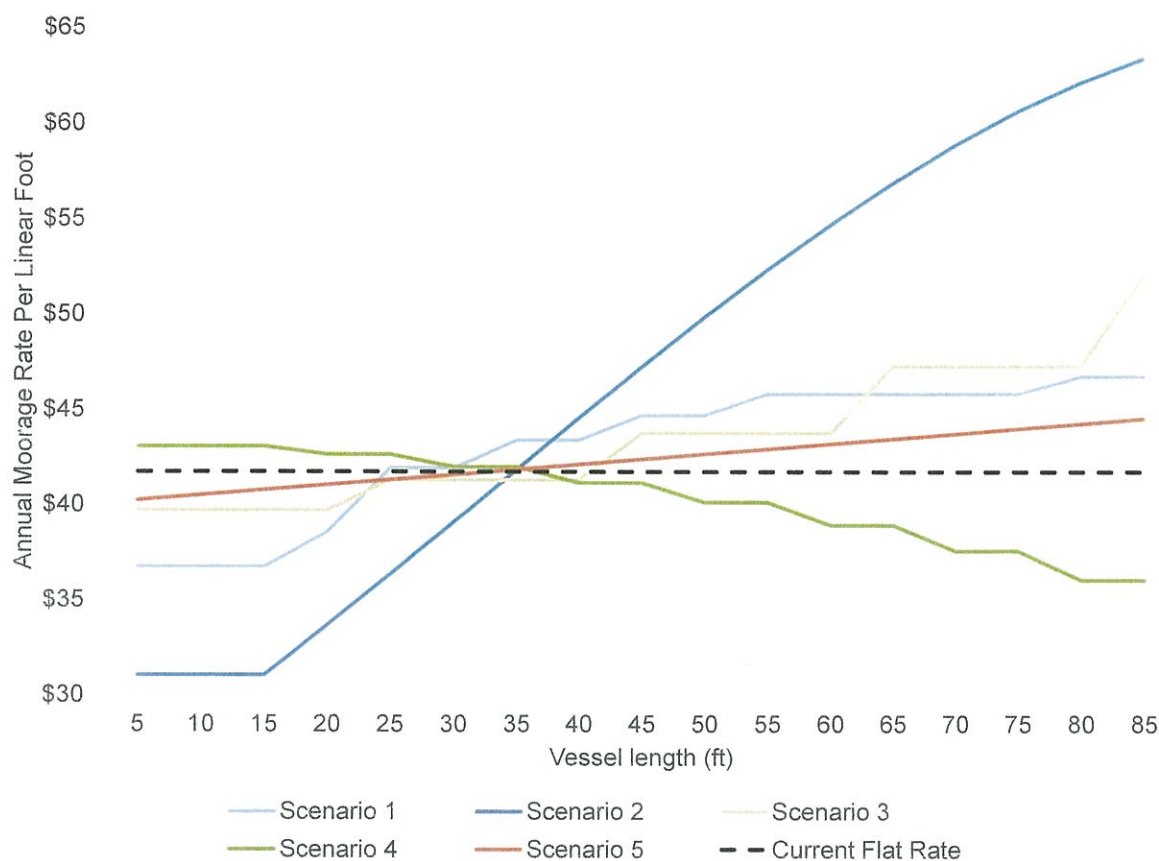
Table 7. Annual Moorage Revenue and Change by Alternative and Vessel Length

Rate Structure	Vessel Length (ft.)					
	18	24	32	42	54	68
Annual Moorage Payment (\$)						
Alternative 1	660.90	966.90	1,340.77	1,876.00	2,472.30	3,113.26
Alternative 2	605.82	872.38	1,337.94	1,982.40	2,823.43	3,999.28
Alternative 3	714.16	990.30	1,320.40	1,837.01	2,361.87	3,212.14
Alternative 4	766.75	1,022.33	1,342.67	1,727.00	2,164.92	2,551.86
Alternative 5	736.36	989.51	1,333.04	1,772.07	2,313.02	2,963.60
Current Rates	750.60	1,000.80	1,334.40	1,751.40	2,251.80	2,835.60
Change From Current Rate (%)						
Alternative 1	-11.9	-3.4	0.5	7.1	9.8	9.8
Alternative 2	-19.3	-12.8	0.3	13.2	25.4	41.0
Alternative 3	-4.9	-1.0	-1.0	4.9	4.9	13.3
Alternative 4	2.2	2.2	0.6	-1.4	-3.9	-10.0
Alternative 5	-1.9	-1.1	-0.1	1.2	2.7	4.5

All of the alternative rate structures increase moorage payments for some vessels and decrease rates for other vessels. Under progressive rate structures (alternatives 1, 2, 3, and 5), moorage payments would be reduced for smaller vessels and increased for larger vessels. Under the regressive rate structure (alternative 4), the moorage payment would be reduced for larger vessels and increased for smaller vessels.

Figure 2 compares the current annual rate per foot with the five alternative rate structures. The intersection of each alternative with the current rate indicates the vessel length at which the alternative rate changes from being higher than the current rate to lower. With progressive rate structures, this is the length at which rates become higher than the current rate, and vice versa for regressive structures.

Figure 2. Comparison of Alternative Rate Structures by Vessel Length



Differentiation by User Type

In addition to length-based rate structures, some harbors charge different rates based on the user type. Four harbors within the sample have class-based divisions, all of which are divided into recreational vessels and commercial vessels. Fishermen's Terminal in Seattle and Blaine Harbor in Bellingham each apply separate graduated rate structures for commercial and recreational vessels. In both cases, the monthly moorage rate per foot is significantly less, between 13 and 39 percent at Fishermen's Terminal and between 28 and 35 percent at Blaine Harbor for commercial vessels. The tiers used in the graduated rate structure for commercial vessels are also much larger than those used for recreational vessels. Commercial-specific rate structures are also set to accommodate larger vessels, with the first tiers ending at 80 feet under both rate structures.

Table 8. Commercial Moorage Discounts by Harbor

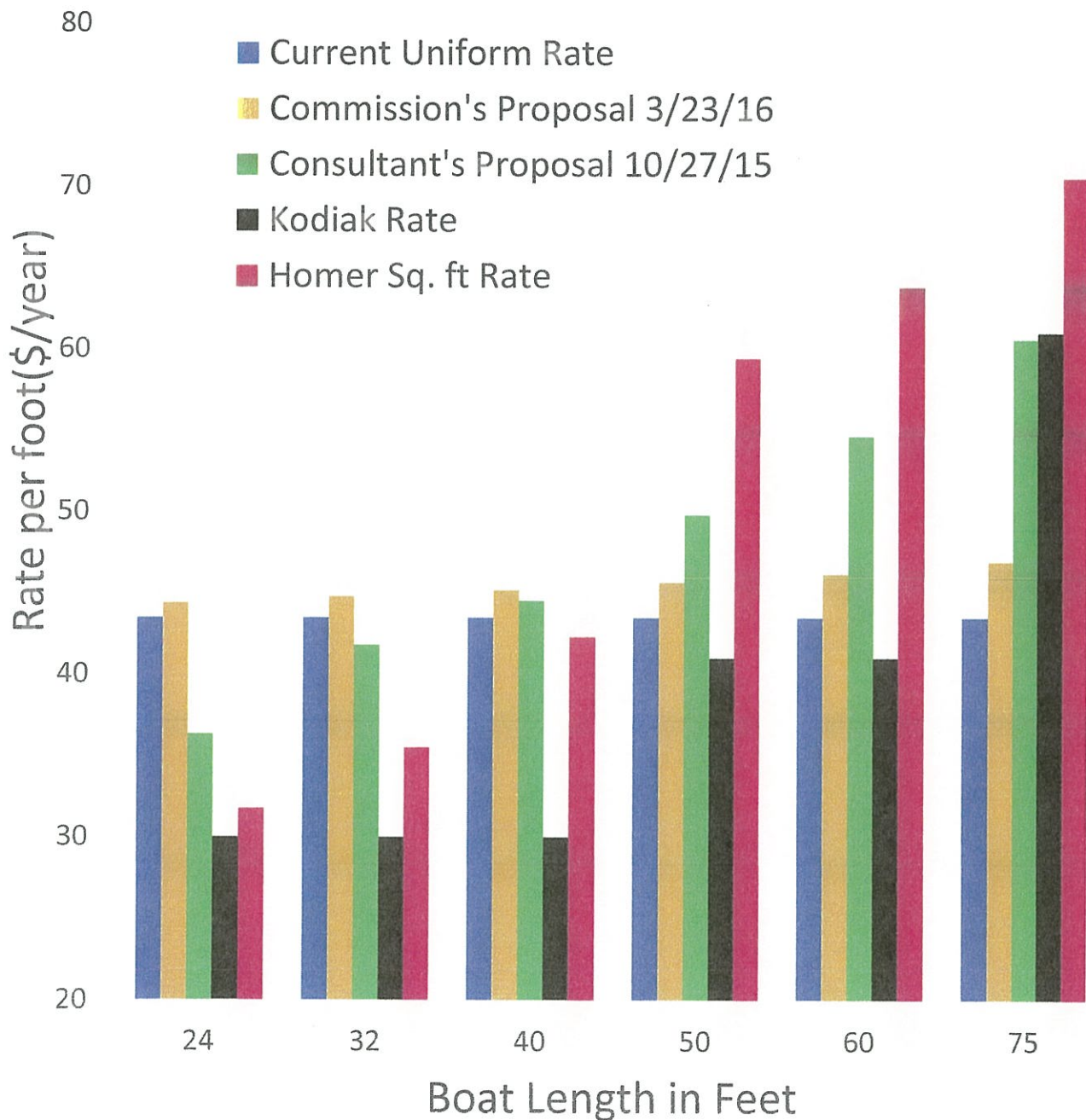
Harbor	Rate Structure	Discount for Commercial Relative to Recreational (%)
Blaine	Graduated-Progressive	28-35
Comox	Flat Rate	34
Fishermen's Terminal	Graduated-Progressive	13-39
Nanaimo	Flat Rate	32-35

Source: Websites and rate sheets collected from harbors.

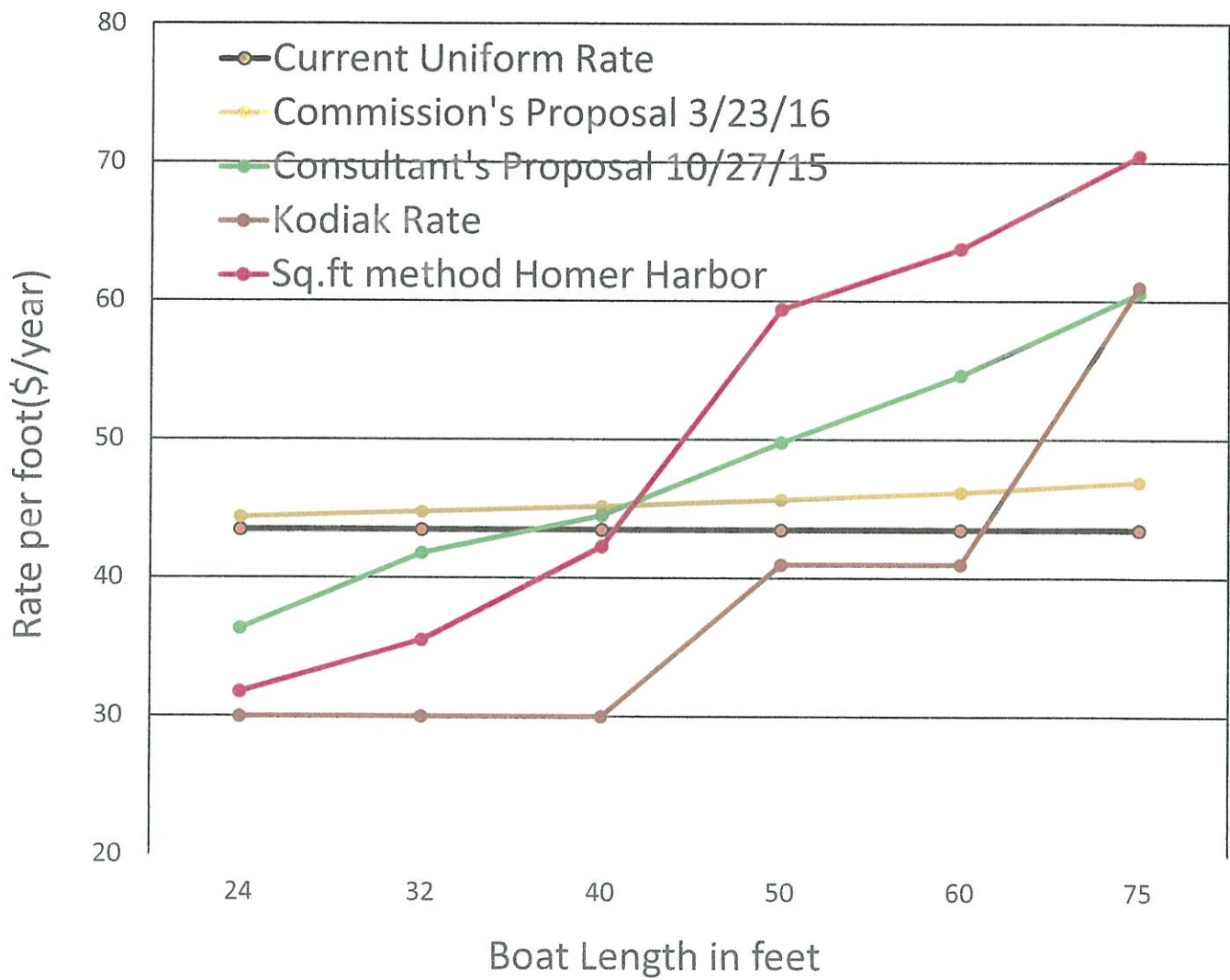
The Port of Nanaimo and Comox Valley Harbor in British Columbia also charge separate moorage rates for commercial and recreational vessels. Both of these harbors use separate flat rate structures for each user type. Moorage for commercial vessels is 32 to 35 percent less than the moorage for recreational vessels at both of these harbors.

ATTACHMENT 2

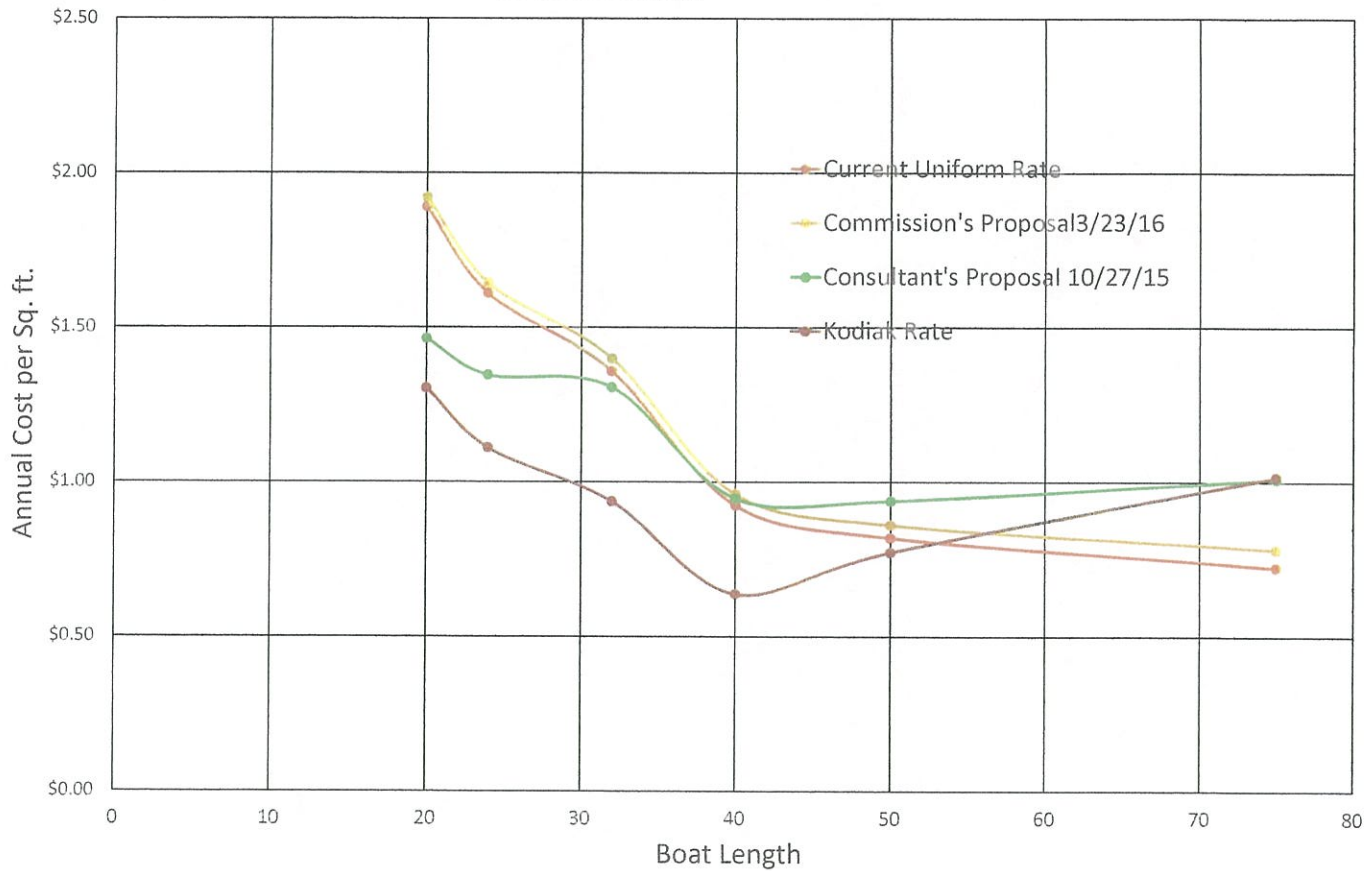
Developing a Basis for a Graduated Rate Structure



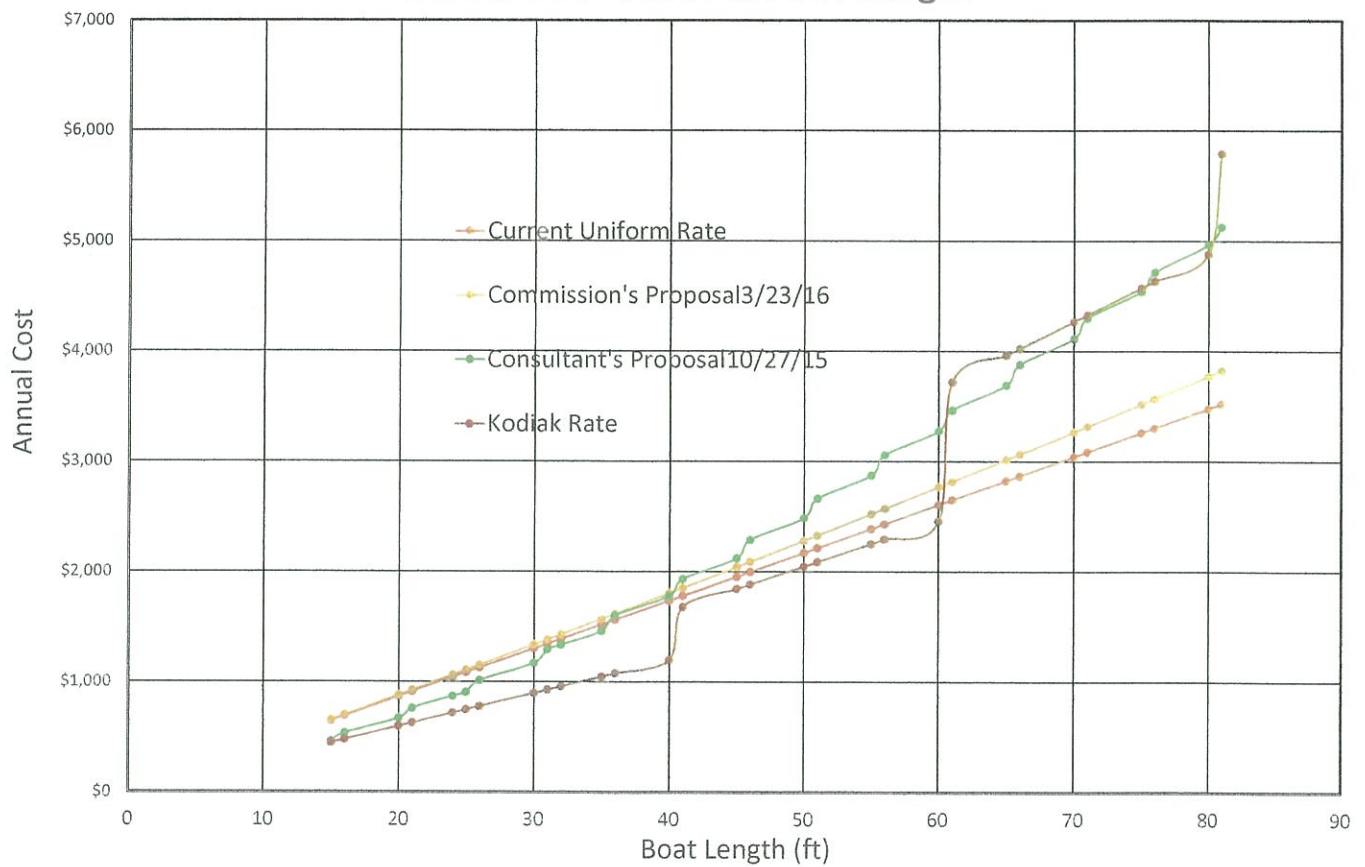
Developing a Basis for a Graduated Rate Structure Structure Comparisons



Homer Port & Harbor
Annual Cost per Square Foot Area
Vs. Vessel Length



Homer Port & Harbor Annual Boat Cost Per Foot Length



Attachment 3

Developing a Basis for a Graduated Rate Structure

(Square Foot Method- Homer Harbor)

by Bob Howard, June 2015

Steps:

1. Develop aerial understanding of the harbor, i.e., understand how much area is required per vessel in each vessel class.
2. Determine the revenue required to operate that harbor area
3. Determine the total linear feet of each vessel class that will fit in the harbor area.
4. Since the same size vessel occupies the entire area, determine the cost per foot of vessel that is required to produce the revenue goal. Do this for each class length that is desired.
5. With the number of vessels known in each class, the relative operations and maintenance cost can be estimated up or down to adjust the rate for each class. This is a professional judgement evaluation made by experienced harbor staff, with defensible justification for adjustments made.

Getting Going:

I have developed the areal relationships for the existing reserved moorage area on the southwest side of the harbor. I have determined the existing total linear feet of moorage in the reserved area to be 19,112 feet. The current rate is \$41.70 per foot per year.

The annual revenue produced is \$796,970.

Analysis of the dimensional relationships shows that the general basin width is about 3.75 times the vessel class length. Using this relationship, I can determine the following for the greater than 32' vessels. I am limiting my analysis to this because this area is very broken up with mixed classes, while the 24-32' classes are very well defined.

Vessel Length	Basin Width	Basin Width/Vessel Length
---------------	-------------	---------------------------

Attachment 3

24	Ave. 95' for 4 basins	3.96
Vessel Length	Basin Width	Basin Width/Vessel Length
32	Ave 121' for 8 basins	3.78
40	150' calculated	3.75
50	188' calculated	3.75
60	225' calculated*	3.75
75	281' calculated	3.75

*Note that Basin B-C =225' for 75' + 50'

Using the number of vessels on each float and the length of the float, I can determine the the square footage that is required for each foot of vessel in that basin.

Vessel Class	Sq. Ft./Linear foot of vessel
24	28.4
32	31.75
40	37.8 (using float D as my data source, 23 Vessels on 290')
50	53.1 (Using Float C as my data source 23 vessels on 325' of float)
60	57 (Using calculated ratios of the 50 & 75' to Develop this ratio)
75	63 (developed using the Basin BC number of 58, and the 53.1 for the 50' above)

I know the total area of the reserved moorage to be 712,138 square feet.

I can now calculate the linear feet of each class of vessel in the total

Attachment 3

area, if the total area is populated with that class only. The linear feet is determined by dividing 712,138 by the Sq. Ft./ linear ft of vessel above. Dividing the revenue (\$796,970) by the linear feet yields the annual cost per foot for that class.

Vessel Class	Linear Feet	Annual Cost per Foot
24	25075	31.78
32	22430	35.53
40	18840	42.30
50	13411	59.43
60	12494	63.79
75	11304	70.50

At this point, an evaluation (professional judgement) needs to be made on operations and maintenance costs adjustment for each harbor configuration such as would staff be reduced if only 75' vessels occupied the area?

Would there be an increase in staff if there were only small boats in the area?

How does the amount of seasonal transient affect staffing?

Other identifiable and measureable impacts?

Attachment 4

Rate Structure Implementation

The purpose of this document is to implement the the new rate structure over a period of years, so that our users do not experience a large single year increase. By the same token, doing this means the small vessel owners will see no reduction in rate, but over the implementation period their rates will remain fixed until the annual increases in the starting base rate equals or exceeds the fixed rate. There can not be a reduction because we will not receive the necessary revenue to operate.

As an example, I will work with the **16-20' vessel** to show how the above is applied. Assume the graduated base rate is 33.66/foot as shown in the Consultant's report

The current rate for 2016 is 43.49/foot

We are escalating moorage costs at 3.2% annually per Council action, and we are increasing moorage rates annually by the Consumer Price Index (CPI). We assume the CPI is going up at 2.3% per year, so our total escalation factor is 5.5%

Escalate the \$33.66 by the escalation factor year over year and compare it to the fixed rate.

When it becomes equal to or greater than the fixed rate, the annual cost for the vessel starts escalating.

In this scenario, you pay the greater of the two values shown in the row

Year	Fixed Rate	Escalating Base Rate
2016	43.49	0
2017	43.49	33.66
2018	43.49	35.51
2019	43.49	37.46
2020	43.49	39.52
2021	43.49	41.70
2022	43.49	43.99
2023		46.41

As seen above, the last year for the fixed rate payment is 2021, with the graduated rate payment becoming greater and applicable in 2022

Turning to the vessels that we have set the largest graduated rate for-

The largest graduated rate is \$63.33 for vessels 81' or larger, this is a \$19.84 increase over the current rate.

Let's assume that we tackle this increase over a 6 year period at \$ 3.00 per year.

We will start applying the increase in 2017, so in 2017 the the rate will be $43.49 + 43.49 \times 0.055 + 3 = 48.88$

We will escalate this by 5.5% plus \$3. year over year

We will escalate the base rate of 63.33 by the 5.5% year over year as well, and find where the two meet

In this scenario, you pay the lessor of the two values shown in the row

Year	Current Rate	Graduated Base
	Escalated	Rate Escalated
2016	43.49	0.00
2017	48.88	63.33
2018	54.57	66.81
2019	60.57	70.49
2020	66.90	74.36
2021	73.58	78.45
2022	80.63	82.77
2023	88.06	87.32
2024	95.91	92.12

In January of 2023, we will end the \$3 escalation and continue with the 5.5% escalation

Analyze the other classes to determine the length of time to achieve normal rate escalation

Vessel Length-15'and less	Base Rate	31.02	
Escalating Base Rate Factor-	5.50%	Fixed Payment-	43.49

Year	Fixed Payment	Escalating Base Rate
2016	43.49	0
2017	43.49	31.02
2018	43.49	32.73
2019	43.49	34.53
2020	43.49	36.42
2021	43.49	38.43
2022	43.49	40.54
2023	43.49	42.77
2024	43.49	45.12

Vessel Length-21-25'	Base Rate	36.35	
Escalating Base Rate Factor-	5.50%	Fixed Payment-	43.49

Year	Fixed Payment	Escalating Base Rate
2016	43.49	0
2017	43.49	36.35
2018	43.49	38.35
2019	43.49	40.46
2020	43.49	42.68
2021	43.49	45.03
2022		
2023		

Vessel Length-26-30'	Base Rate	39.08	
Escalating Base Rate Factor-	5.50%	Fixed Payment-	43.49

Year	Fixed Payment	Escalating Base Rate
2016	43.49	0
2017	43.49	39.08
2018	43.49	41.23
2019	43.49	43.50

Vessel Length-31-35'	Base Rate	41.81	
Escalating Base Rate Factor-	5.50%	Fixed Payment-	43.49

Year	Fixed Payment	Escalating Base Rate
2016	43.49	0
2017	43.49	41.81
2018	43.49	44.11

Vessel Length-36-40'	Base Rate	44.53	
Escalating Base Rate Factor-	5.50%	Fixed Payment-	43.49

Year	Fixed Payment	Escalating Base Rate
2016	43.49	0
2017	48.88	44.53
2018		
2019		
2020		
2021		
2022		

Vessel Length-41-45'	Base Rate	47.2
Escalating Base Rate Factor-	5.50%	Fixed Payment-43.49

Year	Fixed Payment	Escalating Base Rate
2016	43.49	0
2017	48.88195	47.2

Vessel Length-46-50'	Base Rate	49.8
Escalating Base Rate Factor-	5.50%	Fixed Payment-43.49
Current Rate Escalator	Prior year X1.055 plus \$3	

Year	Current Rate Escalated	Escalating Base Rate
2016	43.49	0
2017	48.88195	49.8
2018	54.57046	52.539

Vessel Length-51-55' Base Rate 52.29
Escalating Base Rate Factor- 5.50% Fixed Payment-43.49
Current Rate Escalator- Prior year X1.055 plus \$3

Year	Current Rate Escalated	Escalating Base Rate
2016	43.49	0.00
2017	48.88	52.29
2018	54.57	55.17
2019	60.57	58.20
2020		
2021		
2022		
2023		

Vessel Length-56-60' Base Rate 54.64
Escalating Base Rate Factor- 5.50% Fixed Payment-43.49
Current Rate Escalator- Prior year X1.055 plus \$3

Year	Fixed Payment Escalated	Escalating Base Rate
2016	43.49	0
2017	48.88	54.64
2018	54.57	57.65
2019	60.57	60.82
2020	66.90	64.16
2021		
2022		
2023		

Vessel Length-61-65' Base Rate 56.82
Escalating Base Rate Factor- 5.50% Fixed Payment-43.49
Current Rate Escalator- Prior year X1.055 plus \$3

Year	Fixed Payment	Escalating Base Rate
2016	43.49	0
2017	48.88	56.82
2018	54.57	59.95
2019	60.57	63.24
2020	66.90	66.72

el Length-66-70'		Base Rate	58.81
ig Base Rate Factor-		5.50%	Fixed Payment-43.49
nt Rate Escalator-		Prior year X1.055 plus \$3	
Year	Current Rate	Escalating Base Rate	
	Escalated		
2016	43.49	0	
2017	48.88	58.81	
2018	54.57	62.04	
2019	60.57	65.46	
2020	66.90	69.06	
2021	73.58	72.86	
2022			
2023		0	

el Length-71-75'		Base Rate	60.58
ig Base Rate Factor-		5.50%	Fixed Payment-43.49
nt Rate Escalator-		Prior year X1.055 plus \$3	
Year	Current Rate	Escalating Base Rate	
	Escalated		
2016	43.49	0.00	
2017	48.88	60.58	
2018	54.57	63.91	
2019	60.57	67.43	
2020	66.90	71.14	
2021	73.58	75.05	
2022	80.63	79.18	
2023			

el Length-76-80'		Base Rate	62.09
ig Base Rate Factor-		5.50%	Fixed Payment-43.49
nt Rate Escalator-		Prior year X1.055 plus \$3	
Year	Current Rate	Escalating Base Rate	
	Escalated		
2016	43.49	0.00	
2017	48.88	62.09	
2018	54.57	65.50	
2019	60.57	69.11	
2020	66.90	72.91	
2021	73.58	76.92	
2022	80.63	81.15	
2023	88.06	85.61	

Summary Sheet of Implementation Schedule

Shown below is the year at which each vessel size will be compliant with the progressive graduated linear foot structure that has been proposed by Northern Economics

	2016	2017	2018	2019	2020	2021	2022	2023	2024
Vessel Size (in feet)	Costs are in dollars per foot per year								
15 or less	43.49	43.49	43.49	43.49	43.49	43.49	43.49	43.49	45.12
16-20	43.49	43.49	43.49	43.49	43.49	43.49	43.99		
21-25	43.49	43.49	43.49	43.49	43.49	45.03			
26-30	43.49	43.49	43.49	43.49					
31-35	43.49	43.49	44.11						
36-40	43.49	44.53							
41-45	43.49	47.20							
46-50	43.49	48.88	52.54						
51-55	43.49	48.88	54.57	58.20					
56-60	43.49	48.88	54.57	60.57	64.16				
61-65	43.49	48.88	54.57	60.57	66.72				
66-70	43.49	48.88	54.57	60.57	66.90	72.85			
71-75	43.49	48.88	54.57	60.57	66.90	73.58	79.18		
76-80	43.49	48.88	54.57	60.57	66.90	73.58	80.63	85.61	
81 & greater	43.49	48.88	54.57	60.57	66.90	73.58	80.63	87.32	

Attachment 5

Analysis 3

The rate structure shown in the Consultant draft report dated Oct. 27, 2015, represents a fair and equitable progressive graduated rate distribution is shown below

HOMER RATES

Length Feet	Annual Cost per foot	Annual Cost per Boat
15	31.02	465.30
16	33.66	538.56
20	33.66	673.20
21	36.35	763.35
24	36.35	872.40
25	36.35	908.75
26	39.08	1016.08
30	39.08	1172.40
31	41.81	1296.11
32	41.81	1337.92
35	41.81	1463.35
36	44.53	1603.08
40	44.53	1781.2
41	47.20	1935.2
45	47.20	2124
46	49.8	2290.8
50	49.80	2490.00
51	52.29	2666.79
55	52.29	2875.95
56	54.64	3059.84
60	54.64	3278.4
61	56.82	3466.02
65	56.82	3693.3
66	58.81	3881.46
70	58.81	4116.7
71	60.58	4301.18
75	60.58	4543.50
76	62.09	4718.84
80	62.09	4967.2
81	63.33	5129.73
101	63.33	6396.33
121	63.33	7662.93
151	63.33	9562.83

KODIAK RATES

Annual Cost per foot	Annual Cost per Boat	Homer Costs More	Homer Costs Less by
30	450	15.30	
30	480	58.56	
30	600	73.20	
30	630	133.35	
30	720	152.40	
30	750	158.75	
30	780	236.08	
30	900	272.40	
30	930	366.11	
30	960	377.92	
30	1050	413.35	
30	1080	523.08	
30	1200	581.20	
41	1681	254.20	
41	1845	279.00	
41	1886	404.80	
41	2050	440.00	
41	2091	575.79	
41	2255	620.95	
41	2296	763.84	
41	2460	818.40	
61	3721		254.98
61	3965		271.7
61	4026		144.54
61	4270		153.3
61	4331		29.82
61	4575		31.5
61	4636	82.84	
61	4880	87.20	
71.5	5791.5		661.77
82	8282		1885.67
89	10769		3106.07
100	15100		5537.17

ORDINANCE REFERENCE SHEET
2016 ORDINANCE
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.

Sponsor: City Manager/Fire Chief

1. Council Regular Meeting May 23, 2016 Introduction
 - a. Memorandum 16-081 from Cannabis Advisory Commission
 - b. Memorandum 16-082 from Fire Chief
2. Council Regular Meeting June 13, 2016 Public Hearing and Second Reading
 - a. Memorandum 16-081 from Cannabis Advisory Commission
 - b. Memorandum 16-082 from Fire Chief

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

3 City Manager/
4 Fire Chief

5 **ORDINANCE 16-24**
6

7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
8 AMENDING TITLE 5 TO ADD A NEW CHAPTER 5.44 TO PROHIBIT
9 THE EXTRACTION OF TETRAHYDROCANNABINOL ("THC") OR ANY
10 CANNABINOID BY USE OF MATERIALS OR METHODS DEEMED
11 DANGEROUS TO PUBLIC HEALTH AND SAFETY, UNLESS
12 OTHERWISE PERMITTED BY LAW.

13
14 WHEREAS, In 2014, Alaska voters approved a ballot measure legalizing personal
15 recreational marijuana use and possession of marijuana and marijuana paraphernalia; and
16

17 WHEREAS, Other jurisdictions that have legalized marijuana have experienced an
18 increase in fires and explosions related to certain methods of manufacturing marijuana
19 products, including the use of highly flammable materials and methods to extract THC oil
20 from the marijuana plant, resulting in significant personal injury, death and property damage;
21 and
22

23 WHEREAS, The City of Homer is dedicated to drafting regulations to protect the public
24 health and safety against known and unreasonable risks of certain manufacturing processes
25 of a legalized marijuana industry.
26

27 THE CITY OF HOMER ORDAINS:
28

29 Section 1. Homer Municipal Code is hereby amended by adding a new chapter 5.44
30 Prohibited Acts Regarding Marijuana, as follows:
31

32 Chapter 5.44 Prohibited Acts Regarding Marijuana.
33

34 5.44.010 Certain manufacturing processes prohibited.
35

36 A. It shall be unlawful for any person to:
37

- 38 1. manufacture a marijuana concentrate, hashish, or hash oil by use of
39 solvents containing compressed flammable gases or through use of a
40 solvent-based extraction method using a substance other than
41 vegetable glycerin, unless the person is validly licensed and permitted
42 in accordance with statute, regulation, or ordinance.

B. Definitions. For purposes of this section:

1. "*manufacture*" means the preparation, compounding, conversion, or processing of marijuana, hashish, or hash oil, either directly or indirectly by extraction from substances of natural origin, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and includes any packaging or repackaging of the marijuana, hashish, or hash oil, or labeling or relabeling of its container. It includes the organizing or supervising of the manufacturing process. It does not include the legally authorized planting, growing, cultivating, or harvesting of a plant.

2. "*marijuana concentrate*" means any product which, through manufacture, contains tetrahydrocannabinol (THC). Common names and types of product include "shatter", butane or CO2 hash oil, "ring pots", butter, hash, hashish, keif, oil, or wax.

C. Seizure.

1. Any marijuana as defined in AS 17.38.900, equipment, material, product, package or container possessed, used or intended to be used, or produced in violation of this section may be seized and held as evidence to be used in any future proceeding and may be disposed of as appropriate after their use for evidentiary purposes is no longer required, including in accordance with chapter 18.30 of this code.

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

Section 3. This ordinance shall be of a permanent and general character and shall be included in the City code.

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

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, MMC, CITY CLERK

AYES:

NOES:

ABSTAIN:

ABSENT:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

Reviewed and approved as to form:

Mary K. Koester, City Manager

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 16-081

TO: MAYOR WYTHE AND CITY COUNCIL
FROM: CANNABIS ADVISORY COMMISSION
THRU: RENEE KRAUSE, CMC, DEPUTY CITY CLERK
DATE: DECEMBER 17, 2015
SUBJECT: RECOMMENDATION TO SUPPORT BANNING THC EXTRACTION

The Cannabis Advisory Commission met on December 17, 2015. Under New Business the commission reviewed City Attorney Wells' recommendation and draft ordinance. Following is the excerpt of the minutes regarding the discussion:

NEW BUSINESS

A. Memorandum on THC Extraction

1. Proposed Ordinance 16-xx

Acting Chair Stead read the title into the record. City Planner Abboud commented that this ordinance does not prohibit legal manufacturing processes.

Discussion on the ordinance ensued in regards to personal extraction processes and the preference to leave that for the professionals.

REYNOLDS/JONES - MOVED TO RECOMMEND THE DRAFT THC EXTRACTION ORDINANCE FOR ADOPTION BY COUNCIL.

No further discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Recommendation:

Informational in Nature.



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 16-082

TO: Katie Koester, City Manager
FROM: Robert Painter, Fire Chief
DATE: May 12, 2016
SUBJECT: Proposed Hash Oil Production Ordinance

The non-regulated production of hash oil, also known as butter, honey oil, dabs or wax, by unlicensed individuals has become a concern of fire safety officials across the country, especially in those states where marijuana has been legalized. While there are many methods available to concentrate the tetrahydrocannabinol (THC) found in marijuana, extraction and concentration through the use of “hot” methods, for example using highly flammable butane, has been identified as a danger to the public and first responders and has been prohibited in many jurisdictions. There are well documented cases in which these home-based extraction methods have resulted in explosions and fires, causing injury and property damage.

The proposed Homer City Ordinance adding a new chapter 5.44 Prohibited Acts Regarding Marijuana, I believe, adequately addresses my concerns by prohibiting the production of concentrates by these potentially dangerous methods, except where expressly allowed by state law, in commercial extraction and/or concentration facilities, regulated by state fire code. I believe that the general public, if they still desire to attempt extraction/concentration in their private homes, may still do so using available “cold” or non-volatile production methods not addressed under this addition under Title 5.

Recommendation:

Informational only.

ORDINANCE REFERENCE SHEET
2016 ORDINANCE
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.

Sponsor: City Manager/Fire Chief

1. Council Regular Meeting May 23, 2016 Introduction
 - a. Memorandum 16-083 from Fire Chief
2. Council Regular Meeting June 13, 2016 Public Hearing and Second Reading
 - a. Memorandum 16-083 from Fire Chief

safety, life, and property for as long as the hazardous conditions exist.

c. A person may use a barbecue and burn a campfire in a developed fire pit or ring without a burning permit.

d. The Fire Chief shall have authority to impose conditions on burning permits and to suspend or modify burning permits as necessary to protect public health and safety, life and property. The Fire Chief shall have authority to revoke a burning permit for violation of the terms of the permit.

e. The intentional use of coal as a fuel in any open burning, barbecues or campfires is prohibited; however, the use of charcoal is exempt.

f. The violation of any provision contained in this chapter shall be punished under the general penalty provision of HCC 1.16.010. The City may also invoke civil penalties and remedies under HCC 1.16.020.

Section 2. Homer City Code 5.20.030, Trash burning – Approved container, is amended to read as follows:

5.20.030 Trash burning – Approved container.

No person shall burn trash without a permit., ~~except in a screen covered container, or other trash burner approved by the Fire Chief.~~ All open burning of household waste or other materials is prohibited, except brush, grass, wood and paper products that are uncontaminated under applicable DEC regulations.

Section 3. This ordinance shall be of a permanent and general character and shall be included in the City code.

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

CITY OF HOMER

MARY E. WYTHE, MAYOR

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

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: _____

Fiscal Note: N/A



City of Homer

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Volunteer Fire Department

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Homer, Alaska 99603

fire@cityofhomer-ak.gov

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(f) 907-235-3157

Memorandum 16-083

TO: Katie Koester, City Manager
FROM: Robert Painter, Fire Chief
DATE: April 5, 2016
SUBJECT: Use of Burn Barrels Within City Limits

It has been brought to my attention that the State of Alaska Division of Forestry recently changed the regulations pertaining to the use of burn barrels for the disposal of Class A (wood, grass or other organic) materials. They now require permits for the use of burn barrels during the statutory burn season, April 1 through August 31). This change will affect burn barrels within the city limits of Homer as well as all surrounding areas. As such I believe we should amend our section of the code 5.20.020 – Open Burning – Permit Required and 5.20.030 Trash Burning – Approved Container to reflect these changes.

I believe that the addition of a single sentence and the deletion of the struck out section below will suffice for 5.20.020 – “Except as provided in subsection (c) of this section ~~and in HCC 5.20.030~~, no person shall burn any combustible material in the open without a permit from the City, including in approved burn barrels. Burning permits shall be available at the Fire Department and shall be issued only upon approval of the Fire Chief or other official with written delegation of authority from the Fire Chief”.

As for 5.20.030 Trash Burning:

“No person shall burn trash without a permit, ~~except in a screen covered container, or other trash burner approved by the Fire Chief~~”.

Until such time is these city codes are amended, we will to rely on word of mouth and getting word out via social media and the web site regarding the need for permits for the use of burn barrels anywhere on the Kenai Peninsula.

ORDINANCE REFERENCE SHEET
2016 ORDINANCE
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.

Sponsor: Smith

1. Council Regular Meeting May 23, 2016 Introduction
 - a. Public Official Financial Disclosure Statement
2. Council Regular Meeting June 13, 2016 Public Hearing and Second Reading
 - a. Public Official Financial Disclosure Statement

CITY OF HOMER
HOMER, ALASKA

Smith

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.

THE CITY OF HOMER ORDAINS:

Section 1. HCC 1.18.043, Public disclosure, is amended to read as follows:

1.18.043 Public disclosure

a. ~~Each City official~~ and the City Manager must annually file the following a financial interest disclosure **on forms prepared by the City Clerk:**

1. For each City official and the City Manager the information that is required on ~~using forms substantially the same as the following selected schedules from the Alaska Public Offices Commission Public Official Financial Disclosure Statement: Schedules B (business interests), C (real property interests/rent to own), E (the portion relating to natural resource leases only), F (government contracts and leases) and G (close economic associations); and. The City Clerk shall provide the forms to each City official. The City Clerk may make such alterations to the forms as may be necessary.~~

2. For each elected City official a list of each business in which an immediate family member is a partner, proprietor or employee to the extent not provided in response to paragraph 1 of this subsection.

b. The financial interest disclosure ~~statement~~ must be filed by November 1st each year. A newly appointed official must file a statement within 30 days after taking office. Each candidate for elected City office must file a disclosure statement at the time he or she files a declaration of candidacy, except an incumbent seeking reelection with a current disclosure statement on file. Refusal or failure of a candidate to file the required disclosure statement before the end of the time period for filing declarations of candidacy shall require that the candidate's declaration of candidacy be rejected and the candidate disqualified.

c. The disclosure statement must be true, correct and complete and shall be signed under oath or affirmation, or certified to be true under penalty of perjury. Not filing a statement within the stipulated period is a violation of this chapter.

d. The disclosure statement shall be filed with the City Clerk and shall be open to public inspection and copying at the office of the City Clerk. The disclosure statement will not be sent to the Alaska Public Offices Commission.

Section 2. This Ordinance is of a permanent and general character and shall be included in the City Code.

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

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, MMC, CITY CLERK

AYES:

NOES:

ABSTAIN:

ABSENT:

First Reading:

Public Reading:

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
2015 PUBLIC OFFICIAL CONFLICT OF INTEREST DISCLOSURE STATEMENT
GENERAL INFORMATION

REQUIRED FILERS: Mayor and city council members; city board and commission members; candidates for mayor and city council.

TIME PERIOD: Include all information about your reportable financial interests and activities for the twelve months preceding the due date for this report.

REQUIRED INFORMATION: Homer City Code 1.18.043 requires you to disclose your financial interests using these forms. This includes disclosure of your own financial interests and those held by your spouse and dependent children. Use additional pages if needed.

HELP: If you have questions, contact the City Clerk at 907-235-3130.

**THIS REPORT IS A SWORN STATEMENT. YOUR SIGNATURE ON THE LAST PAGE
CERTIFIES THAT THIS DISCLOSURE IS TRUE, CORRECT and COMPLETE.**

NAME: _____

MAILING ADDRESS: _____
Street address or post office box, city, zip code

Phone: home / work / cell Fax

E-mail address

NAME OF SPOUSE: _____

NAME(S) OF YOUR DEPENDENT CHILDREN: _____

► **IF YOU ARE A CANDIDATE: WHAT OFFICE DO YOU SEEK?**
OFFICE: _____

► **IF YOU ARE NOT A CANDIDATE: REPORT OFFICE HELD:**
OFFICE: _____

☐ **INITIAL STATEMENT:** Required for recently appointed city officials. **Due 30 days from appointment.** Required for candidates for mayor and city council. **Due with the declaration of candidacy.**

☐ **ANNUAL STATEMENT:** Required for incumbent public officials. **Due by November 1.**

☐ **FINAL STATEMENT:** Required for public officials after leaving office. **Due 90 days after leaving office. The final statement covers a reporting period beginning November 1 through the date you leave office.**

Complete attached Schedules B, C, E, F, and G. Schedules A and D are not required.

CITY OF HOMER
2015 PUBLIC OFFICIAL CONFLICT OF INTEREST DISCLOSURE STATEMENT

SCHEDULE B
BUSINESS INTERESTS

Business Interests

If NONE reportable, check box ► ☐

Report business interests even if they were **NOT** a source of income to you, your spouse, domestic partner, or dependent child during the reporting period. Include non-profit corporations, businesses, associations, professional trade groups and other non-profit organizations.

- List each business in which you, your spouse, or dependent child held an interest or was a stockholder, owner, officer, director, partner, proprietor or employee during the reporting period.
- List ownership interests of more than \$1,000 in a publicly traded corporation.
- List any other ownership interest in a business, including shares in non-publicly traded corporations, sole proprietorships, limited liability companies and include options to buy.

► **Name of filer, spouse, or dependent child:** _____

Business name: _____

Business address: _____

Nature of interest: _____

Description of business activity: _____

► **Name of filer, spouse, or dependent child:** _____

Business name: _____

Business address: _____

Nature of interest: _____

Description of business activity: _____

► **Name of filer, spouse, or dependent child:** _____

Business name: _____

Business address: _____

Nature of interest: _____

Description of business activity: _____

CITY OF HOMER
2015 PUBLIC OFFICIAL CONFLICT OF INTEREST DISCLOSURE STATEMENT
SCHEDULE C
REAL PROPERTY INTERESTS / RENT TO OWN

Real Property Interests

If NONE reportable, check box ☐ **►**

Report all property interests – including options to buy – owned at any time during the reporting period. Property interests include your home, a rent-to-own-home, rental property, vacant property, recreational property, business property and real estate, including real estate interests held through a limited liability company, limited partnership, or trust that were held or sold during the reporting period.

Report street address, city and state **or** a complete legal property description. Do not use mileposts or PO boxes.

► Name of filer, spouse, or dependent child: _____

Street address or legal description: _____

City or borough / State: _____

Nature of interest: _____
(Such as option to buy, ownership, leasehold) Current use (optional)

► Name of filer, spouse, or dependent child: _____

Street address or legal description: _____

City or borough / State: _____

Nature of interest: _____
(Such as option to buy, ownership, leasehold) Current use (optional)

► Name of filer, spouse, or dependent child: _____

Street address or legal description: _____

City or borough / State: _____

Nature of interest: _____
(Such as option to buy, ownership, leasehold) Current use (optional)

► Name of filer, spouse, or dependent child: _____

Street address or legal description: _____

City or borough / State: _____

Nature of interest: _____
(Such as option to buy, ownership, leasehold) Current use (optional)

CITY OF HOMER
2015 PUBLIC OFFICIAL CONFLICT OF INTEREST DISCLOSURE STATEMENT

SCHEDULE E
NATURAL RESOURCE LEASES

Natural Resource Leases

If NONE reportable, check box ☐ ☐

List all natural resource leases – including mineral, timber and oil leases – bid, held, or offered during the reporting period. Report this information for yourself, your spouse, and dependent children who held the interest as a sole proprietor; member of a partnership, professional corporation or limited liability company; or through a corporation in which you and/or your family members held a controlling interest.

<p>▶ _____ Leaseholder</p> <p>_____</p> <p>Indicate: bid, held or offer made</p>	<p>_____</p> <p>Nature of lease</p> <p>_____</p> <p>Identity of lease and description</p>
<p>▶ _____ Leaseholder</p> <p>_____</p> <p>Indicate: bid, held or offer made</p>	<p>_____</p> <p>Nature of lease</p> <p>_____</p> <p>Identity of lease and description</p>

SCHEDULE F
GOVERNMENT CONTRACTS AND LEASES

Contracts and Offers to Contract

If NONE reportable, check box ☐ ☐

List all contracts and offers to contract with the state or instrumentality of the state or a municipality during the reporting period. Report this information for yourself, your spouse, and dependent child who held the interest as a sole proprietor; as a member of a partnership, professional corporation, or limited liability company; or through a corporation in which you and/or your family members held a controlling interest.

<p>▶ _____ Name of contractor</p> <p>_____</p> <p>Indicate: bid, held or offer made</p>	<p>_____</p> <p>Contracting agency/department</p> <p>_____</p> <p>Contract number and description</p>
<p>▶ _____ Name of contractor</p> <p>_____</p> <p>Indicate: bid, held or offer made</p>	<p>_____</p> <p>Contracting agency/department</p> <p>_____</p> <p>Contract number and description</p>

CITY OF HOMER
2015 PUBLIC OFFICIAL CONFLICT OF INTEREST DISCLOSURE STATEMENT

SCHEDULE G
CLOSE ECONOMIC ASSOCIATIONS

Close Economic Associations

If NONE reportable, check box ☐ **►**

City officials must disclose close economic associations with a legislator, another city official, or a lobbyist.

Close economic association means a financial relationship that exists between a city official required to disclose a close economic association and some other person or entity, including a relationship where the city official serves as a consultant or advisor to, is a member or representative of, or has a financial interest in an association, partnership, limited liability company, business or corporation.

Name of filer: _____

Position and department of filer: _____

Name of person with whom association exists: _____

Person's status: (municipal official, legislator, lobbyist etc.) _____

Description of economic association: _____

For city officials with a lobbyist spouse, report the name and address of each employer of the lobbyist and the total monetary value received from each of the lobbyist's employers.

► Name and address of employer of lobbyist: _____

Amount of monetary value received: _____

► Name and address of employer of lobbyist: _____

Amount of monetary value received: _____

You must report changes in the lobbyist's employer within 48 hours of the change.
You must disclose the formation of a new close economic association within 60 days.

CERTIFICATON

I certify under penalty of perjury that the foregoing is true and that the information in this statement is, to the best of my knowledge, true, correct and complete. A person who makes a false sworn certification which he or she does not believe to be true is guilty of perjury.

SIGNATURE: _____

PRINT NAME OF FILER

DATE AND PLACE SIGNED

Where to file:
MUNICIPAL OFFICIALS and CANDIDATES: File with Homer City Clerk

ORDINANCE REFERENCE SHEET
2016 ORDINANCE
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.

Sponsor: City Manager/Port and Harbor Director

1. Council Regular Meeting May 23, 2016 Introduction
 - a. Memorandum 16-087 from Public Works Director
2. Council Regular Meeting June 13, 2016 Public Hearing and Second Reading
 - a. Memorandum 16-087 from Public Works Director

**CITY OF HOMER
HOMER, ALASKA**

City Manager/
Port and Harbor Director

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.

WHEREAS, Public Works and Port/Harbor are working together to complete improvements to a 30-acre site on the Homer Spit utilizing a \$1M State Legislative Grant (needed improvements identified in the draft Deep Water Dock Feasibility Study); and

WHEREAS, Much effort was expended during design, at the contract award, and early in the construction process to control costs. Items of work were eliminated, designs were modified to reduce costs, and additional work items were rejected; and

WHEREAS, During construction, a few items of essential work have been identified that cannot be completed within the grant budget (See Memorandum 16-087); and

WHEREAS, These items were not foreseen, and the Harbormaster feels these items of work need to be completed to provide a reliable finished product and has proposed and supports the use of Harbor Reserve Funds to complete the items.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby amends the FY 2016 Operating Budget by appropriating \$38,000 from Port and Harbor Reserves for the Deep Water Dock Uplands Improvements.

Expenditure:

Account	Description	Amount
415-0924	Deep Water Dock Uplands Improvement Project	\$38,000

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

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

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, MMC, CITY CLERK

AYES:

NOES:

ABSTAIN:

ABSENT:

First Reading:

Public Reading:

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 16-087

TO: Mary K. Koester, City Manager
FROM: Carey Meyer, Public Works Director
DATE: May 16, 2016
SUBJECT: **Deep Water Dock Uplands Improvements
Request for Additional Construction Funds**

Public Works and Port/Harbor are working together to complete improvements to the 30-acre site on the Spit utilizing a \$1M State Legislative Grant. The improvements are intended to improve access to the Deep Water Dock and security at the storage/laydown areas used by Dock users (needed improvements identified in the draft Deep Water Dock Feasibility Study). The improvements consist of paving Outer Dock Road, removal of the wood wall around the Chip Pad and installation of new fencing/lighting/security cameras at the Chip Pad.

Much effort was expended during design, at the contract award, and early in the construction process to control costs. Items of work were eliminated, designs were modified to reduce costs, and additional work items were rejected.

During construction, a few items of essential work have been identified that cannot be completed within the grant budget. The total cost to complete these work items is \$38,000. These items were not foreseen, and the Harbormaster feels these items of work need to be completed to provide a reliable finished product and has proposed and supports the use of Harbor Reserve Funds to complete the items summarized below:

- Excavation for the road improvement encountered large rocks (near the Barge Ramp and behind the Chip Pad) that required additional effort beyond the construction contract amount. (\$19,195)
- Slopes created by the road excavation require protection from erosion. Cobble from excavated material will be placed on the slopes once the excavated material is screened. (\$9,150)
- Grading of adjacent areas to correct and improve drainage around the Chip Pad and in the sport fishing trailer parking area (\$7,500)
- Additional survey effort was required due to changes in design based on unanticipated soil conditions described above. (\$2,200)

Recommendation: The Council adopt Ordinance 16-27 amending the 2016 Operating Budget by appropriating an additional \$38,000 from the Harbor Reserve to complete the Deep Water Dock Uplands Improvement Project. (Fiscal Note: 415-924 - DWD Uplands Improvements)

ORDINANCE REFERENCE SHEET
2016 ORDINANCE
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.

Sponsor: Smith

1. Council Regular Meeting May 23, 2016 Introduction
 - a. Fire Station Improvement Project
 - b. Resolution 16-035
 - c. Ordinance 16-16(A)
 - d. HCC 3.12.060 – 3.12.080
2. Council Regular Meeting June 13, 2016 Public Hearing and Second Reading
 - a. Fire Station Improvement Project
 - b. Resolution 16-035
 - c. Ordinance 16-16(A)
 - d. HCC 3.12.060 – 3.12.080
 - e. Written public comments

**CITY OF HOMER
HOMER, ALASKA**

Smith

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.

WHEREAS, City Council has determined the Fire Department can maintain operations in its existing facility with improvements and upgrades to the building, which will extend the life of the facility for up to ten years; and

WHEREAS, The improvements and upgrades needed to maintain operations include interior and exterior painting, replacement of flooring and upgrades to the kitchen and equipment bays, paving the rear parking lot, and expanding the upstairs floor space; and

WHEREAS, City Council adopted Resolution 16-035 approving these necessary improvements and upgrades to the existing Fire Station, separating the Fire Station from the New public safety building project; and

WHEREAS, City Council adopted Ordinance 16-16(A) authorizing transfer of \$80,000 from the Public Safety Building Project to the Fire Station Improvement Project to fund assessment, design and construction; and

WHEREAS, Resolution 16-035 further authorized the Public Safety Building Review Committee to prepare a scope of work and contract for the improvements to the existing Fire Station; and

WHEREAS, After design and assessment, the Public Safety Building Review Committee will have a more accurate cost estimate and know if the full \$1,000,000 is needed; and

WHEREAS, Homer City Code 3.12.060(a) permits only the income from the income sub-fund to be appropriated and expended for general governmental purposes, including but not limited to ordinary operating expenses; and

WHEREAS, HCC 3.12.060(b) permits income from the income sub-fund to be used to loan but not grant funds for City capital projects; and

WHEREAS, HCC 3.12.080 requires expenditures that are not authorized by HCC 3.12.060 to be approved by 60% of City voters voting on the question at a regular or special election; and

WHEREAS, Currently the Permanent Fund income sub-fund does not contain \$1,000,000 but the sub-funds combined contain more than \$1,000,000; and

WHEREAS, It is in the City of Homer's best interest to exempt this expenditure from the requirements of HCC 3.12 and specifically HCC 3.12.060 through HCC 3.12.080 to permit the expenditure of \$1,000,000 from all monies in either sub-fund in the Permanent Fund without subjecting the expenditure to voter approval.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The City of Homer hereby authorizes amendment of the FY 2016 Operating Budget to appropriate up to \$1,000,000 from the Permanent Fund to fund improvements to the Fire Hall.

Revenue:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
	Permanent Fund	\$1,000,000

Expenditure:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
	Fire Hall Improvements	\$1,000,000

Section 2. This expenditure is exempted from the requirements of HCC 3.12 and specifically HCC 3.12.060 through HCC 3.12.080.

Section 3. This is a budget amendment ordinance, is temporary in nature, and shall not be codified.

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

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, MMC, CITY CLERK

AYES:

NOES:

ABSTAIN:

ABSENT:

First Reading:

Public Reading:

Second Reading:

Effective Date:

Reviewed and approved as to form:

Mary K. Koester, City Manager

Holly C. Wells, City Attorney

Date: _____

Date: _____



Fire Station Improvement Project

Project Description & Benefit: Built nearly 40 years ago from a pre-existing garage structure, Homer's Fire Station is in need of upgrades to address immediate health threats to our public servants, space constraints that limit response capabilities and maintenance issues necessary for continued building use and productivity for another 10 to 15 years.

The Fire Station does not have a ventilation system to protect staff and volunteer responders from vehicle exhaust which is known to contain potential carcinogens, carbon monoxide and other harmful gasses that contribute to respiratory illness. Currently emissions exposure is mitigated by opening windows and bay doors to passively dilute and remove fumes – an inefficient and costly method (especially in the winter) which still leaves personnel exposed. Installing a vehicle exhaust removal system is a critical upgrade.

Homer's emergency call volume and variety has grown with the population. So have the Fire Department's response capabilities. Unfortunately, the Fire Station has not kept pace over time creating cramped work areas, storage challenges and an insufficient number of bunkrooms (two) for volunteers during overnight duty. Raising the eastern roof line to mirror the building's western roofline would expand the second floor by 1,000 square feet to accommodate additional bunk rooms, storage and office space.

Ongoing building maintenance is required to ensure safe, functional operations and preserve the value of the asset. The following corrective maintenance projects will help extend the Fire Station's life and usefulness another 10 years:

- Replace all floor coverings. With the exception of one office space, flooring dates back to original 1980 construction. It is extremely worn and, in places, a tripping/slipping hazard.
- Repaint the station's exterior and interior walls. This was last done in 1995. Bays additionally require specialized epoxy paint and resistant products to protect against damage from heavy equipment use.
- Replace slab flooring in Bays 2 and 3, including leveling sunken subsurface areas, strengthening it to sustain the heavier weight of current apparatus without cracking, and replacing undersized floor drains which consistently clog and trap rot-producing moisture within the building.
- Improve drainage behind the Fire Station to direct water away from building. Proper drainage extends the life of the building and lowers long-term maintenance costs by preventing seasonal heaving and sinking which cracks the Bays' floors and approach aprons and misaligns the Bays' automatic garage door tracks. With drainage system in place, complete paving behind the building and fix apron pavement cracks and 3-4" heaves at the entrance to the Bays.
- Remodel the Fire Station's kitchen. Emergency response here depends upon a vibrant and committed volunteer corps who routinely risk their lives in service to the community. The kitchen is the social center for volunteer responders, hosting up to 25 at eight community-building meals in conjunction with trainings and up to 15 during emergency events. The kitchen will also serve City employees in case of a major disaster (the Fire Station is the designated disaster destination for City personnel). Except for new appliances purchased in 1995, the kitchen has been untouched and is inefficient. Cabinets and drawers are falling apart, and the design is obsolete for what is essentially a small commercial kitchen.

Total Project Cost (Estimate only): \$900,000

Exhaust Ventilation System: \$40,000-\$75,000

(Possible FY17 \$100,000 Assistance to Firefighters Grant)

2nd Floor Expansion: \$500,000

(Possible FY17 \$10,000 SAFER grant)

Flooring: \$50,000

Interior/Exterior Painting: \$75,000

Bays 2 & 3 Repairs: \$100,000

Site Drainage & Paving Completion: \$100,000

Kitchen Upgrades: \$35,000

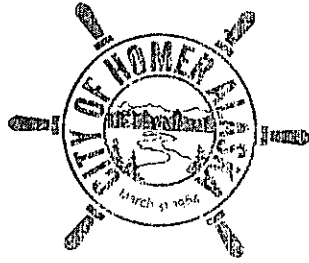


Mayor

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, APPROVING NECESSARY IMPROVEMENTS AND UPGRADES TO THE EXISTING FIRE STATION, SEPARATING THE FIRE STATION FROM THE NEW PUBLIC SAFETY BUILDING PROJECT, AND AUTHORIZING THE PUBLIC SAFETY BUILDING REVIEW COMMITTEE TO CONTINUE WORK ON THE FIRE STATION IMPROVEMENT PROJECT.

BE IT FURTHER RESOLVED that the City Council authorizes the Public Safety Building Review Committee to prepare a scope of work and contract for the improvements to the existing Fire Station.

PASSED AND ADOPTED by the Homer City Council this 29th day of March, 2016.



CITY OF HOMER


MARY E. WYTHE, MAYOR

ATTEST:



JO JOHNSON, MMC, CITY CLERK

Fiscal information: N/A

**CITY OF HOMER
HOMER, ALASKA**

Mayor

ORDINANCE 16-16(A)

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
AUTHORIZING THE TRANSFER OF \$80,000 FROM THE PUBLIC
SAFETY BUILDING PROJECT TO THE FIRE STATION
IMPROVEMENT PROJECT TO FUND ASSESSMENT, DESIGN, AND
CONSTRUCTION.

WHEREAS, City Council adopted Ordinance 15-18(S-2) on July 27, 2015 authorizing
\$355,000 be allocated to the new Public Safety Building Project to bring it to 35% design; and

WHEREAS, The current financial forecast makes it cost prohibitive to build both the
Fire and Police Stations within the Public Safety Building; and

WHEREAS, Council has determined the Fire Department can maintain operations in
the existing facility with improvements and upgrades to the building that will extend the
useful life of the building for ten years or more; and

WHEREAS, As a separate and new project the Fire Station Improvement Project will
follow the City of Homer Procurement Policy, including an open bid process; and

WHEREAS, Council authorizes utilizing a portion of the funds authorized for design of
the Public Safety Building for assessment, design, and construction of the Fire Station
improvements and upgrades.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The City of Homer hereby authorizes the transfer of \$80,000 from the Public
Safety Building Project to the Fire Station Improvement Project to fund assessment, design,
and construction as follows:

Transfer From:

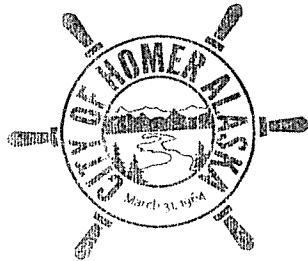
<u>Account</u>	<u>Description</u>	<u>Amount</u>
156-0377	Public Safety Building Project Account	\$80,000

Transfer To:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
156-0378	Fire Station Improvement Project	\$80,000

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

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 11th day of April, 2016.



CITY OF HOMER

Mary E. Wythe
MARY E. WYTHE, MAYOR

ATTEST:

Jo Johnson
JO JOHNSON, MMC, CITY CLERK

YES: 6

NO: 0

ABSTAIN: 0

ABSENT: 0

First Reading: 3/29/16

Public Hearing: 4/11/16

Second Reading: 4/11/16

Effective Date: 4/12/16

Review and approved as to form:

Mary K. Koester
Mary K. Koester, City Manager

Thomas F. Klinkner
Thomas F. Klinkner, City Attorney

Date: 4.14.16

Date: 4.15.16

Fiscal Note: Fiscal information included in body of Ordinance.

HOMER CITY CODE 3.12.060 – 3.12.080

3.12.060 Expenditures from income sub-fund.

Expenditures from the income sub-fund may be made only as authorized in this section.

- a. The income from the income sub-fund may be appropriated by the City Council and be expended for general governmental purposes, including but not limited to ordinary operating expenses.
- b. The principal of the income sub-fund may be used as a source of loan funds for City capital projects, and not as a grant. To be eligible for such a loan the project must receive a majority of its funding from other sources. Such loans shall be on terms approved by resolution of the City Council, which must provide for the repayment of the loan over a reasonable period of time. [Ord. 13-25 § 5, 2013; Ord. 05-14(S) § 1, 2006].

3.12.070 Loans from income sub-fund.

Repealed by Ord. 13-25. [Ord. 05-14(S) § 1, 2006].

3.12.080 Expenditures with voter approval.

- a. Except as provided in HCC 3.12.060, no expenditure may be made from the permanent fund without the approval of 60 percent of City voters voting on the question at a regular or special election.
- b. Prior to submitting to the voters the question of whether to approve an expenditure from the permanent fund, the City Council shall find that all reasonable options for borrowing have been exhausted, including the option of borrowing from the permanent fund pursuant to HCC 3.12.060(b). [Ord. 13-25 § 7, 2013; Ord. 05-14(S) § 1, 2006].

From: Mary Griswold <mgrt@xyz.net>
Sent: Tuesday, May 24, 2016 3:36 PM
To: Melissa Jacobsen
Subject: Fw: Support for Ord 16-28 fire hall renovation

From: [Mary Griswold](#)
Sent: Tuesday, May 24, 2016 3:33 PM
To: clerk@ci.homer.ak.us
Subject: Support for Ord 16-28 fire hall renovation

(please include in the next council packet)

I urge you to approve Ordinance 16-28 to use \$1M from the Permanent Fund to make critical improvements to the existing fire station, which will allow it to economically and efficiently serve Homer for an additional 10 to 15 years. If the renovation is awarded to the design team currently working on the new police station, 100% construction documents could be ready by late August and work could begin this season.

A vehicle exhaust system in the apparatus bays will significantly improve health and safety conditions for department responders. The station needs new paint inside and out. Expanding the upstairs could improve response times to fire and EMS incidents by allowing responders to stay overnight in new bunk rooms. Kitchen and flooring upgrades will extend the longevity of the facility. Although this fire station grew organically from humble beginnings, it has a lot of useful life left if we take care of it.

I support using money from the Permanent Fund for this project because it is a critical need and because I believe the Permanent Fund should be dissolved and its remaining funds distributed to reserves and the general fund. It was a great idea when the city anticipated getting \$10M from the Exxon Valdez settlement. That is a huge windfall that demands special treatment so not to be squandered. However, annual revenues should generally be used to fund annual operations. Normal size windfalls should be used for immediate unanticipated needs or saved for future needs or special projects.

I also support bonding for construction of the new police station. Taking care of the fire hall now will simplify the bond ballot proposition and reduce its cost to increase its chance for success.

ORDINANCE REFERENCE SHEET
2016 ORDINANCE
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.

Sponsor: Smith

1. Council Regular Meeting May 23, 2016 Introduction
 - a. Memorandum 16-090 from Public Works Director
 - b. Ordinance 16-10
2. Council Regular Meeting June 13, 2016 Public Hearing and Second Reading
 - a. Memorandum 16-090 from Public Works Director
 - b. Ordinance 16-10
 - c. Overhead Allocation

**CITY OF HOMER
HOMER, ALASKA**

Smith

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.

WHEREAS, Ordinance 16-10 appropriated \$638,000 for the 2016 Streets Repaving Project; and

WHEREAS, This amount included project management/administrative charges; and

WHEREAS, It is not the practice of the City to charge project management/administrative fees on internal projects; and

WHEREAS, In the past the general administrative charge to HART in the operating budget covered all project management/administrative fees.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. Ordinance 16-10 is amended to appropriate \$562,506 for the completion of the 2016 Streets Repaving Project utilizing Homer Accelerated Roads and Trails (HART) Funds.

Expenditure:

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
160-766	HART	\$562,506

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

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

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, MMC, CITY CLERK

AYES:

NOES:

ABSTAIN:

ABSENT:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

Reviewed and approved as to form:

Mary K. Koester, City Manager

Date: _____

Holly C. Wells, City Attorney

Date: _____



Memorandum 16-090

To: Katie Koester, City Manager
From: Carey Meyer, PW Director
Date: May 11, 2016
Subject: **2016 Repaving Project – Ordinance 16-10**

The amount authorized in Ordinance 16-10 to complete the 2016 Repaving Project was inaccurate. The project budget provided by Public Works (Memorandum dated February 16) included costs defined as administrative costs (\$75,494). Public Works has never charged administrative or project management time directly to a HART fund project budget. Eliminating the administrative costs from the approved project budget would reduce the authorization from \$638,000 to \$562,506.

As stated above, Public Works has not in previous years charged time to HART projects. Previously, the full time project manager was 100% funded out of general fund, but it was recognized that any time spent on grant reimbursable projects would be charged to the grant. This year, the part time project manager was hired with the understanding that he would only work on grant projects (no charges to general fund was authorized).

In previous years, some administrative costs incurred by Public Works in support of the HART program were covered by an administrative cost transfer from the HART fund to the General fund. In 2016 this transfer is not a part of the operating budget.

Without including project management time within the paving project budget, the Public Works project manager is not authorized to complete project management duties associated with HART projects.

**CITY OF HOMER
HOMER, ALASKA**

City Manager/
Public Works Director

ORDINANCE 16-10

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
AMENDING THE 2016 OPERATING BUDGET TO ALLOW FOR THE
COMPLETION OF THE 2016 STREETS REPAVING PROJECT
UTILIZING HOMER ACCELERATED ROADS AND TRAILS (HART)
FUNDS IN AN AMOUNT NOT TO EXCEED \$638,000.

WHEREAS, Periodically, Public Works coordinates the repaving of roads where the
pavement has reached its useful life (20-30 years old), including grinding of existing pavement
and resurfacing; and

WHEREAS, Public Works has successfully completed similar projects in 2006, 2009, and
2012 utilizing HART funds; and

WHEREAS, Public Works has inspected pavement conditions on all City maintained
roads and recommends that nine road sections be resurfaced (see Memorandum 16-043) and
estimated the cost of each.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

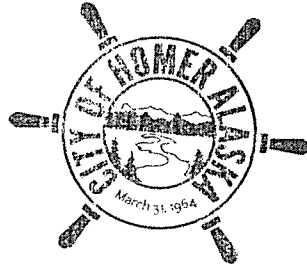
Section 1. The FY 2016 Operating Budget is hereby amended by appropriating an
amount not to exceed \$638,000 from the Homer Accelerated Roads and Trails (HART) Fund
for completing the 2016 Street Repaving Project.

Expenditure:

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
160-766	HART	\$638,000

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

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 25th day of April
_____, 2016.



CITY OF HOMER

Mary E. Wythe
MARY E. WYTHE, MAYOR

ATTEST:

Jo Johnson
JO JOHNSON, MMC, CITY CLERK

AYES: 5
NOES: 1
ABSTAIN: 0
ABSENT: 0

First Reading: 3/14/16
Public Hearing: 3/29/16 Reconsidered 3/29/16
Second Reading: 4/25/16
Effective Date: 4/26/16

Reviewed and approved as to form:

Mary K. Koester
Mary K. Koester, City Manager

Date: 4.27.16

Thomas F. Klinkner
Thomas F. Klinkner, City Attorney

Date: 4-29-16

City of Homer
2016 Operating Budget

Overhead Allocation:

Department	FY 2016 Amount to be Allocated
Mayor & Council	475,847
City Clerk	382,548
City Manager	205,287
Economic Development	181,098
Personnel	154,149
Information Technology	276,001
Finance	629,875
City Hall Complex	135,376
Janitorial	165,902
Public Works Admin.	159,687
Public Workers Building \$10,000	
Total Amount To be Allocated	2,765,771

*** Total General Fund Budget 11,658,093

- Allocation:** It is the process of splitting certain expenses between funds and/or Cost Centers (departments or divisions including General Fund itself).
- Purposes** to allocate certain General Fund expenses to other Funds (Port & harbor and Water & Sewer):
 - It is to report the true financial performance of each fund or program, which receives DIRECT interdepartmental or inter-fund administrative services.
 - It serves as a Cost Recovery mechanism for General Fund to be reimbursed for the services provided.
- Methodology:**
 - A fixed percentage of the total amount [to be allocated] is applied to for HART [Road and Trail] & HAWSP. The percentages are developed based on historical data and it will be reviewed periodically to assess its appropriateness.
 - The FOUR funds share the remaining balance of the total amount to be allocated based on the size of each fund's Operating Budget (excluding: PERS Relief, Transfers to Depreciation Reserves, Capital Projects, and the amount to be allocated itself).

General, Water & Sewer, Port & Harbor	HART - Road	HART - Trail	HAWSP
90%	4.0%	1.0%	5.0%
			100%

	General Fund	Water	Sewer	Port & Harbor	HART - Road	Total Base
Calculated Operating Budget Base	7,852,629	1,490,969	1,255,401	3,129,912	13,728,911	
Sharing Ratio	57.2%	10.9%	9.1%	22.8%	100.0%	

	General Fund	Water	Sewer	Port & Harbor	HART - Road	HART - Trail	HAWSP	Total
2016 % of Total Allocated Amount	51.5%	9.8%	8.2%	20.5%	4.0%	1.0%	5.0%	100.0%
2016 Amount Allocated to each fund	1,423,763	270,328	227,617	567,485	555,000	138,289	138,289	2,765,771
Adjustments		5,000	5,000	6,206				16,206
2015 Amount Allocated to each fund	1,501,385	274,210	214,191	605,925	115,365	28,841	144,206	2,884,123
2014 Amount Allocated to each fund	2,346,778	330,646	342,409	601,112	103,862		104,697	3,829,504
2013 Amount Allocated to each fund	1,929,787	332,964	319,102	532,436	84,152		143,012	3,341,453

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 and Second Reading
 - a. Substitute Ordinance 16-30(S)
 - b. Memorandum 16-091 from City Attorney
 - c. Memorandum 16-092 from City Manager

**CITY OF HOMER
HOMER, ALASKA**

Mayor/Council

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.

WHEREAS, The City of Homer (the "City") is in need of a new police station and renovations to the existing fire hall; and

WHEREAS, The City Council views the acquisition and construction of a new police station and related capital improvements and renovations to the fire hall 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 costs of public safety operations and capital improvements, including without limitation part of the debt service on such 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.

[Added language bold and underlined. Deleted language stricken through.]

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

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

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

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

9.16.010 Levied.

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

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

c. An additional consumer's sales tax in the amount of one percent is hereby levied by the City of Homer on all sales, rents and services within the City from April 1 through September 30, except as the same may be otherwise exempted by law, for the purpose of funding public safety operations and infrastructure within the City, including construction of a police station, renovation of the fire hall and, without limitation, debt retirement of capital improvements related to the police station and fire hall.

Section 4. The City shall submit the following proposition to the qualified voters of the City at the October 4, 2016 regular City election. The proposition must receive an affirmative vote from a majority of the qualified voters voting on the question to be approved.

PROPOSITION NO. ____
GENERAL OBLIGATION BONDS FOR
A NEW POLICE STATION AND FIRE HALL RENOVATION AND RELATED CAPITAL
IMPROVEMENTS;
1.0% SALES TAX RATE INCREASE TO 5.5%

[Added language bold and underlined. Deleted language stricken through.]

84 Shall the City of Homer incur debt and issue general obligation bonds in an
85 amount not to exceed Twelve Million Dollars (\$12,000,000) to finance the
86 planning, design and construction of a police station and related capital
87 improvements and renovation of the fire hall and related capital
88 improvements; and shall the rate of City sales tax be increased by one percent
89 (1.0%) to five and one-half percent (5.5%) from April 1 through September 30,
90 for the purpose of funding public safety operations and infrastructure within
91 the City, including construction of a police station, renovation of the fire hall
92 and, without limitation, debt retirement of capital improvements related to a
93 police station and the fire hall?

94
95 The bonds shall be secured by a pledge of the full faith and credit of the City.
96 (Ordinance 2016-___)

97
98 Section 5. The proposition, both for paper ballots and machine ballots, shall be
99 printed on a ballot which may set forth other general obligation bond propositions, and the
100 following words shall be added as appropriate next to a space provided for marking the ballot
101 for voting by hand or machine:

102
103 PROPOSITION NO. ____

104 OYes

105 ONo

106
107 Section 6. Section 2 of this ordinance shall become effective only if the proposition
108 described in Section 4 is approved by a majority of the qualified voters voting on the
109 proposition at the October 4, 2016 regular City election. Section 3 of this ordinance shall
110 become effective January 1, 2017, but only if the proposition described in Section 4 is
111 approved by a majority of the qualified voters voting on the proposition at the October 4,
112 2016 regular City election. The remaining sections of this ordinance shall become effective
113 upon passage.

114
115 Section 7. Section 3 of this Ordinance is of a permanent and general character and
116 shall be included in the City Code. The remainder of this ordinance is not of a permanent
117 nature and as such, shall not be codified.

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

121
122
123
124
125
[Added language bold and underlined. Deleted language stricken through.]

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, MMC, CITY CLERK

AYES:

NOES:

ABSTAIN:

ABSENT:

First Reading:

Public Reading:

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
HOMER, ALASKA

City Manager Smith

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 ~~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 **PROVIDING FUNDS** TO FUND PUBLIC SAFETY OPERATIONS AND INFRASTRUCTURE, INCLUDING CONSTRUCTION OF A POLICE STATION AND MAINTENANCE **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 A FIRE HALL THAT DEBT SERVICE**; AND SUBMITTING THE QUESTION OF THE ISSUANCE OF SUCH ~~THE~~ BONDS AND SUCH ~~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 renovations to the existing fire hall~~; and

WHEREAS, The City Council views the acquisition and construction of a new police station and related capital improvements ~~and renovations to the fire hall 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 ~~costs of public safety operations and capital improvements, including without limitation part of the 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

[Added language bold and underlined. Deleted language stricken through.]

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.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. It is hereby determined to be for a public purpose and in the public interest of the City to incur general obligation bonded indebtedness in an amount not to exceed Twelve Million Dollars (\$11,425,000) for the purpose of paying the cost of planning, designing, and constructing a new police station and related capital improvements ~~and renovating the fire hall and related capital improvements.~~

Section 2. The City is authorized to borrow the sum of Eleven Million Four Hundred Twenty-Five Dollars (\$11,425,000) to finance the capital improvements described in Section 1, and the borrowing shall be evidenced by the issuance of general obligation bonds of the City. The full faith and credit of the City are pledged for payment of the principal of and interest on the bonds, and ad valorem taxes upon all taxable property in the City shall be levied without limitation as to rate or amount to pay the principal of and interest on the bonds when due.

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

9.16.010 Levied.

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

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

c. An additional consumer's sales tax in the amount of one percent is hereby levied by the City of Homer on all sales, rents and services within the City from April 1 through September 30, except as the same may be otherwise exempted by law, for the purpose of ~~funding public safety operations and infrastructure within the City, including construction of a police station, maintenance of the fire hall and, without limitation, debt retirement of capital improvements related to the police station and fire hall~~ **paying debt service on the bonds authorized by Ordinance 16-30(S). The additional consumer's sales tax shall be levied only on sales, rents and services made on or before 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.**

Section 4. The City shall submit the following proposition to the qualified voters of the City at the October 4, 2016 regular City election. The proposition must receive an affirmative vote from a majority of the qualified voters voting on the question to be approved.

PROPOSITION NO. ____
GENERAL OBLIGATION BONDS FOR A NEW POLICE STATION
~~AND FIRE HALL RENOVATION 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 Eleven Million Four Hundred Twenty-Five Dollars (\$11,425,000) to finance the planning, design and construction of a police station and related capital improvements and renovation of the fire hall 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 funding public safety operations and infrastructure within the City, including construction of a police station, maintenance of the fire hall and, without limitation, debt retirement of capital improvements related to a police station and the fire hall **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)**)

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. _____

☐ Yes

☐ No

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

[Added language bold and underlined. Deleted language stricken through.]

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.

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

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, MMC, CITY CLERK

AYES:

NOES:

ABSTAIN:

ABSENT:

First Reading:

Public Reading:

Second Reading:

Effective Date:

Reviewed and approved as to form:

Mary K. Koester, City Manager

Holly C. Wells, City Attorney

Date: _____

Date: _____

[Added language bold and underlined. Deleted language stricken through.]



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

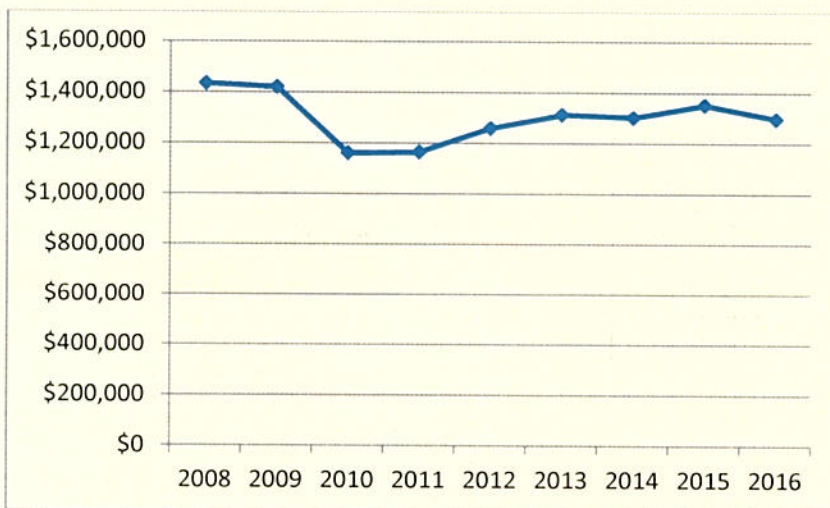
2015 Seasonal Sales Tax Value April – September (6mo)	
1%	\$1,222,000
0.90%	\$1,099,800
0.80%	\$977,600
0.70%	\$855,400
0.60%	\$733,200
0.50%	\$611,000

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(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 8, 2016
SUBJECT: City Manager's Report - June 13, 2016

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 runoff.

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.

Enc:

Maps/Press release/ADN article for WHSRN

Excerpt from online article "Small Towns for Wine Lovers"

Letter from Library Director to USDA inquiring about refinancing library loan

Excerpt from Inspired Collaboration: Ideas for Discovering and Applying your Potential

Draft letter to Kenai City Council in support of KPHI housing

Letter submitted to KPB Assembly on proposed Landfill Management Plan

Thank you note from Pratt

Homer Foundation Quarterly Report

Division of Wildlife Conservation
Bruce Dale, Director
Headquarters
PO Box 115526
Juneau, AK 99811-5526



Alaska Department of Fish and Game
Sam Cotten, Commissioner
PO Box 115526
Juneau, AK 99811-5526
www.adfg.alaska.gov

PRESS RELEASE

For Immediate Release: May 12, 2016

CONTACT: Joe Meehan
Statewide Program Coordinator
Lands and Refuges Program
(907) 267-2281
joe.meehan@alaska.gov

Kachemak Bay Wins Prestigious Western Hemisphere Shorebird Designation

(HOMER) – The designation is official and just in time for this year’s annual Kachemak Bay Shorebird Festival: The estuaries, shores, sloughs and tidal areas of Kachemak Bay are now officially part of the prestigious Western Hemisphere Shorebird Reserve Network (WHSRN).

WHSRN is a government-private partnership that designates important areas for shorebirds as a way to raise public awareness and promote scientific and conservation measures. Kachemak Bay now joins more than 90 network sites located in 14 countries throughout North and South America, including four other locations in Alaska.

Portions of Kachemak Bay – including Fox River Flats, Mud Bay and Mariner Park Lagoon – were named WHSRN sites in 1994. But as more information became available through monitoring and field studies, it became clear that Kachemak Bay in its entirety plays an important ecological role for shorebirds whose habitats span the Western Hemisphere. The new designation encompasses Kachemak Bay in its entirety, including both the inner and outer bay areas.

Kachemak Bay’s designation within WHSRN was made possible through the cooperative efforts of the City of Homer, the Kachemak Bay Birders, the U.S. Fish and Wildlife Service, the Kachemak Bay community, and the Alaska Department of Fish and Game. An official signing ceremony is scheduled for Saturday in Homer as part of the Kachemak Bay Shorebird Festival.

Nearly 40 shorebird species have been observed in Kachemak Bay with many staging by the thousands during the spring migration. Other WHSRN sites in Alaska include the Copper River Delta, Kvichak Bay, Nushagak Bay, and the Yukon Delta.

Kachemak Bay’s nomination and implementation into the WHSRN comes at no cost for the state. No regulatory or other enforceable requirements or oversight are associated with this designation.

For more information on the WHSRN program, visit <http://www.whsrn.org/about-whsrn>

###

The
**WESTERN HEMISPHERE SHOREBIRD
RESERVE NETWORK**

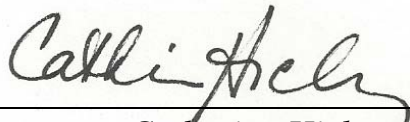
*hereby certifies that
pursuant to the criteria established by the Hemispheric Council*

Kachemak Bay

has been expanded and re-designated as a

~ **SITE OF INTERNATIONAL IMPORTANCE** ~

Approved by Council: May 2016



Catherine Hickey
Chair,

WHSRN Hemispheric Council



Rob P. Clay
Director,
WHSRN Executive Office

29. Homer, Alaska




We know what you're thinking: wine tasting in Alaska? While most of the state is associated with harsh temperatures, other parts are more akin to the Pacific Northwest-like climate, and it is these areas that have slowly but surely been making a name for themselves among wine lovers. While some grapes are grown, most popular Alaskan wines are made with local fruits. Think berries, rhubarb, and other hardy fruits. There are currently only about 10 wineries in Alaska, so wine trails are unheard of here. Instead, head to Homer, home of the increasingly popular Bear Creek Winery. Bear Creek offers wine lovers a number of delicious berry-based wines made from blueberry, raspberry, cranberry, and strawberry, and even some made from a grape/berry blend.

Taken from: 30 Great Small Towns for Wine Lovers



<http://www.topvaluereviews.net/features/small-towns-wine-lovers/>

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Value of Kachemak Bay to shorebirds gets a boost with designation

 Author: [Alaska News \(/author/alaska-dispatch-news/\)](/author/alaska-dispatch-news/)  Updated: 5 days ago

 Published 5 days ago



Western Sandpipers feed along the surf line on the beach at Anchor Point during the Kachemak Bay Shorebird Festival on Sunday, May 12, 2013.

The estuaries, shores, sloughs and tidal areas of Kachemak Bay have joined the prestigious Western Hemisphere Shorebird Reserve Network (<http://www.whsrn.org/>), a partnership between the government and private enterprises that designates important shorebird areas in an effort to boost public awareness.

There are 90 sites in 14 countries worldwide, including four others in Alaska — Copper River Delta, Kvichak Bay, Nushagak Bay and the Yukon Delta.

Twenty-two years ago, such Kachemak Bay sites as Fox River Flats, Mud Bay and Mariner Park Lagoon were added to the network. Over time, some scientists and birders came to believe the entire bay should receive the designation

"I think it's a big deal," said Joe Meehan of the Alaska Department of Fish and Game. "It doesn't offer any new protections to anything. But it is part of an international effort to keep attention focused on shorebirds. The more the public realizes how important areas like Kachemak Bay are to shorebirds the better it is. It effects shorebirds that travel all the way from South America and Asia."

The city of Homer, Kachemak Bay Birders (<http://kachemakbaybirders.org/>), the U.S. Fish and Wildlife Service and Fish and Game supported the move. A ceremony will be held Saturday in Homer as part of the popular Kachemak Bay Shorebird Festival (<http://kachemakshorebird.org/>), which celebrates the thousands of shorebirds returning each spring to Alaska and brings hundreds of birders to town.

Over the years, they've seen some 40 shorebird species in Kachemak Bay.

Fish and Game officials said there's no cost in joining the network — and no regulatory requirements. Western Hemisphere Shorebird Reserve Network officials based at the Manomet Bird Observatory in Plymouth, Massachusetts, decide which new areas to add to the network. Kachemak Bay Birders made the initial nomination with the concurrence of landowners.

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About the Author

[Alaska News \(/author/alaska-dispatch-news\)](/author/alaska-dispatch-news/)

COMMENTS (0)

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library@cityofhomer-ak.gov

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May 26, 2016

Amy Milburn, Area Manager
United States Department of Agriculture
Rural Development
110 Trading Bay Road, Suite 160
Kenai, AK 99611-9115

Dear Ms. Milburn,

Thank you for taking the time to answer my questions about the USDA loan for the Homer Public Library, in particular, the possibility of refinancing to reduce our interest payments.

As you know, the State of Alaska is facing its most severe financial crisis of the past forty years. State budget cutbacks are impacting communities across Alaska, through significantly reduced municipal revenue sharing, elimination of state government offices and local employment, and reductions to social services, the university, and service contracts with local government (such as the Homer city jail). These cutbacks in state support are forcing the City of Homer to reduce its expenses, as well.

Additionally, cuts to the Alaska State Library are reducing services and increasing expenses for public libraries, including Homer's. Funding has been eliminated for database subscriptions that have until now been purchased by the State Library. These popular databases provide foreign language instruction, test preparation for major college and technical exams, teen health and wellness, and more.

Homer is a rural first-class city of just over 5,000 residents. City funding is largely dependent on seasonal sales taxes from tourism and fishing. Homer Public Library is supported almost entirely by the City of Homer, with no contribution from the Kenai Peninsula Borough and only minimal support of about \$6,500 annually from the State. Due to reductions in City revenues, the Library's non-personnel budget for FY 2016 was cut by 14%, largely achieved by a 43% reduction in the book budget and 16% cuts to both periodicals and audio-visual materials (audiobooks, music and DVDs). That \$24,500 represents the single largest category of reductions to our budget. Other expenses have been whittled down to bare-bones, are fixed costs, or cannot be reduced without cutting open hours and staff.

One of those fixed expenses is the USDA loan, which enabled Homer to build this wonderful, highly used, well-loved community facility. In 2016 we will pay \$99,824 on that loan, or 11% of our total budget. \$58,346 of that payment is for interest – more than twice the amount we lost this year for books and materials.

One way to look at the 2016 budget is that we severely reduced our ability to provide that most basic service of libraries – books and other media – in order to pay interest on this loan.

In August the City of Homer begins its budget cycle planning for fiscal year 2017. Forecasts are that finances will be even tighter than last year. The Homer Library has done everything possible to reduce its budget (including converting from oil heat to gas, which halved our heating bill) without reducing services. There is nothing left to cut but staff, which will mean eliminating jobs that help local families and reducing open hours to less than they have been in over a decade.

Besides the loss of jobs, reducing hours and service at this particular time would be especially problematic for several reasons.

1. Use of Homer Library is rising continuously and significantly. Since 2005 (the last full year in the old library) through 2015, circulation of books and materials has increased by 58% and library attendance by 54%. Pre-school story time attendance rose by 109%.
2. Homer Public Library serves as an anchor institution for the underserved, many of whom will be especially hard hit by economic recession. These include seasonal workers, rural subsistence families, Russian Old Believers, Alaska Native individuals, the elderly, and people with disabilities ranging from mental to physical handicaps. Many people on limited incomes use the library for reading materials, DVDs, audiobooks, and computer access because they cannot afford to purchase these items. To my knowledge, we are the only library on the Kenai Peninsula offering Russian and bilingual materials to meet the needs of the Russian Old Believer community. We actively collect materials relevant to Alaska Native cultures, including indigenous language materials, as well as local history, subsistence, and sustainability topics.
3. As Alaska's economy contracts, the library becomes even more important to more people as they are impacted by job loss and cutbacks. It is well-documented that public library use rises when economies falter. Internet access is particularly important to unemployed people writing resumes and applying for jobs, students obtaining new job skills and taking proctored exams, and workers seeking job certifications, as well as people applying for government benefits and seeking medical, legal, or financial information.
4. The library serves as an economic incubator by providing entrepreneurial information (business, legal, tax, marketing) and tools (computers, printers, copiers, scanner, and Internet access), which community members use to start and operate small businesses.
5. Though the City of Homer funds the library, it functions as a regional library, serving rural residents of unincorporated and off-road communities who have no other option, or very limited options, for library service. Our patrons range as far north as Ninilchik, west across Kachemak Bay to Seldovia, Halibut Cove, and the Alutiiq village of Nanwalek, and south to the Russian Old Believer villages of Razdolna, Voznesenka, and Kachemak Selo. Most of these communities have no other option for library service, while a few have very limited libraries, primarily run by volunteers. For example, one family we serve drives 40 miles one way from Ninilchik to use the Homer library and participate in children's reading programs. It is over 80 miles from Homer to the next library of any size in Soldotna.

Homer Public Library is fulfilling the vision of the community when they committed to building a new facility. Residents wanted a vibrant, quality library so strongly that they voted to take on a building loan in the days before state construction grants for libraries were available. While other communities later benefitted from state construction grants, Homer has been faithfully paying off its loan and developing its library into a center for community life. Homer Library promotes early literacy through its work with parents and young children; supports educational achievement by encouraging reading and learning throughout the school years; enhances lifelong learning for adults through access to up-to-date materials, workshops, and events such as the Big Read, Walk-in Tech help, author readings, civic engagement programs, and rooms for community meetings; and nurtures economic vitality through access to practical resources and tools for entrepreneurship and financial competence.

Given the current economic climate, it is imperative that we find ways to reduce costs in order to maintain the library services this community not only wants, but truly needs. Refinancing our loan to reduce the existing interest rate would significantly improve our fiscal situation and our ability to continue providing library service to Homer and the surrounding areas.

Thank you for considering this inquiry.

Sincerely,

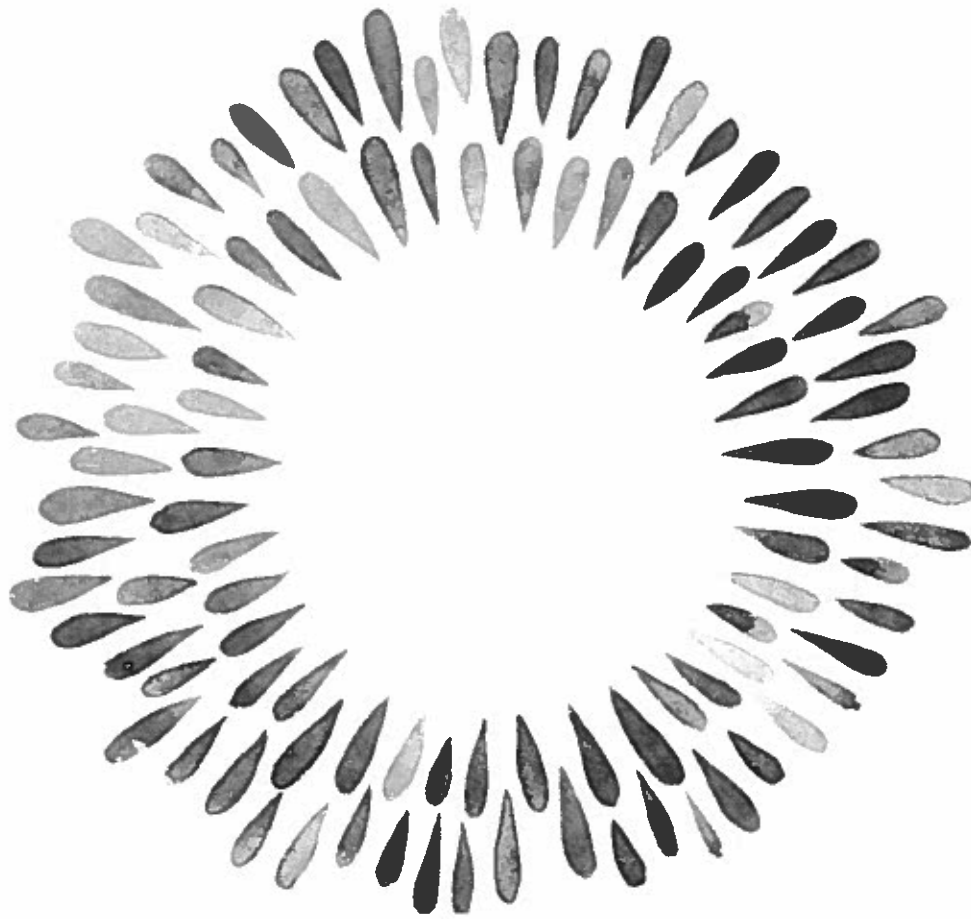
A handwritten signature in cursive script, appearing to read "Ann Dixon".

Ann Dixon, Director
Homer Public Library

cc: Katie Koester, City Manager, City of Homer

DOROTHY STOLTZ

with Susan M. Mitchell, Cen Campbell, Rolf Grafwallner,
Kathleen Reif, and Stephanie Mareck Shauck



INSPIRED COLLABORATION

IDEAS *for* DISCOVERING *and* APPLYING YOUR POTENTIAL

parents, but extend their reach by training home-visiting nurses and low-income housing staff on early literacy.

"No matter the origin of my inspiration—national or local, library or school—the goal is for me to demonstrate and teach parents how to play with their children in ways that help them develop prereading skills," says Claudia Haines, youth services librarian, Homer, Alaska. Librarians encourage families to talk, sing, read, write, and play together. Songs, rhymes, bounces, shakey eggs, board books, and wiggles and giggles are part of the early literacy toolbox.

Other tools for maximizing excellence in libraries include skill development, tenacity, and competence.

Elaine & Gilda Roadshow

"You already demonstrate and model early literacy practices in your library story-times to great effect," says Elaine Czarnecki, Johns Hopkins University instructor and reading specialist to Maryland children's librarians. "The question is, how can you increase your impact on children? We suggest that you become more intentional about what you are already doing. How can you think about why the components of a storytime are important to children and their development? How can you stretch your focus to not only present storytime but to help parents fulfill their role as first teacher? How can you convey early literacy tips to parents and caregivers during the storytime? The objective is to enhance your role as a librarian who can support parents to inspire their children to learn."

How did an educator like Elaine come to develop close working partnerships with public librarians? A librarian who attended a local reading conference heard Elaine and Dr. Gilda Martinez describe their work as reading specialists at Johns Hopkins University in 1999. They spoke about the importance of parents incorporating public library visits in preschool children's development and school readiness. The librarian told her supervisor, who initiated a meeting between the reading specialists and public library administrators. That meeting led to a training to reinforce early literacy knowledge and storytime presentation techniques, and to develop new skills to interact with parents.

Skills such as thinking things through will increase our power to discern and illuminate our minds. Flexibility, adaptability, and resilience can support our ability to envision, plan, and implement new ideas, as well as reinforce what's working well. Skills such as listening and responding to families help us foresee what public library service can become.

Elaine and Gilda traveled across Maryland in 2000 and 2001 into each of its twenty-four jurisdictions to discuss ideas on how librarians can better model emerging literacy skills, such as oral language comprehension, concepts about print, phonological awareness, and the alphabetic principle. They led discussions about what librarians could do differently to encourage parents and caregivers to extend the storytime at home.

Mediocrity Is Not an Option

How do you partner with colleagues in your profession when you are being bombarded by a mishmash of visionary forces? On the one hand, you are being asked to envision what public libraries could and should become for children and their families and caregivers. You are also being asked to deal with shorter-range daily issues.

Your success, satisfaction, and, at times, sanity will rely on your ability to think things through completely.

Influential forces may include leaders in the fields of libraries, education, and health. Early childhood initiatives often have the backing of funders and mandate makers as well as community leaders at the local, state, national, and international levels.

Reading with Sevie. Homer (AK) Public Library.





City of Homer

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Office of the Mayor

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mayor@ci.homer.ak.us

(p) 907-235-3130

(f) 907-235-3143

June 14, 2016

City Council, City of Kenai
210 Fidalgo Avenue #200
Kenai, AK 99611

Dear Kenai City Council Members,

Over the past ten years, demand for housing in Homer has steadily grown driving housing prices steadily upward. The result was a gap between what housing cost and what many Homer working families could afford, particularly among younger residents and those in the hospitality and health care service industries. Recognizing that access to affordable housing helps keep young families in Homer and produces other important community benefits (increased health and wellbeing, improved educational outcomes, and lower social service costs for local and state governments) the City of Homer has supported affordable housing development.

Many of these residences were developed by KPHI--one on land donated by the City of Homer and one on land sold to KPHI specifically for affordable housing development. KPHI has a history of successfully utilizing subsidy funding from Alaska Housing Finance Corporation to provide affordable housing with tangible results for Kenai Peninsula residents.

The City of Homer is pleased to write a letter in support of a project that will increase the availability of affordable housing opportunities and improve quality of life for Kenai Peninsula residents.

Sincerely,

Mary E. Wythe, Mayor



City of Homer

www.cityofhomer-ak.gov

Administration

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(f) 907-235-3148

Date: June 1, 2016

To: Honorable Mike Navarre, Kenai Peninsula Borough Mayor
And the Kenai Peninsula Borough Assembly

From: Katie Koester, City Manager

Re: 2017 KPB Budget and Landfill Management Plan

Thank you for the opportunity to comment on potential changes proposed for the Kenai Peninsula Borough Landfill Management Plan. Specifically, I am addressing the proposal to close landfills one day a week and on holidays. Landfill closure, especially in the summer, poses public health, environmental safety and economic concern.

The City of Homer's Port and Harbor manages the only non-official borough transfer site on the Kenai Peninsula. At 49 acres, Homer's Port and Harbor provides moorage for 920 vessels in reserved slips, with an additional 6,000 feet of transient moorage for ships up to 150'. A barge basin and haul out facility supports additional large vessels. The City provides as many as twenty five-yard dumpsters in eleven different locations throughout the Harbor and Spit area specifically for marine vessel trash, providing a convenient, safe disposal alternative to dumping trash in coastal waters. The harbor contracts for this refuse collection and disposal service, which costs approximately \$50,000 annually.

While harbor dumpsters are posted for vessel trash only, in reality many of the residents from both inside and outside city limits bring their garbage to the Spit because of a lack in transfer stations out East End Road and within Homer City limits. This makes the harbor dumpsters a quasi-refuse transfer site that collects additional garbage from area residents. Residents of the south-side of Kachemak Bay utilize the harbor dumpsters for disposal as well, rather than transporting it to the transfer site facility located on Baycrest Hill.

The landfill closures under consideration will only make the Spit a more convenient site for residents looking to dispose of their waste, especially after weekend and long holiday weekend household cleanup activities. To compound the problem, these closures coincide with the peak tourism on the Homer Spit. Normal collection services during these periods of high volume waste generation will be inadequate. Increasing the frequency of disposal at these times will not be an option as the transfer site will be closed causing dumpster overflow and creating litter-strewn mini dump sites appealing only to scavenger birds and subject to further dispersal by coastal winds.

Uncontained trash poses public safety risks, is a threat to the marine ecosystem and compromises Homer's reputation as a first-class tourism destination. The health of marine resources and visitor facilities are critically important to Homer's economy which relies heavily on fishing and tourism.

For these reasons, the City of Homer supports keeping the Baycrest Hill Transfer Facility open on its current schedule. If closures are considered, we respectfully ask that you avoid any closures during the busy summer months and avoid a weekday/holiday closure schedule which causes the Transfer Facility to be closed two consecutive days.

Thank you for your service to the residents and communities of the Kenai Peninsula.

Sincerely,

A handwritten signature in blue ink that reads "Katie Koester". The signature is written in a cursive, flowing style.

Katie Koester
City Manager

Thank
you for our
of your support!
Huta Howell

Thank you!
Maureen Sellner

Thank you Homer!
B. Smith

Thank you for your
continued support
of the museum.

Charlie Fry

On behalf of the Homer Society of
Natural History's Board of Directors,
thank you for your recent generous
donation to the Pratt Museum. Your
support means a lot to us.
Thank you.

Thank you
so much for
your support.
Sara Schindler

HOMER FOUNDATION
Quarterly Report to Fund Holders
Jan - Mar 2016

Fund Holder City of Homer
Fund **City of Homer Fund**

Fund Type: Field of Interest
Fund Code: 1305

PORTFOLIO SHARE (Corpus)

Beginning Balance	182,366.30
Contributions	-
Withdrawals	-
Portfolio Market Change	18,641.37
Ending Balance	201,007.67

AVAILABLE FOR DISTRIBUTION (Earnings)

Beginning Balance	6,853.84
Earnings Allocation	6,276.71
Grants Awarded:	
none this quarter	-
	-
	-
Grants Total	-
Transfers to Restricted Fund	-
Ending Balance	13,130.55



City of Homer

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Planning

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Memorandum 16-097

TO: Mayor Wythe and Homer City Council
THROUGH: Rick Abboud, City Planner
FROM: Homer Advisory Planning Commission
DATE: May 20, 2016
SUBJECT: Hickerson Memorial Cemetery

The Commission held a work session on Wednesday May 4th, and invited neighboring property owners to comment. Part of the work session included a presentation about Soldotna's recent cemetery expansion and cemetery policy updates.

Lessons learned:

- Homer needs to update its cemetery policies to reflect modern cemetery practices.
- Homer should provide a range of burial options, not just gravesites.
- Cemetery fees should be increased as needed to cover future expansion costs.
- Future expansions should be phased, and internment options adjusted to reflect market forces.
- Market demand for plot reservations is greater than the number of people actually being buried. When new plots are available for purchase, they will sell relatively quickly.

Questions Considered:

1. Should the city expand the cemetery?

Commission Consensus: Yes. City and area residents do not have an alternative burial site in the community. It is not reasonable to suddenly stop providing this service with no notice or time for the community to find an alternative. Further, the City has been planning this project for some time, including the land purchase in 2010. Cemetery fees should be increased as needed to cover the costs.

2. Should the phase 1 expansion as designed be carried out?

Commission Consensus: Phase one should be reduced, and somewhat redesigned. There are several internment options that do not require as much land that should be included in the design. Cremains plots, a Columbarium (niche wall for urns), more compact grave layout and possibly a memorial plaque area could all be explored to make better use of the land. This would delay the need for future expansions, as well as better reflect market forces. Many people are cremated, but the current design has no cremains plots (which are smaller than a traditional gravesite); a full size grave is the only option in the current design.

3. What can be done to work with the neighbors?

The Commission held a work session and heard from a few neighbors. There was consensus that a more attractive cemetery, with updated and enforced policies is preferred over the current phase 1 design.

The current cemetery design is thought to have as much as a 50 year lifespan. Rather than look at a full build out, phase 1 should reflect current burial practices. When space starts to run out again in 5-10 years, the next phase of expansion can be adjusted to reflect market forces.

4. Long term, say in the next 10 years, would the City want another organization, private or non-profit, to run the cemetery? What partnership opportunities are there?

Commission Comments: Soldotna has several public/private/non-profit partnerships. These avenues can be explored, but the facility we build today needs to be something that another entity would reasonably want to be part of. For example, most cemeteries have amenities such as benches, some trees, etc. If the phase 1 design can incorporate these ideas, other entities can purchase the amenities over time. Memorial benches purchased by loved ones or nonprofit groups are common at other cemeteries. Further, staff explored how the City of Soldotna manages their recent cemetery expansion. Their adopted policy manual provides explicit rules that Homer lacks. Homer's policies should be updated in conjunction with the cemetery expansion.

5. Planning for the future?

Commission Comment: The City got into the business in 1970. Perhaps in the future another organization will have the desire and capacity to take over some of the operational responsibilities. But the facility needs to be functional and of good design for that to occur. No one will want to take over a cemetery that is inefficient in its use of space, policies or operations.

Recommendations:

1. Direct the Planning Commission to continue to work with the neighborhood and public works to research and propose a reduced scale phase one project, to include a mix of burial options, preferably in time for fall construction of phase 1 road, parking and initial gravesites.
2. Delay reserving any new plots in phase 1 until city policies are updated (plots would be sold on the basis of immediate need, but would not be available for pre-purchase).
3. Work with the City Clerk's Office to update City cemetery policies to reflect modern cemetery practices (deliverable by December 2016). Allow pre-purchase of internments immediately after new policies are adopted.

Attachment: HAPC Unapproved Minutes from 5/18/2016 Meeting

HAPC Unapproved Minutes Excerpt 5/18/2016

New Business

A. Staff Report 16-27 Hickerson Memorial Cemetery

City Planner Abboud reviewed the staff report.

Commissioner Highland said she spoke to Grant at Peninsula Memorial Funeral Home who explained that about 70% of bodies in Homer are cremated and 30% buried. Of that 30%, half are embalmed. He said a niche wall would run about \$25,000. In relation to vaults, he suggested either require them or don't because if you only require bodies that are embalmed to be vaulted, there may be people who try to get around it. She also talked about working with volunteer groups to help clean up and maintain the cemetery.

The Commission addressed the benefits of a niche wall and agreed that when considering the number of urns it could hold and minimization of space use and environmental impact, \$25,000 doesn't seem like an unreasonable expense.

STROOZAS/BRADLEY MOVED THAT THE PLANNING COMMISSION APPROVES THE RECOMMENDATIONS IN STAFF REPORT 16-27 FOR THE HICKERSON MEMORIAL CEMETERY AND FORWARD TO CITY COUNCIL FOR APPROVAL.

Brief discussion ensued regarding question five in the staff report and considered if putting out do we want to be in the cemetery business was the best way to phrase it. Commissioners felt that the City has been maintaining it since 1970 and it wouldn't be appropriate to just let it go. If someone did decide they wanted to take it over and manage it, it could be risky given the financial climate and the amount of work needed at the cemetery. If it is the direction the city wants to go, a better strategy would be to take care of the improvements first for nicer exit from the responsibility.

HIGHLAND/BRADLEY MOVED TO AMEND NUMBER FIVE AND CHANGE THE TITLE TO "PLANNING FOR THE FUTURE?".

There was brief discussion.

VOTE (Amendment): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

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

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

CITY ATTORNEY REPORT

COMMITTEE REPORTS

PENDING BUSINESS

**CITY OF HOMER
HOMER, ALASKA**

City Manager/
Finance Director

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.

WHEREAS, Water and sewer utility services shall be reviewed annually and amended,
as necessary, to take effect as of July 1, 2016 with the first billing cycle to take effect following
July 1; and

WHEREAS, The Homer City Council reviewed the current rate model and
recommended no rate changes for the period of July 1, 2016 through June 30, 2017.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Homer, Alaska, that the
water and sewer fees be maintained at the 2016 rate and the Homer Fee Schedule be updated
as follows:

WATER AND SEWER FEES:

Public Works - 235-3170

City Hall - 235-8121

Billing - 235-8121 x2240

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

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

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

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

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

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

SEWER FEES:

Sewer Connection and Extension Permit Fee

Single Family \$255

Multi-Family/Commercial \$330

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

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

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

Commercial - Any user not defined as Residential.

Sewer Rate Schedule.

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

Rates

Table I

	Sewer	
Customer Classification	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

District (LID) members have contributed to the initial cost of the sewer treatment plant and the collection system. For Kachemak City LID dischargers connected within the LID, the City of Homer shall bill Kachemak City in one single bill at the Lift-Station Zone Rate of \$93.95 (\$81.20 +\$5 +\$7.75) per month per customer. Kachemak City shall be responsible for payment to the City of Homer.

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

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

Seasonal Sewer Meter Fee is \$251.75.

WATER FEES:

Water Connection Fee

Single Family \$300

Multi-Family/Commercial \$375

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

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

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

Commercial - Any user not defined as Residential.

Water Rate Schedule.

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

Rates	Table III	
	Water	
Customer Classification	Monthly Service	Usage Charge/Gallon
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

Customer classification definitions for determining water rates:

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

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

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

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

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

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

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

PASSED AND ADOPTED by the City Council of Homer, Alaska, this 23rd day of May, 2016.

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, MMC, CITY CLERK

Fiscal Note: Revenue amounts defined in CY2016 budget.

1 CITY OF HOMER
2 HOMER, ALASKA

3 City Manager/
4 Finance Director
5 Mayor

6 RESOLUTION 16-063(S)

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
41

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

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

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

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

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

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

SEWER FEES:

Sewer Connection and Extension Permit Fee

Single Family \$255

Multi-Family/Commercial \$330

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

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

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Commercial - Any user not defined as Residential.

Sewer Rate Schedule.

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Rates

Table I

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Lift-Station Customer	\$ -	\$0.0232
Non-Lift-Station Customer		\$0.0157
Multi-units (additional per unit)	\$ 5.00	N/A

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 (<u>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.</u>)
Pumping Fee (If Applicable)	\$7.75/customer/mo.	\$7.75
Assumption: Avg. Sewer Usage	3500 3000 Gal/Mo.	

Customer classification definitions for determining sewer rates:

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

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

Sewer System Dischargers (Sewer ONLY customers): Customers who use sewer service only shall be charged a monthly fee of \$5 plus sewer usage fee based on assessed volume of ~~3,500~~ **3,000** gallons per month multiplied by the applicable sewage rate (see Table II). Kachemak City Local Improvement District (LID) members have contributed to the initial cost of the sewer treatment plant and the collection system. For Kachemak City LID dischargers connected within the LID, the City of Homer shall bill Kachemak City in one single bill at the Lift-Station Zone Rate of ~~\$93.95~~ **\$88.95** (\$81.20 +\$5 +\$7.75) per month per customer. Kachemak City shall **be billed a \$5 monthly service charge to cover all Kachemak City sewer customers and shall** be responsible for payment to the City of Homer.

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

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

Seasonal Sewer Meter Fee is \$251.75.

WATER FEES:

Water Connection Fee

Single Family \$300

Multi-Family/Commercial \$375

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

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Water Rate Schedule.

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

Rates	Water Table III	
	Monthly Service	Usage Charge/Gallon
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Multi-units (additional per unit)	\$ 5.00	
Bulk Water	\$ 19.00	\$0.0149

Customer classification definitions for determining water rates:

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

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

Multi-Units: An additional \$5 monthly charge shall apply to each of the units of a building or lot occupied by more than one household or commercial entity contained within one building or several buildings within one complex. Examples of multi-family units include duplexes, four-plexes and up, apartments, condominiums, co-housing projects, and multiple structures on one lot (where units are normally rented or occupied for longer than one month at a time). Examples of units not considered

as multi-family include hotels, motels, and B&B's seasonal rooms/cabins (where units are routinely rented or occupied for less than one month at a time.)

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

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

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

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

PASSED AND ADOPTED by the City Council of Homer, Alaska, this ____ day of _____, 2016.

CITY OF HOMER

MARY E. WYTHER, MAYOR

ATTEST:

JO JOHNSON, MMC, CITY CLERK

Fiscal Note: Reducing gallon multiplier to 3,000 results in \$17,000 less for sewer revenue.
Dropping \$5 service charge per Kachemak City sewer customer results in \$6,720 less revenue
(113 customers @ \$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 16-093

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.

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

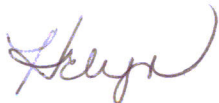
in 2013 the average residential water/sewer bill in Homer was billed at about 3,000 gallons a month. Most of the households in Kachemak use delivered water and it costs about 6 cents a gallon; people tend to be more conservative when they are paying that much for water. (For comparison purposes: 3,000 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 connecton 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.

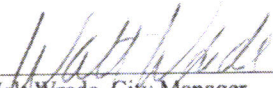
4.5 Homer shall provide the planning, engineering, design, construction, construction administration and construction surveillance for all Utility capital improvements, including those in Kachemak.

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

