



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 18-006

TO: Mayor Zak and Homer City Council
FROM: Katie Koester, City Manager
DATE: January 3, 2018
SUBJECT: Seawall Expenditures in 2017

In 2017 the seawall experienced significant damage, requiring the highest annual expenditure since the wall was constructed, \$102,125. Ordinance 18-05 appropriates \$102,125 to fund emergency repairs to the seawall in 2017. Based on linear footage the property owners are responsible for 82% of the wall and the City is responsible for 18%. Under this formula, \$83,743 of the 2017 repairs are charged to the ODLSSD and \$18,385 to the City's Seawall Reserve Account.

Background: The Seawall was constructed in 2002. Since 2008, Public Works has assumed responsibility for maintenance using funds provided by the Ocean Drive Loop Special Service District (ODLSSD). The ODLSSD allows the property owners that benefit from the wall to pay an additional mill rate for the ongoing maintenance. The City owns two lots along the wall. Since City government is tax exempt, the City transfers \$10,000 each year from the City's General Fund to cover the City's portion of the maintenance. The City relies on land owners along the seawall to notify the City's Public Works Director when they witness the need for repairs.

- 1) The Seawall Reserve Account consists of City transfer to the General Fund. In 2012 the City transferred \$60,000 plus the \$10,000 annual transfer for a total of \$70,000. Thereafter, the City has transferred \$10,000 annually;

156-0369	2012	2013	2014	2015	2016	2017	Total
City's Seawall Reserve Account	\$70,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$120,000

- 2) The ODLSSD consists of the property owner's seawall maintenance assessment (9.962541 mills).

808-0375	2012	2013	2014	2015	2016	2017	Total
Mill Rate Transfer	\$19,167	\$22,078	\$35,176	\$24,802	\$24,759	\$27,671	\$153,653

A combined \$273,653 has been set aside for seawall maintenance since 2012 while \$173,678 has been spent, leaving just shy of \$100,000 available for repairs at the end of 2017. Transfers in the 2018 budget will help grow the reserves, as long as the weather is kind to the wall in 2018.

Annual Seawall maintenance expenditures	2012	2013	2014	2015	2016	2017	Total
	(\$38,292)	\$0	\$0	(\$2,933)	(\$30,328)	(\$102,125)	(\$173,678)