

CITY OF HOMER
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City of Homer 2006 Annual Report

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Manager's Message

2006 proved to be another rewarding year for the City of Homer. The City government remains fiscally sound and it continues to work on becoming as efficient, productive, and responsive to the needs of its residents as possible. The community continues to grow at a steady pace and the City has worked to balance population growth and an expanding economy with the high quality of life that Homer residents expect. The City's success in 2006 was due in large part to the diligence and hard work of the Mayor, the City Council, the numerous volunteers who devote their precious time to the City's boards and commissions, and the City's hard working and dedicated employees.

The City has numerous on-going projects and many of them reached fruition in 2006. The biggest and most visible of these projects was the new Homer Public Library. This project was completed on time and on budget and is certified as a LEED building by the U.S. Green Building Council.

Other major capital improvement projects completed in 2006 include Jack Gist Park, improvements to Karen Hornaday Park, the repaving of six roads complete with new bike lanes, and completion of the Ocean Drive Loop and Peterson Edition sewer improvements.

The City Council completed several long range planning documents when it adopted the Water and Sewer Master Plan and the Town Center Development Plan. The Council also took great strides in fiscal planning and in implementing the Long Range Fiscal Plan. It did this by approving a balanced FY 2007 Operating Budget and adopting new, fiscally prudent policies regarding fund balances, depreciation reserves, employee compensation, and the unfunded liability associated with the Public Employees Retirement System (PERS).

The City is working hard on many on-going large projects that

it believes will be completed in 2007 or within the next few years. These projects include engineering and design of a new City Hall and

Town Plaza, a feasibility study for the proposed new East Boat Harbor, engineering and design for the Deep Water Dock expansion, several much needed water and sewer projects, the Spruceview-Noview Road improvement project, completion of the Spit Trail, expanded parking for the Spit Trail, and design and engineering for the Heath Street extension. The City has also undertaken several very significant planning projects, including an update of the Homer Comprehensive Plan.

This annual report summarizes the results of the vision, planning, and work of an involved citizenry, elected policy makers, and hard working City employees. The 2006 Annual Report contains a broad overview of the financial activities of the City including its Enterprise Funds and Capital Improvement Program. The report also contains Departmental reports on goals and accomplishments. We believe a review of this year's report will confirm that the City government is functioning at a very high level, that its fiscal policies are sound, and that Homer remains a great place to live and a very attractive place to do business.

Walt Whode



The City of Homer is a First Class Municipality with an elected mayor and city council. The mayor is elected to serve a 2-year term. City Council members serve staggered 3-year terms. Expiration of the term for each member is noted in parentheses at right.

The municipal election in October 2006 gave Homer one new Council member, Francie Roberts.



Seated, left to right: Mary E. (Beth) Wythe, (07), Francie Roberts (09), Mayor James C. (Jim) Hornaday (08), Mike Heimbuch (08), and Doug Stark (07). Standing: Dennis Novak (09), City Manager Walt Wrede, Deputy City Clerk Jo Johnson, and Matt Shadle (08)



Left: Homer area residents filled the Cowles City Council Chambers on September 25, 2006 for a public hearing on the Capital Improvement Plan.

Below: Mayor Jim Hornaday encourages civic involvement among 4th graders who visited City Hall in April 2006.



Mayor & City Council

City Advisory Bodies

The Mayor, City Council, and City employees are grateful to the many local citizens who volunteer their time to serve on advisory boards and short-term committees.

In 2006, the Economic Development Commission was reestablished by the Homer City Council after having disbanded in January 2000. Three members of the “new” EDC had experience on the former EDC. Also in 2006, the Road Standards Committee became the Transportation Advisory Committee, reflecting a broader role.

The following individuals contributed hundreds of hours in 2006 to help ensure a high quality of life in Homer now and in the future.

Library Advisory Board

Nancy Lord	Michael Hawfield
Bette Seaman	Thomas Bursch
Ann Keffer	Kyra Wagner
Linda Martin	Melissa Lettis (student)

Parks & Recreation Commission

Lou Stewart	Mimi Tolva
Deborah Poore	Dennis Gann
Barbara Howard	Bumppo Bremicker
Annie Weaver	

Planning Commission

Lane Chesley	Sharon Minsch
Ray Kranich	Bryan Zak
David Scheer	Rick Foster
Bruce Hess	

Port & Harbor Commission

Otto Kilcher	Paul Mackie
John Velsko	Catherine Ulmer
Glen Carroll	Kurt Weichhand
Sean Martin	
Dave Vanderbrink and Brantley Edens (lifetime honorary members)	

Economic Development Commission

Bob Howard	Gloria Corey
Jon Faulkner	Colleen Atwood Riley
Angie Newby	David Scheer
Jeff Murphy	

Public Arts Committee

Connie Alderfer	Dave Anderson
Asia Freeman	Don Henry
Angie Newby	Gail Parsons
Ron Senungetuk	Mike Yourkowski

Transportation Advisory Committee

Kurt Marquardt	Bryan Zak
Doug Stark	Steve Smith
Mary Calhoun	



The Homer Advisory Planning Commission deliberates during a meeting in October 2006, with staff support from City Planner Beth McKibben.

Quick Facts & Figures

Date of Incorporation March 31, 1964
 Area in Square Miles 15 sq. mi. of land and
 10.5 sq. mi. of water
 City Population (official estimate) 5,454
 Borough Population (official estimate) 51,350

City Employees 96 full time; 7 part time

Public Works (including Parks & Rec)

Full and part-time employees 32
 Miles of streets maintained 46.9
 Miles of water distribution line 42.3
 Miles of maintained wastewater line 49.2
 Vehicles and heavy equipment maintained 110
 Campground use
 (RV and tent nights) 9,080
 Park acres maintained 242
 Miles of trail maintained 5.03

Public Safety (Police and Fire)

Full and part-time employees 32
 Fire Dept. volunteers 37
 Combined Fire/EMS calls 571
 Requests for police services 5,987
 Arrests 428
 Days of jail time served 1,309.5
 Animals turned in or impounded 596
 Animals adopted 266
 Animals euthanized 186

Port & Harbor

Full and part-time employees 13
 Small boat harbor stalls 920
 Dock landings (not including state ferry)
 Deep Water Dock 62
 Pioneer Dock 31
 Tons of ice sold 3,333
 Crane hours billed or metered 2,535
 Public, Fire, EMS, and Police assists 220

Public Library

Full and part-time employees 7
 Library volumes 36,984
 Library circulation 99,020
 Attendance 91,301
 Volunteer hours 2,104

Planning

Full time employees 4
 Construction permits issued 83
 Construction value \$20,287,857

City Clerks Office

Full time employees 3
 Meetings attended and documented 145
 City Council ordinances, resolutions, and
 memoranda processed 443

Finance

Full time employees 7
 Grants managed 36
 Leases managed 27
 City mill levy (property tax) 4.5
 Borough mill levy 6.5
 Kenai Peninsula College mill levy 0.1
 South Peninsula Hospital mill levy 1.75
 City sales tax 4.5%
 Borough sales tax 2.0%

City Assessed Value

Real property \$500,195,962
 Personal property \$19,516,221

City Tax Receipts

Property tax \$2,382,931
 Sales tax \$6,804,735

City Long Term Debt

General obligation bonds \$475,000
 Revenue bonds \$620,000
 Assessment bonds \$1,998,033
 Capital leases \$371,953
 Notes payable \$9,539,106
 Authorized but not issued \$2,537,895



Homer's small boat harbor is a setting for both work and relaxation.

2006 City Workforce

City of Homer employees and volunteer firefighters help make Homer a great place to live, work, and play. Names of department heads appear first in each category.

City Manager's Office

Walt Wrede	Steve Bambakidis
Sheri Hobbs	Anne Marie Holen
Mike Illg	Rachel Livingston

City Clerk's Office

Mary Calhoun	Melissa Jacobsen
Jo Johnson	

Finance

Regina Harville	Jo Earls
Michele McCandlish	Laurie Moore
Joanne Perret	Lori Sorrows
Lisa Vaughn	

Fire Department

Robert Painter	Steve Boyle
Elaine Grabowski	Dan Miotke
Dean Thoemke	Tim Yarbrough

Volunteer Firefighters

Dr. Bill Bell	Christian Black
Kathy Boyle	Denise Bryant
Marti Christensen	Sean Connelly
Pete Coots	Samantha Cunningham
Jose Diaz	Candy Edwards
Arli Emery	Robert Gaedecke
Mary Griswold	Jeanne Hollerbach
Carey James	Pat Johnson
Maynard Kauffman	Susie Malone
Joe Miles	Jason Miller
Patty Murray	Nick Mumma
Trevor Mumma	Karyn Noyes
Robert Purcell	Martin Renner
Josephine Ryan	Matt Sabelman
Matt Schneyer	Brian Schmitz
Jennifer Sokol	Carla Stanley
Terry Sumption	Gary Thomas
Doug Van Patten	Mark Walter
Josiah Wynn	

Library

Helen Hill	Peter Coots
Jolee Ellis	Katherine George
Susan Gibson	Kathleen Pankratz
Teresa Sundmark	

Planning

Beth McKibben	Julie Engebretsen
Dotti Harness	Shelly Rosencrans

Police Department

Mark Robl	Cheryl Bemowski
John Browning	Ineke Buchman
Roger Cornett	Alex Douthit
Mike Eastham	Jona Focht
Kelly Huddleston	Will Hutt
Mark Kruzick	Lary Kuhns
Stacy Luck	Greg McCullough
Paul Meyer	Patti Morris
Randy Rosencrans	Cory Rupe
David Shealy	Steve Smith
Ed Stading	Wayne Stanley
Janie Stewart	Chuck Thorsrud
Barth Troughton	

Port & Harbor

Steve Dean	John Bacher
Wes Cannon	Matt Clarke
Dan Cornelius	Chris Dabney
Aaron Glidden	Dana Harrington
Bryan Hawkins	Bonnie Judge
Julia Martin	George Tyrer
Mark Whaley	

Public Works

Carey Meyer	Ed Barcus
John Berelc	David Bolt
Russell Cheney	Harlon Engebretsen
Ken Frazier	Barbara Garcia
Dan Gardner	Richard Gibson
Tamara Hagerty	Julie Harris
Don Henry	Jim Hobbs
Mitch Hrachiar	Patrick Johnson
Jan Jonker	Richard Klopp
Bob Kosiorek	Gerald Lawver
Steve Martin	Brian McCarthy
Jim Nelson	Dan Olsen
Terry Overton	Gary Richardson
Mike Riley	Kurt Roe
Glenn Satterfield	Levi Stradling
John Wythe	

City Manager's Office

The City Manager's Office is housed at City Hall and includes the City Manager, Administrative Assistant, Personnel Director, and Special Projects Coordinator. The Systems Manager and Community Schools Coordinator are also considered part of the City Manager's Office.

The Homer City Manager serves as chief administrative officer of the City and is responsible for the administration of all City services. Walt Wrede has served as City Manager since February 2003.

The City Manager works closely with the Mayor and City Council, department heads, and other community leaders to identify and accomplish projects that are in the best interest of the community and to solve problems that might come up. He is responsible for overall budget preparation and shares responsibility with the Mayor and Council for articulating the City's needs to state and federal officials to secure funding for capital projects.

The City Manager is often the first person a community member calls with a question or complaint about City operations. Fortunately, his assistant, Rachel Livingston, is often able to help. Phones, scheduling, and tracking down information are all part of a normal work day. In 2006 Rachel also contributed significant time to the Public Arts Committee, New Library activities, lease management, and resolution of issues regarding itinerant merchants. In July, she attended a Sister Cities meeting in Washington DC, where Homer was recognized for its long-term commitment to the Sister Cities program.



Sheri Hobbs has processed over 4,000 job applications during her 12 years as Personnel Director for the City of Homer.

Sheri Hobbs has been Personnel Director for the City of Homer since 1994. Her work in personnel ranges from advertising positions and processing applications to maintaining personnel records, administering the health and life insurance programs, and producing the employee newsletter. She assists the City Manager, directors, and employees by providing information regarding personnel policies and benefit information. Sheri is also the Airport Terminal manager, which involves negotiating and administering leases and other revenue generating programs at the airport.

In 2006 the City of Homer assumed responsibility from the Kenai Peninsula Borough School District for operating the Homer Community Schools Program. Sheri was given the task of overseeing the program and Mike Illg was hired as coordinator. The program is made possible through an agreement with the KPB School District for use of school facilities and equipment, and through funding from class fees and City tax revenues. The City's adoption of the Community Schools program was a direct result of strong community support expressed at City Council meetings and in the 2006 local election. During the 2006 fall session, 52 classes were offered, drawing a total of 489 participants.

Special Projects Coordinator Anne Marie Holen is responsible for producing the Capital Improvement Plan and Annual Report, and seeks funding for City projects through grantwriting and the preparation of legislative request materials. New duties in 2006 included staffing the Economic Development Commission and producing the quarterly Community Schools catalog.

Systems Manager Steve Bambakidis is responsible for troubleshooting and maintenance of 16 network servers and more than 100 desktop computers. He maintains the City's website as well as specialized automated systems for the Police, Fire, and Public Works departments. In 2006, he installed a new phone system at City Hall and the library, moved all the existing computers from the old to the new library, installed more than 20 new patron computers, and changed the library database to new software. Three City servers were upgraded along with the domain architecture, virus scan software, and Office software. Steve also assisted in the installation of a new recording system in City Council chambers, upgraded a wireless link to the Port, and set up a wireless link for the Citywide Area Network.

City Clerk's Office

The City Clerk is an official of the City of Homer, appointed by the City Manager and confirmed by the City Council. Mary Calhoun was City Clerk in 2006. Jo Johnson was Deputy City Clerk II and Melissa Jacobsen was Deputy City Clerk I.

The City Clerk attends meetings of the Homer City Council and keeps the journal for the Council and its advisory bodies. The Deputy City Clerks attend meetings of the advisory bodies and ensure that regulations for public meetings are met. In 2006, staff from the City Clerks Office attended 145 meetings.

The Clerk's Office manages municipal records and makes them available to the public, provides for codification of ordinances and authenticates or certifies records, prepares agendas and packets for the governing body and advisory bodies as assigned, administers oaths of office, acts as the parliamentary advisor to the City Council, and performs other duties required by law.

The City Clerk is a National Parliamentarian and in the third level of Master Municipal Clerk. Both Deputy City Clerks passed their national parliamentarian college-proctored

exams in 2006.

The City Clerk's Office records a weekly informational segment aired on public radio station KBBI and maintains informational kiosks in four locations within the community: Captain's Coffee, the Harbormaster's Office, Pudgy's Meat Market, and City Hall. The Clerk's Office also produces and distributes a quarterly newsletter for City residents and maintains a website

(<http://clerk.ci.homer.ak.us>) which contains a wealth of information, including meeting agendas and minutes.

In 2006 the Clerk's Office began a "Question of the Week" program in response to a request from the Mayor, City Council, and City Manager to solicit input from citizens who don't usually attend meetings. The question is posted on the Internet and also in various locations around town, with paper, pens, and cans for collecting answers. Responses are provided to the Mayor and Council.

The City Clerk administers all municipal elections and assists with borough and state elections. A City/Borough election was held on October 3, 2006. Jim Hornaday

was reelected mayor and Dennis Novak was reelected to the City Council. Francie Roberts was elected to the City Council, replacing Val McLay. The voters also approved four ballot propositions, authorizing the City to assume responsibility for the Community Schools program, reauthorizing the Homer Accelerated Roads Program, and expanding it to cover new local streets and non-motorized trails. A measure to raise the sales tax from April through September and lower it from October through March failed.

The Clerk's office had help from an OJT student twice a week beginning in September. In addition, the City Council granted the Clerk's request for funding for a temporary position for 2007.



City Clerk Mary Calhoun completed her 19th year of employment with the City of Homer in 2006.



Election workers Colleen Quiner and Karen Flyum provide cheerful assistance to voters in the 2006 City and Borough fall election.

Finance Department

The City of Homer Finance Department provides overall administration of the financial activities of the City. The Finance Department is proud to have received a Certificate of Achievement for Excellence in Financial Reporting for 22 consecutive years.

The Finance Department:

- assists in the development of an annual budget and prepares a year-end comprehensive annual financial report.
- provides accounting services for all departments of the City.
- monitors all general ledger account activities.
- administers all accounting functions related to accounts payable and receivable, purchasing, budget and payroll systems, reception, utility, port and ambulance billings, and capital projects.
- monitors and accounts for the financial activities of grants entered into by the City.
- administers the City property leases.

2006 saw the transition to a new Finance Director, when Regina Harville was hired for the position in January. Regina brought experience from both the public and private sector to the job. She is a Certified Public Accountant, Certified Fraud Examiner, and an Enrolled Agent.

Another change in 2006 established a system for City of Homer utility customers to pay bills



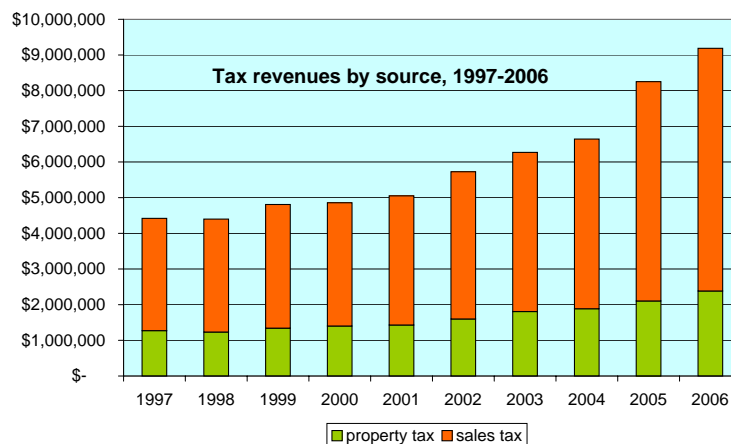
Finance staff took a tour of the new library construction site in March 2006. Pictured here are Lori Sorrows, Joanne Perret, Michele McCandlish, Jo Earls, Lisa Vaughn, Regina Harville, and Laurie Moore.

online. The new feature has been popular with customers and has helped reduce the number of late payments each month. Eventually the system will be expanded to include Port & Harbor payments as well.

Finance Department staff spent many hours in 2006 meeting new Governmental Accounting Standard Board requirements, also known as GASB 44. Ten years worth of statistical data must now be included in City of Homer financial statements. Complying with GASB 44 will provide a more complete historical perspective for anyone who reviews the statements.



Finance Director Regina Harville was hired in January 2006 and made her debut as a Valentines fairy soon thereafter.



Planning & Zoning

The Planning and Zoning Office is responsible for reviewing all conditional use permit applications, as well as applications for sign permits, zoning permits, variances, and rezones. Additionally, staff facilitate long range planning efforts such as updates to the Comprehensive Plan.

Staff work with the public to resolve zoning violations and to enforce the parking and zoning codes. The Planning and Zoning Office maintains

a website at <http://planning.ci.homer.ak.us/dahome.htm> to assist the public in understanding Homer's zoning code, and to provide easy public access to relevant documents and web sites.

2006 was another very busy year. A total of 83 zoning permits were approved and 13 conditional use permits were processed, including one for Homer's first large retail establishment. Of the 132 staff reports to the Homer Advisory Planning Commission, 91 dealt with plats, 6 with non-conforming status, and one with a variance. The Gateway Business District was created, and amendments were made to the Marine Commercial and Marine Industrial zoning district regulations and to the Appeals section of Title 21.

The Homer Advisory Planning Commission had a total of 21 regular meetings, 9 special meetings, and 24 work sessions for a total of 54 meetings in 2006. The Commission heard three appeals in 2006.

In addition to working with the Planning Commission, staff also worked with a special committee that was tasked with recommending, to the Planning Commission, improvements to be included in the first subdivision development agreement within the new "Town Center."

Staff also worked with another special committee that was tasked with assisting in the development of a Request for Proposals for an update to the Comprehensive Plan.

Planning Technician Julie Engebretsen serves as staff to the Parks and Recreation Commission. City Planner Beth McKibben is a member of the Lease Committee.

Two neighborhood meetings were held for the Scenic Gateway planning effort. Staff and the Planning Commission have continued working diligently on the Scenic Gateway and expect to complete their work in 2007. Consultant firm Agnew::Beck of Anchorage, was hired to assist the City and community in updating the Comprehensive Plan.



Shelly Rosencrans and Dotti Harness help the City's Planning department fulfill its responsibility to facilitate responsible development and land use within Homer. Shelly is the Planning Clerk and Dotti handles code compliance as a Planning Technician.



Creating the Heart of Homer: The Homer Town Center Development Plan

The City Council approved the Town Center Development Plan for incorporation into the City's Comprehensive Plan in April 2006.

Police Department

The Homer Police Department utilizes community-based policing along with proactive enforcement to keep Homer a safe and healthy community.

In 2006, the Department received 5,987 requests for service, up 2% from 2005. Arrests (428 total) increased almost 18% over the previous year.

The Department operates and maintains a seven bed state contract jail facility. Prisoners can be held up to ten days. In 2006, prisoners served a total of 1,309.5 days in the Homer Community Jail, a 25% increase over 2005. Property crimes were up approximately 8% and there were 74 violent crimes, compared to 75 in 2005.

Homer received national media attention in March 2006 following a shootout outside the Homer airport in which

a Duluth, Minn. man was killed and his 2 year old son was seriously injured. Federal marshals had enlisted the assistance of Homer police officers to apprehend the man, Jason Anderson, who had been indicted on multiple felony counts of dealing cocaine and methamphetamines. When Anderson began firing at police from a parked car, police officers returned fire. While several bullets struck Anderson, an investigation ultimately revealed that it was

Anderson who shot his son and then killed himself with a shot to the head. The Homer officers did not know and had not been told that Anderson's two young children were in the car with him when the shooting began. It was the first time Homer police have ever used deadly force against a suspect.

The Homer Police Department experienced significant personnel changes in 2006, particularly in Dispatch. Greg McCullough and Patti Morris retired after 30 years of service—the first City employees to reach that milestone. Janie Stewart was promoted to lead dispatcher. Also in 2006, Alex Douthit and Jim Knott were hired as police officers, and Officer Bill Geragotelis resigned.

The area of the Homer Police Station formerly occupied by the Alaska State Troopers was remodeled and upgraded to serve as a

new dispatch center, greatly improving work conditions.

During 2006 the City of Homer actively supported development of a K-9 program operated by the State Troopers' Anchor Point station. The program will utilize trained dogs to help with drug investigations. Increased concern about methamphetamine use in Homer and other Kenai Peninsula communities was a motivating factor in raising funds for the program.

A new emergency generator was installed as an upgrade in 2006, providing emergency power to both the police station and fire hall. Police personnel received extensive training in a variety of fields, for a total of 23 courses/workshops.

The Homer Police Department's 9-1-1 service includes TDD for the hearing impaired. Homer 9-

1-1 dispatches all emergency agencies such as Police, U.S. Fish and Wildlife, Alaska State Troopers, Search and Rescue teams, Civil Defense, Alaska State Parks, and Fire/Rescue/EMS south of Ninilchik including across Kachemak Bay and the outlying Russian villages.

HPD is the designated emergency communications and operating center for the southern Kenai Peninsula in the event of a natural or man-made disaster. The department operates with the enhanced system which

allows 9-1-1 emergency operators to have instant access to the addresses of the 9-1-1 callers.

The Police Department supervises the operation of the Homer Animal Shelter (below). The shelter is open three hours daily and is operated by a private contractor.



Janie Stewart (pictured here with Police Officer II Ed Stading) was promoted to Lead Dispatcher in 2006.



Homer Public Library

Homer's new public library opened to great fanfare on September 16, 2006. The article below, written by Library Director Helen Hill for a Friends of the Homer Public Library newsletter, describes many of the features of the new facility and the positive public reception.

A few statistics: The library issued 1,188 permanent and 51 temporary library cards during 2006. 77% of community residents have library cards. Library visits totaled 91,301 in 2006. The total for mid-September through the end of the year was 39,424, as compared to 25,991 during the same period in 2005 (A 52% increase). 815 people used the library during its first day of normal operation on September 18.

During 2006, 1,719 items were added to the collection, and 451 were withdrawn.

Once again, the library received support from The Homer Bookstore for the Born to Read program, which welcomes new babies born at South Peninsula Hospital with a gift bag that includes a book suitable for babies.

The library benefits enormously from volunteer support. In 2006, 525 people volunteered 2,104 hours, making possible such popular programs as Story Hour, the Summer Reading Program, and the Friends of the Library book and plant sales. With more room for people and programs, volunteers and library staff have expanded the range of activities for patrons of all ages.

The library is grateful to the members of the Library Advisory Board, Friends of the Homer Public Library, and committee members of the New Library Project for their dedication and support.

"Every cubic inch of space is a miracle."

— Walt Whitman

It's hard to believe the new library has been open for six months already. In September 2006, just before Opening Day, I wrote, "I can't wait to see the public make use of the new facility, and watch people find their favorite spot for quiet study, or favorite website to help launch a new career, or a new group of people with whom to interact and exchange ideas." Sure enough, the library has become a destination for many people in our community; it's been wonderful to see the different spaces within the library being used for the purposes for which they were designed.

Stop by the Joy Griffin Children's Library on Wednesday mornings between 10 and 11 a.m. and you'll see 40 or 50 preschoolers and their parents enjoying a story, song, or arts and crafts project led by one of our many talented volunteer storytellers. The best part about Story Hour and other children's programs in the new library is the noise made by happy and boisterous children stays in the children's room and doesn't impact patrons trying to concentrate in the main library.

We were pleasantly surprised at the number of middle and high school students who use the study rooms after school. It isn't uncommon to have all four rooms full of kids who are actually studying and working on group projects. One day after a session in one of the rooms, a middle

school student looked at me with wonder in her eyes and said, "I can't believe I did all my homework before dinner!" On another occasion, a father stopped by to tell me his daughter had been keeping up with her homework assignments much better since the new library opened.

Many different types of groups are using the library's conference room. Board meetings, planning meetings, and skills and educational workshops are being reserved by non-profit, local government, and book and writing groups. In addition to their monthly board meetings, Friends of the Library has used the room to show movies for young children, plans to teach Internet classes to seniors, and will schedule teen movies, a book club for teen girls, and a writing group for teens on a monthly basis.

Although we've had a particularly cold winter, the library's reading lounge has been warm and inviting. The fireplace has been lit during open hours since November thanks to support from FHL. Many people gravitate toward the warmth and quiet of the lounge to read, knit, or simply gaze at the glacier view during all hours of the day and evening. A number of memorable and though-provoking readings by authors and poets have also been held in the reading lounge.

Space has changed our library from an operation from which to check out materials for home use, to an inspirational destination that provides a special place for everyone. I encourage all of you to explore the spaces at the new library and find your favorite spot.

Public Library, cont.



The Library Grand Opening was the event of the year, judging by the number of people who joined in the festivities. From top left: volunteers Tom Bursch, Dana Stabenow, and Steve Gibson help move books prior to the opening; Pete Coots peers through empty shelves at the "old library;" a lineup of library supporters (Sue Mauger, Helen Hill, Nancy



Lord, Phil Morris, Mayor Jim Hornaday, Representative Paul Seaton, and Mary Lentfer behind ribbon, with Rachel Livingston and Mike Mason on the left) prepares to cut the ribbon



on September 16; throngs of people wait to enter the new building; children and parents take delight in the Joy Griffin Children's Library at the Grand Opening.



Fire Department

The Homer Volunteer Fire Department is a small combination fire department (meaning that there are both paid and volunteer members) providing fire, emergency medical services, and rescue to the residents of Homer and the surrounding areas. The Fire Department operates as a registered agency with the State Fire Marshal's Office and under annual contract to Kachemak City and the Kachemak Emergency Service Area (KESA). Currently there are six authorized paid positions within the Fire Department: Chief, Assistant Chief, Departmental Services Coordinator, and three Emergency Service Specialists (Firefighter/EMT-III). The Fire Department's activities are spread among three functional areas: Departmental Services, Fire Services, and Emergency Medical Services.

In 2006 the Fire Department responded to 445 fire, emergency medical, and public assist calls within Homer city limits; 33 calls to Kachemak City; 67 calls to KESA; and 6 calls to other areas. Members of the Homer Volunteer Fire Department contributed 3,182 hours of time responding to calls and spent over 4,334 hours in training.

A new emphasis of effort in 2006 was to provide National Incident Management System (NIMS) training to meet requirements mandated by the U.S. Department of Homeland Security. All potential first responders (police, fire, EMS) or those who may be utilized within the incident command structure in natural or man-made disasters or events must be trained according to NIMS compliant principals. Eighty-six City employees received certificates of completion for NIMS training in 2006.

The Departmental Services section of the department provides member support, facility management, and all public education and prevention activities of the fire department. Members provide outreach education through public and private schools, church groups, childcare centers, and through participation in local events such as the Safe Kids Fair and

Annual Health Fair. Departmental Services also coordinates the issuing of City of Homer and State Division of Forestry Open Burning Permits. Departmental Services members provided 883 hours of prevention and other activities in 2006.

Under the fire service umbrella fall the following activities: structural firefighting, wildlands firefighting, marine firefighting, aircraft firefighting, heavy rescue and extrication, confined space rescue, and hazardous materials response. The Fire Department is authorized by the State of Alaska Fire Service Training Officer to conduct certified Firefighter I and Firefighter II training. All firefighters are, as a minimum requirement, certified to the Firefighter I level (a training program averaging 300 hours).

In 2006 the Fire Department responded to 17 structure fires, 9 wildlands fires, 11 vehicle fires, and 42 requests for public assist. Fires resulted in a fire loss to the community of about \$338,700 dollars, while property saved amounted to over \$937,000.

The largest functional area of the Fire Department doesn't really involve fires at all. Emergency medical calls typically account for up to 80% of all Fire Department activities each year. 2006 was no exception as the Homer Volunteer Fire Department members responded to 472 medical emergencies including those to Homer, Kachemak City, and KESA.

The Homer Volunteer Fire Department is a State Certified "Out of Hospital" Advanced Life Support Ambulance Service.

Advanced Life Support services are provided by emergency medical technicians with advanced training including EMT-II, EMT-III and Mobile Intensive Care Paramedics.

In addition to the basic level classes required for certification, Fire Department personnel also participate in a multitude of other classes and drills to improve their medical skills and abilities. Some of these courses include Advanced Cardiac Life Support, Neonatal Resuscitation Program, Pediatric Education for Prehospital Professionals, and Basic Trauma Life Support.



Elaine Grabowski, Fire Department Services Coordinator, has been with the HVFD since 1983.

Port & Harbor

The staff of the Homer Port and Harbor Department operates, maintains, and administers the largest single basin boat harbor in Alaska as well as the adjacent Deep Water Dock and Pioneer Dock—and does it 24 hours a day.

The City-operated ice plant sold 3,333 tons of high quality flake ice to the fishing fleet and local processors in 2006. The ice was used to preserve the quality of over 16.5 million pounds of salmon, halibut, sablefish, and Pacific cod landed at the port. Homer was once again the number one halibut port in Alaska with over 9.5 million pounds delivered locally.

The Small Boat Harbor consists of a 48 acre basin with 920 reserved slips, 6,000+ lineal feet of transient floats, the Homer Fish Dock with 483 feet of vessel berthing on sides and face and eight cranes, the Homer Ice Plant producing up to 100 tons of flake ice per day, a wood grid and a steel grid, five-lane boat launch ramp, and barge/landing-craft loading ramp.

The City of Homer, U.S. Army Corps of Engineers, and the Alaska Department of Transportation began a feasibility study for future harbor expansion. This multi-year \$1.5 million project will identify solutions to relieve current congestion, meet projected demand, and provide economic benefit to the community.

The Homer Port consists of the Deep Water Dock with 345 feet of face plus three mooring dolphins, two mooring buoys, 40' water depth (MLLW) at the face; and the Pioneer Dock with 469 feet of face, and 40' water depth.

Activity at the Deep Water Dock measured by dockage revenue increased by 70% from 2005 to 2006. Vessels that called on the Port of Homer included cruise ships *Silver Shadow* (597'), *Clipper Odyssey* (305'), the NOAA ship *Rainier* (231'), numerous tugs and barges, oil spill response vessels, and

larger commercial fishing vessels. Of particular note was the *Global Hawk* (557') that was heavily damaged by a Gulf of Alaska storm in November. After losing a portion of its cargo of logs, it sought refuge in Kachemak Bay and utilized the Deep Water Dock to shift remaining cargo and make repairs before resuming its voyage to Asia.

The City of Homer selected a proposal from a qualified engineering firm to undertake a study of future expansion of the Deep Water Dock.

The Pioneer Dock was busy in 2006 providing berthing for the USCG Buoy Tender *Hickory*, preferential berthing for the Alaska Marine Highway ferries *Tustumena* and *Kennicott*, and the transfer of 9,115,419 gallons of fuel by tug and barge to the nearby Petro Marine terminal.

The Alaska Marine Highway System more than doubled the number of ferry landings at the Pioneer Dock in 2006, providing access to Seldovia and Kodiak several times a week as well as additional cross-Gulf and westward sailings.

Projects completed at the Port of Homer in 2006 include four paved fee parking lots at the top of Ramps 1, 2, 3, and 4. These lots now offer improved handicap access, fire lane access, and a revenue source for future improvements. Off-loading efficiency was improved at the Fish Dock by a grate replacement and paving project at key loading points. A new high mast light was installed at the north end of the small boat harbor. A new Ramp 7 gangway was installed to replace the one damaged in a vessel accident in early 2006. The City completed the demolition of the Manley Building near the Fish Dock, with the goal of soliciting proposals for fisheries-related business to operate in the area.

Dedicated staff keep port and harbor facilities running smoothly inside and outside the harbor office. Pictured here are Lisa Ellington and Matt Clarke.



Public Works

The Homer Public Works Department operates and maintains the City's roads, drainage, water distribution, wastewater collection, two cemeteries, several public parks, campgrounds and various recreational facilities for the benefit and enjoyment of the citizens of Homer as well as the many visitors to the local area.

Under the special care and direction of the Parks Maintenance Coordinator, Tamara Hagerty, the City produces over 10,000 plants for use in the Homer Beautification Program.

Tammy, along with her summer temporary help, maintain the public restrooms, all parks and cemeteries, airport parking, and camp fee collection.

Public Works maintains 49.19 miles of wastewater collection lines, nine sewer lift stations, 42.36 miles of water distribution lines, 5 water storage tanks and 22 water pressure reducing stations. Land acquisition and construction design was initiated for a new Water Treatment Plant to keep step with the continuing growth of Homer.

The Public Works equipment operators are responsible for grading, snow plowing and snow removal, sanding, dust control, and general road maintenance on 46.93 miles of road, including maintenance of the drainages and culverts within the city.

The Port Maintenance crew has the responsibility of maintaining the Deep Water Dock and Pioneer Dock, high mast lighting system, the boat mooring facilities, the Spit uplands, the wood and steel grids along with various Port & Harbor equipment.

The Motor Pool Mechanics maintain the 110 light vehicles and heavy equipment pieces belonging to Public Works, City Hall, Police Department, Fire Department/EMS and Port & Harbor.

2006 was a busy year for the Public Works Department. Major accomplishments included:

- The new \$6 million Homer Public Library was



Rusty Cheney helps get streets ready for summer driving.

completed.

- Approximately 10,000 l.f. of road (Main Street, Bay Avenue, Kachemak Way, Heath Street, Ben Walters Avenue, and Rochelle Road) was repaved.
- Areas around the Fire Hall were paved.
- Construction was initiated on the Spruceview/Noview Road LID. This project will provide paved road access to approximately eight blocks of the Harrington Heights residential neighborhood, and will include construction of a bridge over Woodard Creek.

- Fencing was installed

around the softball fields at Jack Gist Park

- The Manley Building on the Homer Spit was demolished.
- A new high mast light was installed and Ramp 7 was repaired at the Homer Harbor.
- An engineering firm was selected to design the Deep Water Dock expansion.
- A new emergency backup generator for the Police and Fire Departments was installed.
- Construction of the Ocean Drive Loop/Peterson Addition sewer improvements provided piped sewer service to more than 70 lots.
- Kachemak Drive (Phase I) water and sewer improvement project was awarded to the



Ed Barcus and Richard Klopp consult a map in preparation for a water system project.

Public Works, cont.



Photos from top left: 1) Ocean Drive Loop sewer improvement project. 2) Mid-hill PRV Station construction. 3) Kurt Marquardt was one of many locals hired by Jay-Brant Construction to help build the new Homer Public Library. 4) The new library in September 2006. 5) The Public Works Parks Division is responsible for decorative trash cans and many of the flowers seen in Homer in the summer.



contractor. Ten lots will receive piped water and 25 lots will be provided piped sewer service.

- Kachemak Drive (Phase II) water and sewer design was awarded to the engineer. This project proposes to provide piped water and sewer service to approximately 75 lots.
- Two pressure reducing valves were replaced on one of two water transmission mains that deliver water from the water treatment plant to the central business district.



Capital Improvement Plan

The City of Homer's Capital Improvement Plan (CIP) is a long-term guide for capital project expenditures. City administration, department heads, advisory boards and commissions, City Council members, non-profit organizations, and the general public are all encouraged to provide suggestions for the CIP. While inclusion in the CIP does not guarantee funding for a project, it can be very helpful since many agencies will not consider funding a project unless it is identified as a community priority in an official plan adopted by the local government.

In October 2006, the Homer City Council approved the Capital Improvement Plan for 2007-2012 with descriptions of 61 projects including roads, trails, buildings and other structures, land acquisition, and equipment.

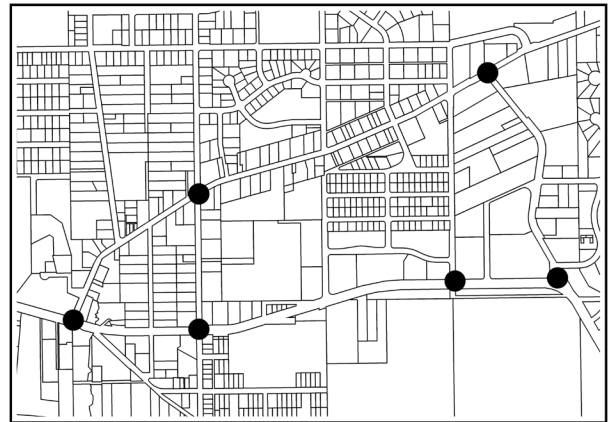
The City Council was pleased to note that funding for the following projects from the 2006-2011 CIP had been identified or procured:

- Skyline East and Diamond Ridge Road paving
- Zamboni for Homer Ice Rink
- Mountain View to East Hill Water Main
- Disaster Preparedness Planning.

At its October 23 meeting, the Homer City Council approved Resolution 06-151(A) adopting the Capital Improvement Plan and naming 15 projects to the FY 2008 "priority list":

- Water supply (water treatment plant, new water source, and watershed land acquisition)
- Deep Water Dock expansion, phase 1
- Town Center (land acquisition for roads, City Hall/Town Square infrastructure)
- College expansion
- Senior Access Trail
- Intersection improvements
- Main Street reconstruction
- Harbor maintenance (erosion control and fenders)
- Paving freight dock road
- Spit Trail
- Restrooms (Spit Trail, Pioneer Avenue, Spit)
- Pratt Museum fuel tank replacement
- East Boat Harbor
- Fairview Avenue: Main to East Hill
- Winter sports improvements (Ice Rink equipment and Ohlson Mountain Ski Area improvements)

A 16th project, South Peninsula Hospital expansion, was added to the list in January 2007.

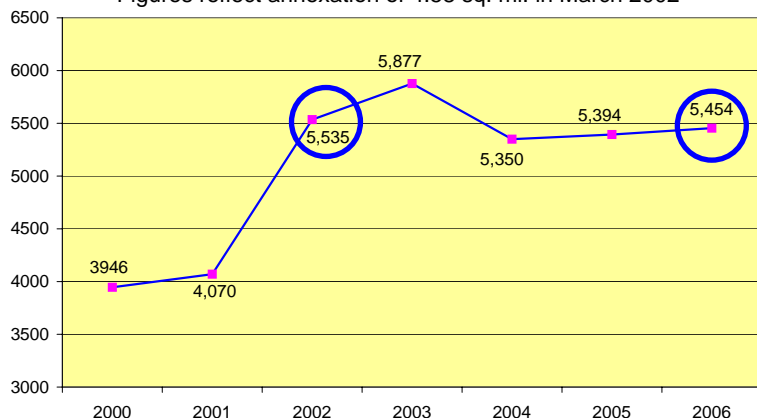


Among the projects on the City's priority list for lobbying efforts in 2007 were college expansion, a "Senior Access Trail," and intersection improvements.

Charts & Graphs

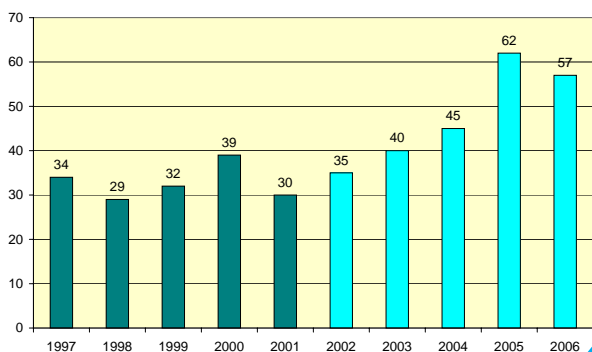
Homer population 2000-2006

2000 Census; AK Dept. of Labor July estimates 2001-2006
Figures reflect annexation of 4.58 sq. mi. in March 2002

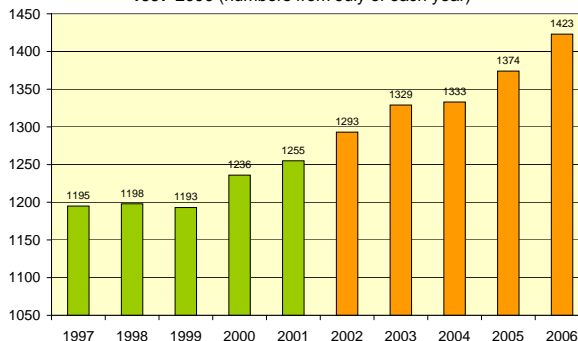


State population estimates show a decline in population in Homer between 2002 and 2006, but home sales, home construction, and number of active City water customers paint a different picture more in line with casual observation. It should be noted that state estimates are based primarily on the number of Permanent Fund Dividend applications and on school enrollment figures. Hence, they do not capture seasonal residents. Likewise, U.S. census data do not reflect "second home" or seasonal residents who do not name Homer as their primary place of residence.

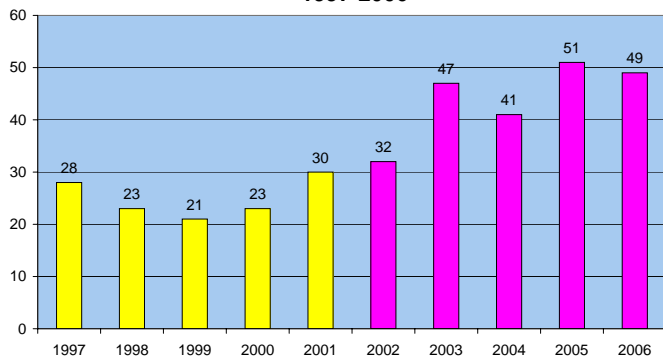
Number of home sales in Homer, 1997-2006



City of Homer active water customers 1997-2006 (numbers from July of each year)



Volume of new residential construction in Homer, 1997-2006



STATEMENT OF NET ASSETS

December 31, 2006

		Governmental	Business-type	Total
Assets				
Cash and investments	\$	6,510,765	231,454	6,742,219
Receivables, net of allowance for doubtful accounts:				
Accounts		-	487,478	487,478
Sales and property taxes		1,195,723	222,094	1,417,817
State and federal grants		418,092	3,128,344	3,546,436
Assessments		393,663	2,226,559	2,620,222
Litigation Settlement		-	267,302	267,302
Other		379,135	-	379,135
Internal balances		1,260,521	(1,260,521)	-
Inventory		33,192	260,242	293,434
Prepaid items		227,754	67,400	295,154
Restricted cash and investments		-	3,363,873	3,363,873
Bond issuance costs, net		-	18,817	18,817
Capital assets not being depreciated - land and construction in progress		10,062,845	16,279,422	26,342,267
Other capital assets, net of accumulated depreciation		34,839,506	57,505,992	92,345,498
Total assets	\$	55,321,196	82,798,456	138,119,652
Liabilities				
Accounts payable		417,217	209,009	626,226
Accrued payroll and related liabilities		91,013	43,649	134,662
Accrued interest		-	51,640	51,640
Prepaid rentals and deposits		-	595,757	595,757
Deferred revenue		23,629	18,000	41,629
Noncurrent liabilities:		-	-	-
Deferred lease revenue		15,686	378,000	393,686
Due within one year:				
Accrued leave		94,659	35,151	129,810
Notes payable		36,875	581,611	618,486
Bonds payable		480,280	252,397	732,677
Capital lease obligations		91,276	55,099	146,375
Due in more than one year:				
Accrued leave		324,571	253,020	577,591
Notes payable		1,955,878	8,957,495	10,913,373
Bonds payable, net of deferred loss		-	346,679	346,679
Capital lease obligations		71,768	153,810	225,578
Net pension obligation		917,873	419,966	1,337,839
Total liabilities		4,520,725	12,351,283	16,872,008
Net Assets				
Investment in capital assets, net of related debt		42,266,274	63,457,140	105,723,414
Restricted:		3,601,605	3,583,803	7,185,408
Unrestricted		4,932,592	3,406,230	8,338,822
Total net assets		50,800,471	70,447,173	121,247,644
Total liabilities and net assets	\$	55,321,196	82,798,456	138,119,652

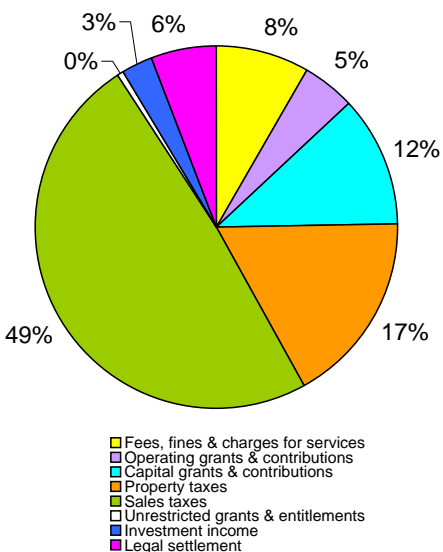
STATEMENT OF ACTIVITIES*

Year Ended December 31, 2006

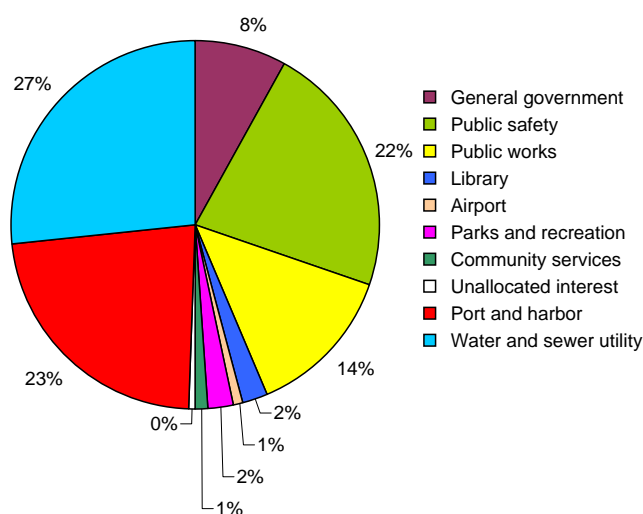
Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Fees, Fines & Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total
Governmental:							
General government	\$ 1,453,282	437,696	-	32,000	(983,586)	-	(983,586)
Public safety	3,912,322	323,916	632,754	266,396	(2,689,256)	-	(2,689,256)
Public works	2,405,097	62,633	-	-	(2,342,464)	-	(2,342,464)
Library	370,404	-	7,650	1,216,939	854,185	-	854,185
Airport	152,414	143,604	-	-	(8,810)	-	(8,810)
Parks and recreation	391,303	173,204	-	100,740	(117,359)	-	(117,359)
Community services	211,894	18,549	197	-	(193,148)	-	(193,148)
Unallocated interest	64,676	-	-	-	(64,676)	-	(64,676)
Total governmental activities	8,961,392	1,159,602	640,601	1,616,075	(5,545,114)	-	(5,545,114)
Business-type:							
Port and harbor	4,075,045	2,632,892	-	-	-	(1,442,153)	(1,442,153)
Water and sewer utility	4,737,887	2,745,335	-	2,274,619	-	282,067	282,067
Total business-type activities	8,812,932	5,378,227	-	2,274,619	-	(1,160,086)	(1,160,086)
Total	\$ 17,774,324	6,537,829	640,601	3,890,694	(5,545,114)	(1,160,086)	(6,705,200)
General revenues:							
Property taxes					\$ 2,406,263	-	2,406,263
Sales taxes					5,670,638	1,134,096	6,804,734
Grants and entitlements not restricted to a specific purpose					53,079	-	53,079
Investment income					233,998	147,708	381,706
Legal settlement					200,404	626,751	827,155
Transfers					459,125	(459,125)	-
Total general revenues and transfers					9,023,507	1,449,430	10,472,937
Changes in net assets					3,478,393	289,344	3,767,737
Beginning net assets					47,322,078	70,157,829	117,479,907
Ending net assets					\$ 50,800,471	70,447,173	121,247,644

*Source: 2006 City of Homer financial audit. Figures assume City uses "full accrual" method of accounting.

2006 City Revenues



2006 City Expenses



Charts & Graphs, cont.

ENTERPRISE FUNDS OPERATING REVENUES AND EXPENSES, 1997 - 2006

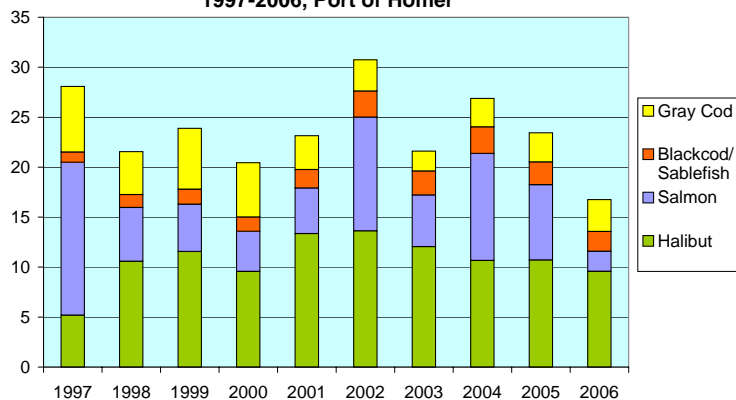
		WATER/SEWER									
		1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Income		2,759,316	2,790,375	2,904,326	2,965,967	2,827,881	3,182,957	3,381,882	3,669,118	3,790,311	3,995,870
Expense		3,653,391	3,697,877	3,579,218	3,412,497	3,388,164	3,778,902	3,912,304	4,234,615	4,634,055	4,769,717
Net Operating Income		(894,075)	(907,502)	(674,892)	(446,530)	(560,283)	(595,945)	(530,422)	(565,497)	(843,744)	(773,847)
		PORT & HARBOR									
		1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Income		2,523,757	2,487,742	2,559,902	2,558,558	3,039,385	2,804,523	3,086,706	2,814,618	2,657,188	3,290,912
Expense		3,106,909	3,300,026	3,249,466	3,040,130	3,031,769	3,070,372	3,614,622	3,690,097	3,908,985	4,116,522
Net Operating Income		(583,152)	(812,284)	(689,564)	(481,572)	7,616	(265,849)	(527,916)	(875,479)	(1,251,797)	(825,610)
		TOTAL ENTERPRISE FUNDS									
		1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Income		5,283,073	5,278,117	5,464,228	5,524,525	5,867,266	5,987,480	6,468,588	6,483,736	6,447,499	7,286,782
Expense		6,760,300	6,997,903	6,828,684	6,452,627	6,419,933	6,849,274	7,526,926	7,924,712	8,543,040	8,886,239
Net Operating Income		(1,477,227)	(1,719,786)	(1,364,456)	(928,102)	(552,667)	(861,794)	(1,058,338)	(1,440,976)	(2,095,541)	(1,599,457)

GENERAL FUND REVENUE SOURCES FOR THE YEARS 1997 - 2006

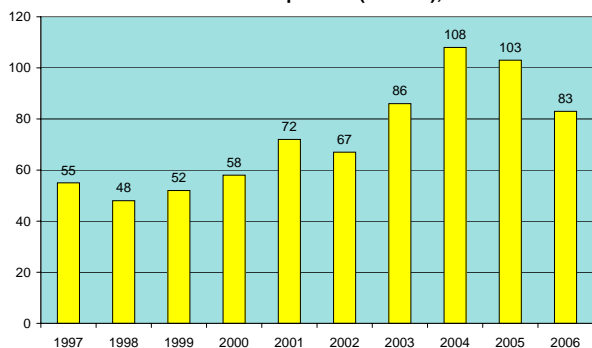
Year	Gen Fund Rev Budget	State Assistance Programs	Taxes	Licenses Permits	Chrg for Svc	Other Intergovt'l	Investment Income	Other	Total
2006	9,009,441	-	6,922,637	46,096	2,136,838	618,404	53,775	219,839	9,997,589
2005	8,012,189	-	6,195,352	42,717	2,183,048	765,957	30,419	35,980	9,253,473
2004	7,270,018	-	4,607,060	88,411	2,028,181	547,114	9,002	38,169	7,317,937
2003	6,931,421	84,470	4,361,019	18,930	1,991,495	621,195	13,571	36,321	7,127,001
2002	6,570,377	168,493	3,962,127	17,000	2,045,851	615,549	45,387	35,577	6,889,984
2001	5,700,146	154,773	3,504,746	12,520	1,393,570	659,843	83,189	111,419	5,920,060
2000	5,656,878	170,420	3,382,688	10,042	1,326,039	660,087	174,395	25,044	5,748,715
1999	5,378,807	355,322	3,327,801	143,271	1,527,933	29,889	160,919	-	5,545,135
1998	5,070,498	412,066	3,042,702	55,244	1,563,540	35,709	201,534		5,310,795
1997	5,218,450	425,967	3,085,592	75,254	1,520,942	23,214	200,529	201,382	5,532,880

Charts & Graphs, cont.

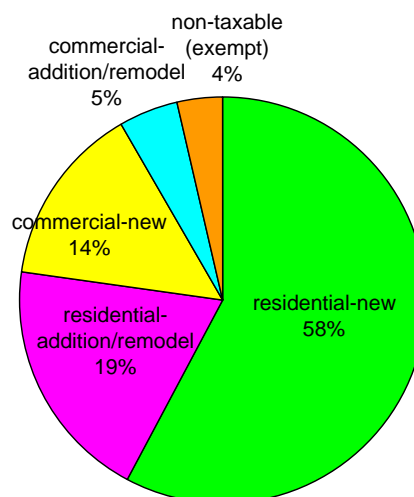
Commercial fish landings in millions of pounds, 1997-2006, Port of Homer



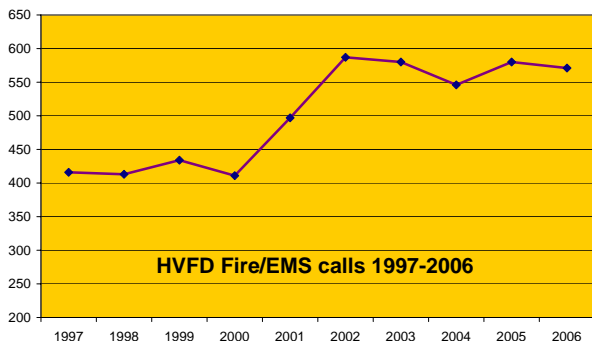
Homer construction permits (volume), 1997-2006



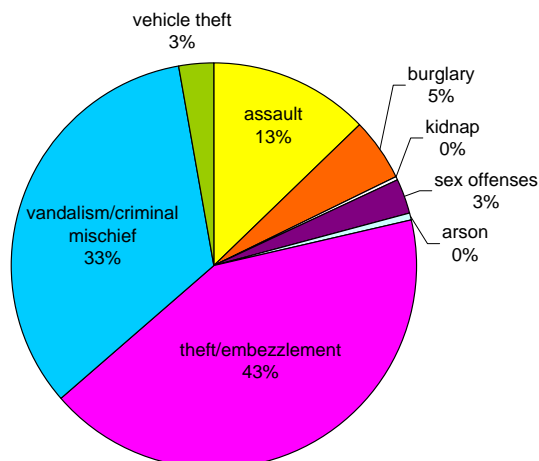
2006 building permits (volume) by category



HVFD Fire/EMS calls 1997-2006



Distribution of major offenses, HPD, 2006



Reported incidents, Homer Police Dept., 1997-2006



Handy Phone Numbers

City of Homer Departments

CITY HALL 235-8121
491 E. Pioneer Avenue

Water & sewer billing questions ext. 2228

Planning Department 235-3106

City Clerk 235-3130

PUBLIC WORKS 235-3170

3575 Heath Street

Parks & Recreation 235-3170

City street maintenance questions 235-3170

POLICE DEPARTMENT 235-3150

4060 Heath Street

EMERGENCIES 9-1-1

Animal Shelter 235-3141

FIRE DEPARTMENT 235-3155

604 W. Pioneer Ave.

EMERGENCIES 9-1-1

Port & Harbor 235-3160

4350 Spit Road

Billing questions 235-8121 ext. 2228

Public Library 235-3180

500 Hazel Avenue.

City of Homer website: www.ci.homer.ak.us

Other Frequently Called Numbers

Alaska State Ferry 235-8449

Chamber of Commerce/Visitor Center: 235-7740

College (Kachemak Bay Branch) 235-7743

Dept. of Motor Vehicles 235-7341

District Court 235-8171

District Recorder 235-8136

Division of Family & Youth Services 235-7114

High School 235-8186

Pool 235-7416

Community Schools 235-6090

Homer News 235-7767

Homer Tribune 235-3714

Ice Rink 235-2647

Kenai Peninsula Borough 1-800-478-4441

Homer office 235-8840

KBBI 235-7721

Legislative Information Office 235-7878

Public Health programs 235-8857

Solid Waste Baling Facility
("The Dump") 235-6678

South Peninsula Hospital 235-8101

South Peninsula Haven House 235-7712

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