1 **CITY OF HOMER** 2 HOMER, ALASKA 3 City Manager/Port Director 4 **RESOLUTION 24-013** 5 6 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, IN 7 SUPPORT OF RAISING THE MAXIMUM AVAILABLE ANNUAL AWARD 8 PER MUNICIPALITY FROM \$5,000,000 TO \$7,500,000 FOR THE 9 STATE OF ALASKA MUNICIPAL HARBOR FACILITY GRANT 10 PROGRAM. 11 12 WHEREAS, The majority of the public boat harbors that are the critical transportation links and the transportation hubs for waterfront commerce and economic development in 13 14 Alaskan coastal communities where constructed by the State during the 1960s and 1970s; and 15 16 WHEREAS, The State of Alaska over the past nearly 30 years has transferred ownership 17 of most of these State-owned harbors, many of which had infrastructure at or near the end of 18 their service life at the time of transfer, to local municipalities; and 19 20 WHEREAS, The municipalities took over this important responsibility even though they knew that these same harbor facilities were in poor condition at the time of transfer due to the 21 22 state's failure to keep up with deferred maintenance; and 23 24 WHEREAS, Consequently, when local municipal harbormasters formulated their annual 25 harbor facility budgets, they inherited a major financial burden that their local municipal 26 governments could not afford; and 27 28 WHEREAS, In response to this financial burden, the Governor and the Alaska Legislature passed legislation in the form of Senate Bill 291 on July 1 2006, to create the Municipal Harbor 29 30 Facility Grant program to help municipalities maintain and recapitalize this port and harbor 31 infrastructure (AS 29.60.800); and 32 33 WHEREAS, Senate Bill 291 also established that the total amount of grant money made 34 available to an individual municipality was limited to not exceed \$5,000,000 in a fiscal year; 35 and 36 37 WHEREAS, The cap on funds was established to facilitate the distribution of available 38 funds over the most communities in need while still providing the practical award amount 39 necessary to complete the large infrastructure rehabilitation projects needed for the aging 40 state transferred harbors; and 41 42 WHEREAS, Construction, shipping, and mobilization costs to remote portions of Alaska

have outpaced the national consumer price index since the pandemic; and

43

44

Page 2 of 2 RESOLUTION 24-013 CITY OF HOMER

WHEREAS, The United States Bureau of Labor Statistics CPI calculator indicates that 45 \$5M in July of 2006, when the Senate Bill 291 was enacted, would be inflated to \$7,511,000 as 46 47 of July 2023. 48 NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, urges the 49 Governor and the Alaska Legislature to amend AS 29.60.800 raising the maximum Harbor 50 facility Grant Fund award to \$7,500,000 per eligible project. 51 52 PASSED AND ADOPTED by the Homer City Council this may day of January 2024. 53 54 55 56 CITY OF HOMER 57 58 59 KEN CASTNER, MAYOR 60 ATTEST: 61 62 63 N, MMC, CITY CLERK 64 65 Fiscal note: N/A

