

**NOTICE OF MEETING  
REGULAR MEETING AGENDA**

- 1. CALL TO ORDER**
- 2. APPROVAL OF AGENDA**
- 3. PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA**
- 4. RECONSIDERATION**
- 5. APPROVAL OF SYNOPSIS**
  - A. September 22, 2011 meeting synopsis Page 1
- 6. VISITORS/PRESENTATIONS**
- 7. STAFF & COUNCIL REPORT/COMMITTEE REPORTS/BOROUGH REPORTS**
- 8. PUBLIC HEARING**
- 9. PENDING BUSINESS**
  - A. Review of Port and Harbor Finances Page 5
- 10. NEW BUSINESS**
  - A. Harbor Project Ranking Page 35
  - B. Development of Recommendation to Council
- 11. INFORMATIONAL MATERIALS**
- 12. COMMENTS OF THE AUDIENCE**
- 13. COMMENTS OF THE STAFF**
- 14. COMMENTS OF THE COUNCILMEMBER**
- 15. COMMENTS OF THE CHAIR**
- 16. COMMENTS OF THE COMMITTEE MEMBERS**
- 17. ADJOURNMENT/NEXT REGULAR MEETING IS SCHEDULED FOR OCTOBER 20, 2011 at 5:30 p.m. in the Homer City Hall West Conference Room located at 450 Sterling Highway, Homer, Alaska.**



Session 11-05, a Regular Meeting of the Port and Harbor Improvement Committee was called to order by Acting Chair Howard at 5:30 on September 22, 2011 at the City Hall West Conference Room located at 450 Sterling Highway, Homer, Alaska.

**PRESENT:** Hartley, Hawkins, Howard, Howard, Lewis, Wythe

**ABSENT:** Mr. Howard

**STAFF:** City Manager Wrede  
Finance Director Mauras  
Deputy City Clerk Jacobsen

### **AGENDA APPROVAL**

The agenda was approved the agenda by consensus of the Commission.

### **PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA**

There were no public comments.

### **RECONSIDERATION**

There were no items for reconsideration.

### **APPROVAL OF SYNOPSIS**

A. September 8, 2011 Synopsis Approval

The synopsis was approved by consensus of the Commission.

### **VISITOR/PRESENTATIONS**

No visitors were scheduled.

### **STAFF & COUNCIL REPORTS**

There were no staff or council reports.

### **PUBLIC HEARING**

No public hearings were scheduled.

### **PENDING BUSINESS**

A. Review of Port and Harbor Finances

### **NEW BUSINESS**

A. Review Scenarios of Revenue from Harbor Fees, Potential Lease Income, Permanent Fund, and other venues in relation to Projects to Bond for and Bond Payments

Finance Director Mauras reviewed the information she provided in the meeting packet.

There was discussion that the Load and Launch Ramp project is a 75/25 matching project. The Fish and Game money for that project is Federal funding, so the City may be able to use State money from a 50/50 match, and the City would only have to come up with 12.5% for the project.

Question was raised whether the 1.25 rate covenant is an amount that has to set aside each year and if a portion of the money being put into reserves annually can be allocated for the bond reserves. It was the understanding of the group that it was a one time allotment.

Mrs. Wythe requested clarification on both of those items.

Regarding Lessees for the Harbor building, Mr. Hawkins said he spoke to NOAA and they said they had just signed a five year lease where they are currently. He has not been able confirm with the Coast Guard MSD contact regarding their capability to lease. The Committee agreed that it would not be the best choice to build for tenants without a confirmed lease. There was brief discussion about alternate buildings in the harbor area that could be used.

With the projected harbor fee increases, a 12% increase would cover over \$400,000. That is better than the 20% that was suggested initially, and it could be phased in at 4% over three years, for example.

Other discussion points included:

- The City is seated for the Harbor Grant Funds as tier 1 but is in competition with 32 other harbors.
- The Committee is still waiting for updated project costs.

City Manager Wrede encouraged the Committee to keep their project scope narrow to avoid bonding for too much. In working on next years budget he could easily justify a rate increase of 15% or more just to get to where it should be in depreciation reserves and retained earnings. Being conservative here is the best choice along with focusing on areas where we can use matching funds. His budget to Council does not include any increases and if it weren't for the matching opportunities, he would be inclined to hold off on bonding.

Chair Howard reviewed the upcoming schedule of meetings and explained that the October 6 meeting will include ranking the projects and starting on the recommendation to Council, and at the October 20 meeting they will need to finalize their recommendation for the October 24<sup>th</sup> Council Meeting.

#### **INFORMATIONAL ITEMS**

There were no informational items presented.

#### **COMMENTS OF THE AUDIENCE**

There were no audience comments.

#### **COMMENTS OF STAFF**

There were no staff comments.

**COMMENTS OF THE CHAIR**

Chair Howard had no comment.

**COMMENTS OF THE COMMITTEE MEMBERS**

The Committee members had no comments.

**ADJOURN**

There being no further business to come before the Committee the meeting adjourned at 6:10 p.m. The next meeting is scheduled for October 6, 2011 at 5:30 at the City Hall West Conference Room.

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Melissa Jacobsen, CMC, Deputy City Clerk

Approved: \_\_\_\_\_



**City of Homer  
2012 Operating Budget**

**COMBINED REVENUES AND EXPENSES**

**PORT & HARBOR**

**Adopted Budget**

	Fund 400 Port & Harbor Enterprise Fund	Fund 456 Port & Harbor Depreciation Reserve	Fund 460-374 Port & Harbor Fleet Depreciation	Fund 415 Port & Harbor Projects	Total Port & Harbor Fund
<b>Revenue</b>					
<b>Total Operating Revenue</b>	\$ 3,431,243				\$ 3,431,243
<b>Operating Expenses before Depreciation:</b>					
Personnel	1,643,981				1,643,981
Operations & Maintenance	1,139,340				1,139,340
Debt Service	-				-
Other Charges	391,403	225,000	12,000		628,403
<b>Total Operating Expenses</b>	<b>3,174,725</b>	<b>225,000</b>	<b>12,000</b>	-	<b>\$ 3,411,725</b>
<b>Operating Income before Depreciation</b>	256,518	(225,000)	(12,000)	-	19,518
Depreciation Expense	1,464,587				1,464,587
<b>Earnings from Operations</b>	<b>(1,208,069)</b>	<b>(225,000)</b>	<b>(12,000)</b>	-	<b>(1,445,069)</b>
Total Non - Operating Revenue	265,841	440,000	30,000		470,000
<b>Earnings before transfers</b>	<b>\$ (942,228)</b>	<b>\$ 215,000</b>	<b>\$ 18,000</b>	<b>\$ -</b>	<b>\$ (975,069)</b>
Reserves	470,000				470,000
Leave Cash Out Bank	35,855				35,855
<b>Change in Net Assets</b>	<b>(1,448,083)</b>	<b>215,000</b>	<b>18,000</b>	-	<b>(1,215,083)</b>
Beginning Net Assets	\$ 1,625,759	\$ 1,710,865	\$ 68,633	68,692	\$ 3,473,950
<b>Ending Net Assets</b>	<b>\$ 177,676</b>	<b>\$ 1,925,865</b>	<b>\$ 86,633</b>	<b>\$ 68,692</b>	<b>\$ 2,258,867</b>

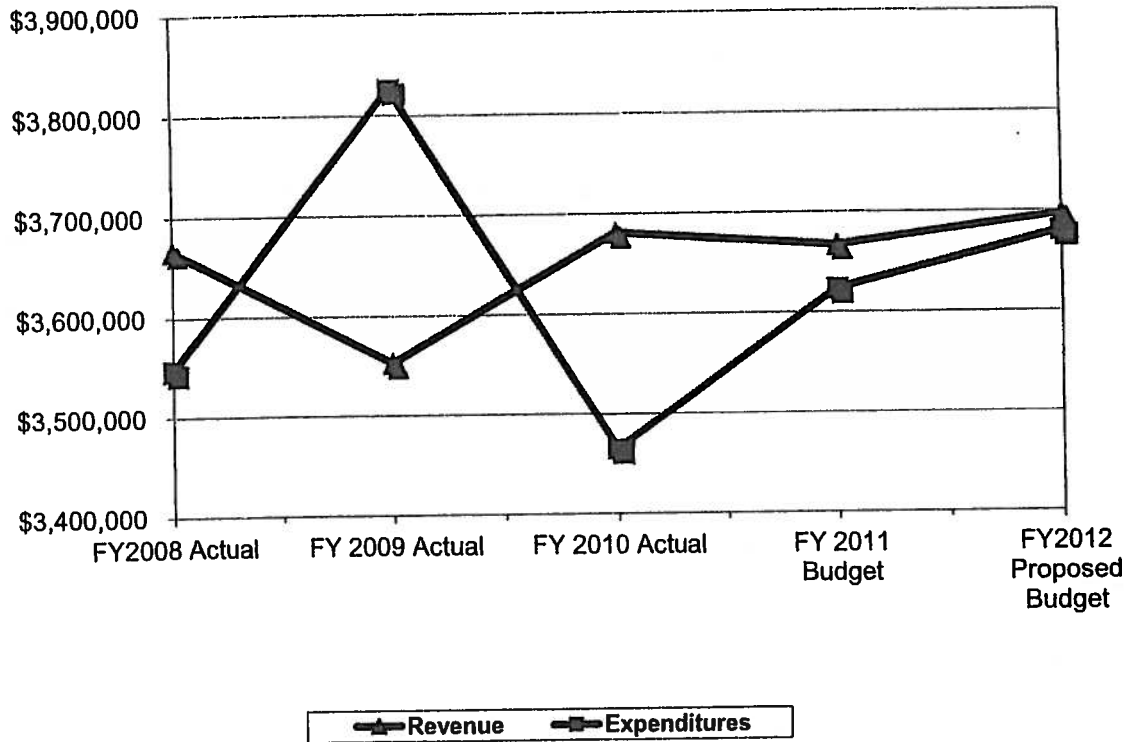
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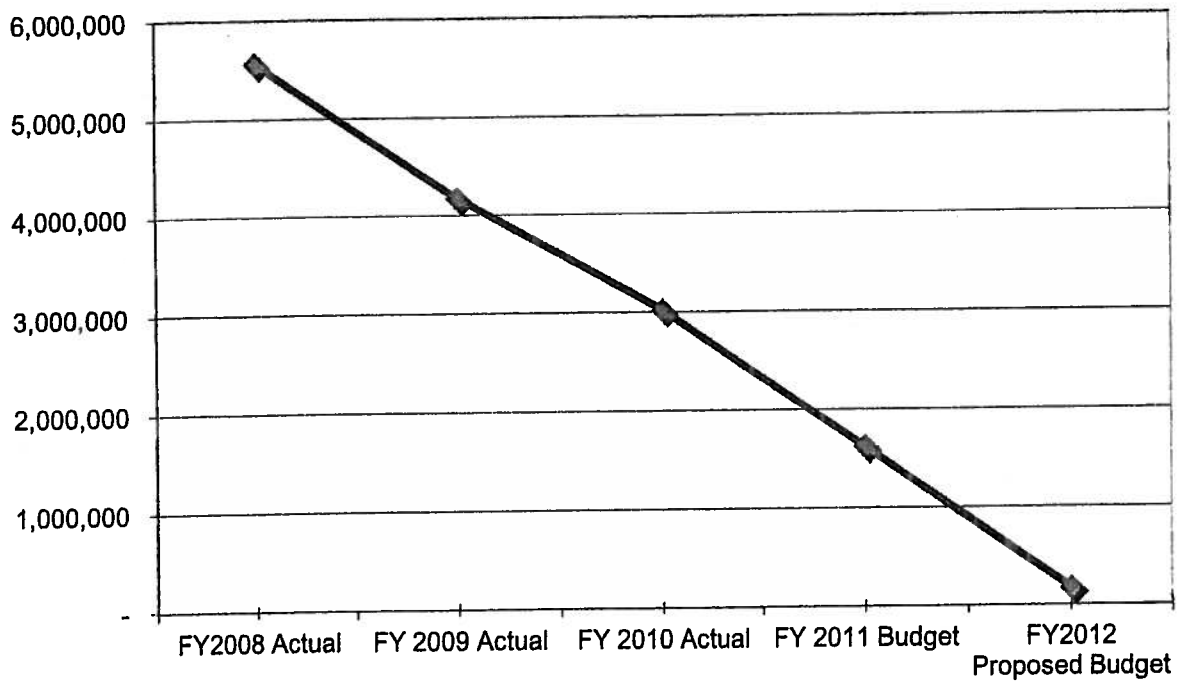
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**A) This data is provided for information only, details can be found in the "Projects" tab of the budget, as well as the last couple of pages of this section.**

### Port & Harbor Fund Revenues and Expense



### Port & Harbor Fund Retained Earnings



City of Homer  
2012 Operating Budget

FUND: 400 PORT AND HARBOR FUND							
FUNN BUDGET:							
	FY2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY2012 Proposed Budget	FY2013 Projection	FY2014 Projection
<b>Port &amp; Harbor Revenue</b>							
<b>Total Operating Revenue</b>	\$ 2,782,329	\$ 3,236,597	\$ 3,419,579	\$ 3,441,571	\$ 3,431,243	\$ 3,499,868	\$ 3,569,865
<b>Operating Expenses before Depreciation:</b>							
Personnel	1,677,906	1,794,059	1,714,663	1,633,904	1,643,981	1,676,860	1,710,397
Operations & Maintenance	906,872	1,030,724	999,731	1,084,896	1,139,340	1,162,127	1,185,370
Debt Service	16,220	6,112	-	-	-	-	-
Other Charges (Administrative Fees)	409,475	406,541	356,894	369,068	391,403	399,231	407,216
<b>Total Operating Expenses</b>	\$ 3,010,473	\$ 3,237,436	\$ 3,071,288	\$ 3,087,867	\$ 3,174,725	\$ 3,238,218	\$ 3,302,983
<b>Operating Income before Depreciation:</b>	(228,144)	(839)	348,290	353,704	256,518	261,650	266,882
Depreciation Expense	1,411,020	1,462,396	1,446,555	1,435,870	1,464,587	1,493,879	1,523,757
<b>Earnings from Operations:</b>	\$ (1,639,164)	\$ (1,463,235)	\$ (1,098,264)	\$ (1,082,166)	\$ (1,208,069)	\$ (1,232,229)	\$ (1,256,875)
<b>Total Non-Operating Revenue</b>	883,593	316,577	261,542	225,725	265,841	271,158	276,581
<b>Earnings (Losses) before contributions &amp; transfers</b>	(755,571)	(1,146,658)	(836,722)	(856,441)	(942,228)	(961,071)	(980,294)
Reserves	354,530	354,530	354,530	500,000	470,000	500,000	500,000
Leave Cash Out Bank	12,224	49,339	39,549	35,830	35,855	36,573	37,304
<b>Change in Net Assets</b>	(1,122,325)	(1,550,527)	(1,230,801)	(1,392,272)	(1,448,083)	(1,497,644)	(1,517,598)
<b>Beginning Net Assets</b>	6,463,224	5,562,728	4,171,530	3,018,032	1,625,759	177,676	(1,319,968)
** Fixed asset adj for contributed Assets	221,828	159,330	77,303	-	-	-	-
<b>Ending Net Assets</b>	5,562,727	4,171,530	3,018,032	1,625,759	177,676	(1,319,968)	(2,837,566)

City of Homer  
2012 Operating Budget

FUND 400  
EXPENDITURE SUMMARY BY LINE ITEM

		FY2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2012 Proposed Budget	Difference Between 2011 Budget & 2012 Proposed	
<b>Salaries and Benefits</b>								
5101	Regular Employees	\$ 842,318	\$ 914,557	\$ 864,715	\$ 889,995	\$ 630,717	\$ (33,500)	-3.76%
5102	Fringe Benefits	679,589	708,077	672,229	585,109	630,717	45,608	7.79%
5103	Part Time Employees	89,069	100,985	112,183	111,391	110,541	(450)	-0.40%
5104	P/T Fringe Benefits	18,240	25,170	33,126	18,409	16,030	(2,379)	-12.92%
5105	Overtime	36,663	41,534	28,585	28,999	26,799	(2,200)	-7.59%
5107	Part Time Overtime	1,943	3,737	3,825	-	3,000	3,000	0.00%
<b>Total Salaries and Benefits</b>		<b>1,667,823</b>	<b>1,794,059</b>	<b>1,714,663</b>	<b>1,633,904</b>	<b>1,643,981</b>	<b>\$ 10,077</b>	<b>0.62%</b>
<b>Maintenance and Operations</b>								
5201	Office Supplies	2,973	3,605	3,443	3,450	5,000	\$ 1,550	44.93%
5202	Operating Supplies	17,039	19,335	17,047	15,200	28,100	12,900	84.87%
5203	Fuel/Lube	35,074	25,193	32,806	29,300	30,800	1,500	5.12%
5204	Chemicals	4,435	6,712	6,411	7,200	7,200	-	0.00%
5207	Vehicle/Boat Maintenance	10,411	6,509	2,447	13,000	13,000	-	0.00%
5208	Equipment Maintenance	44,469	102,851	57,937	69,500	69,500	-	0.00%
5209	Building & Grounds Maintenance	28,209	34,610	32,153	38,000	52,500	14,500	38.16%
5210	Professional & Special Services	12,628	11,444	16,253	20,050	20,000	(50)	-0.25%
5211	Accounting/Auditing	15,402	25,067	14,496	18,805	19,141	336	1.79%
5213	Surveyor/Appraisal	1,600	-	-	1,700	3,700	2,000	117.65%
5214	Rents & Leases	4,047	6,172	6,322	7,000	7,000	-	0.00%
5215	Communications	11,187	5,740	6,099	10,000	7,000	(3,000)	-30.00%
5216	Postage/Freight	3,461	3,331	3,717	4,000	4,000	-	0.00%
5217	Electricity	369,876	430,109	352,701	444,800	443,000	(1,800)	-0.40%
5218	Water	62,205	37,695	78,605	73,200	76,700	3,500	4.78%
5219	Sewer	4,677	7,437	15,494	7,214	8,100	886	12.28%
5220	Refuse/Disposal	37,529	39,194	38,026	23,000	40,000	17,000	73.91%
5221	Property Insurance	8,666	8,282	6,510	5,727	4,134	(1,593)	-27.82%
5222	Auto Insurance	6,524	6,511	7,206	9,846	8,383	(1,463)	-14.86%
5223	Liability Insurance	79,999	104,039	68,731	63,705	63,833	128	0.20%
5227	Advertising	2,719	2,388	2,534	4,649	8,000	3,351	72.08%
5231	Tools/Equipment	14,077	9,424	10,386	19,300	34,000	14,700	76.17%
5233	Computers and Related Items	1,702	-	-	-	-	-	0.00%
5235	Memberships/Dues	1,095	978	2,379	1,500	1,500	-	0.00%
5236	Transportation	2,689	3,729	7,813	8,000	8,000	-	0.00%
5237	Subsistence	2,813	2,413	2,495	5,000	5,500	500	10.00%
5238	Printing/Binding	2,725	2,002	5,752	4,000	5,500	1,500	37.50%
5248	Lobbying	-	-	-	22,000	22,000	-	100.00%
5249	Oil Spill Materials Recovery	1,781	1,639	1,224	2,000	2,000	-	0.00%
5252	Credit Card Expense	21,643	36,100	51,405	30,000	25,000	(5,000)	-16.67%
5256	Waste Oil Disposal	29,891	16,425	24,269	27,500	27,500	-	0.00%
5258	Float & Ramp Repairs	11,705	1,672	11,267	10,000	10,000	-	0.00%
5287	Electrical Supplies	3,032	574	3,898	3,000	3,000	-	0.00%
5601	Clothing/Uniforms	3,745	3,773	5,229	5,000	5,500	500	10.00%
5602	Safety Equipment	4,520	5,993	6,342	9,250	12,750	3,500	37.84%
5603	Employee Training	8,951	5,357	5,030	11,000	11,000	-	0.00%
5606	Bad Debt Expense	21,935	42,984	69,239	22,000	22,000	-	0.00%
5612	Deferred Loss Expense	6,107	6,107	-	-	-	-	0.00%
5613	Bond Issue Fees	5,331	5,331	-	-	-	-	0.00%
5627	Port Security	-	-	24,066	36,000	25,000	(11,000)	-30.56%
<b>Total Operations &amp; Maintenance</b>		<b>906,872</b>	<b>1,030,724</b>	<b>999,731</b>	<b>1,084,896</b>	<b>1,139,340</b>	<b>\$ 54,444</b>	<b>5.02%</b>
<b>Capital Outlay, Transfers and Reserves</b>								
5990	Transfer to Reserves	354,530	354,530	354,530	500,000	470,000	(30,000)	-6.00%
5106	Transfer to Leave Cash Out Bank	12,224	49,339	39,549	35,830	35,855	25	0.07%
<b>Total Capital Outlay</b>		<b>366,754</b>	<b>403,869</b>	<b>394,079</b>	<b>535,830</b>	<b>505,855</b>	<b>\$ (29,975)</b>	<b>-5.59%</b>
<b>Debt Payment</b>								
2305	Debt Payment	180,000	185,000	-	-	-	-	0.00%
5608	Debt Payment Interest	16,220	6,112	-	-	-	-	0.00%
<b>Total Debt Service</b>		<b>196,220</b>	<b>191,112</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ -</b>	<b>0.00%</b>
<b>Other Charges</b>								
5241	G/F Admin Services	409,475	406,541	356,894	369,068	391,403	22,335	5.49%
<b>Total Other Charges</b>		<b>409,475</b>	<b>406,541</b>	<b>356,894</b>	<b>369,068</b>	<b>391,403</b>	<b>\$ 22,335</b>	<b>6.05%</b>
<b>Totals</b>		<b>\$ 3,547,144</b>	<b>\$ 3,826,306</b>	<b>\$ 3,465,367</b>	<b>\$ 3,623,698</b>	<b>\$ 3,680,580</b>	<b>56,882</b>	<b>1.57%</b>

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"WHERE THE LAND ENDS AND THE SEA BEGINS"

**City of Homer  
2012 Operating Budget**

**Fund 400  
600 - Port & Harbor Fund Revenues**

		FY2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2012 Proposed Budget	Difference Between 2011 Budget & 2012 Proposed Budget	
<b>Administration 600</b>								
4515	Ferry Lease	\$ 18,000	\$ 18,000	18,000	18,000	18,000	\$ -	0.00%
4650	Rents & Leases	258,439	260,417	294,351	275,000	329,618	54,618	19.86%
	<b>Sub-Total Operating Revenue</b>	<b>\$ 276,439</b>	<b>\$ 278,417</b>	<b>\$ 312,351</b>	<b>\$ 293,000</b>	<b>\$ 347,618</b>	<b>\$ 54,618</b>	<b>18.64%</b>
4527	PERS Revenue	89,477	89,029	48,469	-	50,000	50,000	0.00%
4634	Port Storage Fees	16,235	16,116	20,758	16,000	18,000	2,000	12.50%
4635	Port Impound Fee	-	-	-	1,000	1,000	-	100.00%
4705	Business License	45	250	35	225	40	(185)	-82.22%
4801	Interest on Investments	-	-	574	-	6,801	6,801	0.00%
4901	Surplus Property Sale	37,597	44,598	49,853	28,000	45,000	17,000	60.71%
4902	Other Revenue	264,771	-	1,094	500	5,000	4,500	100.00%
4906	Proceeds-Law Suit	16,660	-	-	-	-	-	0.00%
	<b>Total Non-Operating Revenue</b>	<b>424,786</b>	<b>149,994</b>	<b>120,783</b>	<b>45,725</b>	<b>125,841</b>	<b>80,116</b>	<b>175.21%</b>
<b>Harbor 601</b>								
4245	Waste Oil Disposal Recovery	7,747	1,540	7,119	8,000	8,000	-	0.00%
4249	Oil Spill Materials Recovery	-	-	1,317	1,000	1,000	-	0.00%
4318	Parking Revenue	14,017	13,588	15,752	16,000	16,000	-	0.00%
4319	Sale of Electrical Supplies	2,322	838	2,343	2,500	2,500	-	0.00%
4624	Berth Rent Transient Monthly	356,505	385,821	371,878	397,580	397,580	-	0.00%
4625	Berth Rent-Reserved	745,034	821,015	871,887	849,750	849,750	-	0.00%
4626	Berth Rent Transient Annual	128,661	102,866	129,350	113,300	113,300	-	0.00%
4627	Berth Rent Transient Semi-Annual	62,594	66,376	70,809	84,460	84,460	-	0.00%
4628	Berth Rent Transient Daily	70,074	76,545	80,768	72,100	72,100	-	0.00%
4629	Metered Energy	64,260	87,213	51,912	88,000	118,000	30,000	34.09%
4644	Pumping	484	119	238	1,700	1,000	(700)	-41.16%
4645	Wooden Grid Use	5,268	7,526	6,034	9,064	7,000	(2,064)	-22.77%
4646	Commercial Ramp/Beach Landing	4,772	3,587	6,979	3,605	30,000	26,395	732.18%
4647	Berth Waiting List	8,388	7,273	7,013	10,300	8,000	(2,300)	-22.33%
4648	Steel Grid Use	16,068	15,254	15,929	15,450	15,000	(450)	-2.91%
4653	L and L Ramp	92,606	97,267	84,607	103,000	90,000	(13,000)	-12.62%
4663	Transient Energy 110 Volts	31,653	29,388	31,503	33,000	33,000	-	0.00%
4664	Transient Energy 220 Volts	13,710	12,288	19,025	13,000	15,000	2,000	15.38%
4665	Transient Energy 208 Volts	67,706	85,153	69,572	88,000	76,000	(12,000)	-13.64%
4666	Commercial Ramp/Beach Wharfage	1,406	262	935	2,000	25,000	23,000	1150.00%
4672	Port Security	-	-	21,870	37,800	24,000	(13,800)	100.00%
	<b>Sub-Total Operating Revenue</b>	<b>1,693,272</b>	<b>1,813,917</b>	<b>1,866,840</b>	<b>1,949,609</b>	<b>1,986,690</b>	<b>50,882</b>	<b>2.61%</b>
4802	Penalties & Interest	15,799	9,827	17,489	15,000	10,000	(5,000)	-33.33%
4902	Other	43,940	59,331	49,766	55,000	50,000	(5,000)	-9.09%
	<b>Sub-Total Non-Operating Revenue</b>	<b>59,739</b>	<b>69,158</b>	<b>67,255</b>	<b>70,000</b>	<b>60,000</b>	<b>(10,000)</b>	<b>-14.29%</b>
	<b>Total Harbor Revenues</b>	<b>\$ 1,753,010</b>	<b>\$ 1,883,075</b>	<b>\$ 1,934,095</b>	<b>\$ 2,019,609</b>	<b>\$ 2,046,690</b>	<b>27,082</b>	<b>1.34%</b>

**City of Homer  
2012 Operating Budget**

Fund 400

600 - Port & Harbor Fund Revenues Continued

		FY2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2012 Proposed Budget	Difference Between 2011 Budget & 2012 Proposed Budget	
<b>Pioneer Dock 602</b>								
4638	Pioneer Dock-Fuel WH	73,822	98,570	128,048	103,000	128,000	25,000	24.27%
4639	Pioneer Dock- Wharfage	-	-	-	-	-	-	0.00%
4641	Pioneer Dock-Water Sales	4,862	12,265	7,433	10,300	10,000	(300)	-2.91%
4642	Pioneer Dock-Docking	28,956	46,165	37,632	35,020	40,000	4,980	14.22%
4631	USCG Leases	23,672	23,985	24,287	24,010	24,010	-	0.00%
	<b>Sub-Total Operating Revenue</b>	<b>131,312</b>	<b>180,985</b>	<b>197,400</b>	<b>172,330</b>	<b>202,010</b>	<b>29,680</b>	<b>17.22%</b>
<b>Total Pioneer Dock Revenues</b>		<b>\$ 131,312</b>	<b>\$ 180,985</b>	<b>\$ 197,400</b>	<b>\$ 172,330</b>	<b>\$ 202,010</b>	<b>\$ 29,680</b>	<b>17.22%</b>
<b>Fish Dock 603</b>								
4620	Ice Sales	405,002	538,517	542,136	516,030	416,000	(100,030)	-19.38%
4621	Cold Storage	13,125	15,100	16,640	19,261	20,000	739	3.84%
4622	Crane Rental	207,957	272,608	250,917	257,500	230,000	(27,500)	-10.68%
4623	Card Access Fee	8,010	8,600	8,648	8,240	8,240	-	0.00%
4637	Seafood Wharfage-Fish Dock	46,474	54,044	49,300	48,410	48,410	-	0.00%
4700	Other Wharfage-Fish Dock	-	-	749	1,236	1,236	-	0.00%
	<b>Sub-Total Operating Revenue</b>	<b>680,569</b>	<b>888,870</b>	<b>868,390</b>	<b>850,677</b>	<b>723,886</b>	<b>(126,791)</b>	<b>-14.90%</b>
4206	Fish Tax	98,958	97,425	73,505	110,000	80,000	(30,000)	-27.27%
	<b>Sub-Total Non-Operating Revenue</b>	<b>98,958</b>	<b>97,425</b>	<b>73,505</b>	<b>110,000</b>	<b>80,000</b>	<b>(30,000)</b>	<b>-27.27%</b>
<b>Total Fish Dock Revenues</b>		<b>\$ 779,527</b>	<b>\$ 986,295</b>	<b>\$ 941,895</b>	<b>\$ 960,677</b>	<b>\$ 803,886</b>	<b>(156,791)</b>	<b>-16.32%</b>
<b>Deep Water Dock 604</b>								
4633	Stevedoring	23,982	3,426	8,866	15,450	8,866	(6,584)	-42.62%
4640	DWD - Wharfage	160,295	408	76,675	61,800	76,675	14,875	24.07%
4643	DWD - Docking	82,577	40,023	63,099	73,645	63,099	(10,546)	-14.32%
4668	DWD - Water	22,774	14,963	5,239	10,300	5,239	(5,061)	-49.14%
	<b>Total Operating Revenue</b>	<b>\$ 289,627</b>	<b>\$ 58,820</b>	<b>\$ 153,878</b>	<b>\$ 161,195</b>	<b>\$ 153,878</b>	<b>\$ (7,317)</b>	<b>-4.54%</b>
<b>Outfall Line 605</b>								
4704	Outfall Line	-	2,400	9,400	2,400	4,800	2,400	100.00%
	<b>Total Outfall Line Revenue</b>	<b>\$ -</b>	<b>\$ 2,400</b>	<b>\$ 9,400</b>	<b>\$ 2,400</b>	<b>\$ 4,800</b>	<b>2,400</b>	<b>100.00%</b>
<b>Fish Grinder 606</b>								
4706	Grinding Fees	11,221	13,188	11,319	12,360	12,360	-	0.00%
	<b>Total Fish Grinder Revenues</b>	<b>\$ 11,221</b>	<b>\$ 13,188</b>	<b>\$ 11,319</b>	<b>\$ 12,360</b>	<b>\$ 12,360</b>	<b>-</b>	<b>0.00%</b>
<b>Total Non-Operating Revenue</b>		<b>583,482</b>	<b>316,577</b>	<b>261,542</b>	<b>225,725</b>	<b>265,841</b>	<b>40,116</b>	<b>17.77%</b>
<b>Total Operating Revenue</b>		<b>3,082,440</b>	<b>3,236,597</b>	<b>3,419,579</b>	<b>3,441,571</b>	<b>3,431,243</b>	<b>(10,328)</b>	<b>-0.30%</b>
<b>Total Port &amp; Harbor Revenues</b>		<b>\$ 3,665,922</b>	<b>\$ 3,553,174</b>	<b>\$ 3,681,121</b>	<b>\$ 3,667,296</b>	<b>\$ 3,697,084</b>	<b>29,788</b>	<b>0.81%</b>

**CITY OF HOMER  
2012 OPERATING BUDGET**

**NARRATIVE**

**PORT & HARBOR - ADMINISTRATION**

Port and Harbor Department is an Enterprise Fund activity that manages, maintains and operates the Homer Small Boat Harbor, commercial Fish Dock, Ice Production Plant, Fish Grinding Facility, Pioneer (Ferry) Dock, Deep Water Dock, and Uplands areas for storage, parking, and land leases. The Small Boat Harbor consists of 920 reserved boat slips, 6,000+ linear feet of transient boat moorage, wood grid and steel grid for vessel repairs, barge ramp, and five lanes of load and launch ramps. The Fish Dock has 383 feet of vessel mooring face alongside, and 8 electric-hydraulic cranes. The Ice Plant is capable of making 4 tons of ice per hour, can store up to 180 tons, and delivers ice to vessels at Fish Dock by both augured and pneumatic means. The Pioneer (Ferry) Dock has preferential berthing for USCG Buoy Tender Hickory and State of Alaska Ferries. The Deep Water Dock berths floating processors and other medium size vessels on its inside berth and ships to 800' LOA, 65,000 displacement tons on its 345 foot face.

Mission Statement: The mission of the Port and Harbor Department is to provide safe port and harbor facilities for our commercial clients, recreational users, and the general public, to manage and maintain these facilities cost effectively and to administer our Tariff and procedures fairly and equitably for all users.

**CITY OF HOMER  
2012 OPERATING BUDGET**

**FUND 400**

**600 - PORT & HARBOR - ADMINISTRATION**

		FY2008	FY 2009	FY 2010	FY 2011	FY 2012	Difference	
		Actual	Actual	Actual	Budget	Proposed	Between 2011	
						Budget	Budget & 2012	
<b>Salaries and Benefits</b>								
5101	Regular Employees	\$ 196,568	\$ 217,790	\$ 203,248	\$ 213,025	\$ 200,840	\$ (12,185)	-5.72%
5102	Fringe Benefits	226,057	226,930	191,906	132,128	136,378	4,250	3.22%
5102	PERS Revenue Offset	-	-	-	-	50,000	50,000	100.00%
5105	Overtime	1,539	1,436	3,695	2,000	2,000	-	0.00%
<b>Total Salaries and Benefits</b>		<b>424,510</b>	<b>446,156</b>	<b>398,849</b>	<b>347,153</b>	<b>389,218</b>	<b>42,065</b>	<b>12.12%</b>
<b>Maintenance and Operations</b>								
5201	Office Supplies	1,673	1,516	1,693	2,000	2,500	500	25.00%
5202	Operating Supplies	813	324	2,045	2,000	2,500	500	25.00%
5207	Vehicle/Boat Maintenance	18	706	-	-	-	-	0.00%
5208	Equipment Maintenance	-	169	4,352	-	-	-	0.00%
5209	Building & Grounds Maintenance	171	3	56	4,000	4,000	-	0.00%
5210	Professional & Special Services	1,384	81	4,755	2,800	3,500	700	25.00%
5211	Accounting/Auditing	15,402	25,067	14,496	18,805	19,141	336	1.79%
5213	Survey/Appraisal	1,600	-	-	1,200	3,200	2,000	166.67%
5214	Rents & Leases Expense	4,047	6,172	6,322	7,000	7,000	-	0.00%
5215	Communications	6,911	2,847	5,980	7,000	7,000	-	0.00%
5216	Postage/Freight	3,461	3,331	3,717	4,000	4,000	-	0.00%
5221	Property Insurance	8,666	8,282	6,510	5,727	4,134	(1,593)	-27.82%
5222	Auto Insurance	6,524	6,511	7,206	9,846	8,383	(1,463)	-14.86%
5223	Liability Insurance	79,999	104,039	68,731	63,705	63,833	128	0.20%
5227	Advertising	2,719	2,279	2,431	3,649	6,000	2,351	64.43%
5231	Tools/Equipment	1,934	567	463	2,500	17,500	15,000	600.00%
5235	Memberships/Dues	1,095	978	2,379	1,500	1,500	-	0.00%
5236	Transportation	2,689	3,729	4,577	4,000	4,000	-	0.00%
5237	Subsistence	2,813	2,413	1,067	3,000	3,500	500	16.67%
5238	Printing/Binding	975	439	3,070	2,000	3,500	1,500	75.00%
5248	Lobbying	-	-	-	22,000	22,000	-	100.00%
5252	Credit Card Service Fees	21,643	36,100	51,405	30,000	25,000	(5,000)	-16.67%
5603	Employee Training	882	1,605	-	3,000	3,000	-	0.00%
5606	Bad Debt Expense	21,935	42,984	69,239	22,000	22,000	-	0.00%
5612	Deferred Loss Expense	6,107	-	-	-	-	-	0.00%
5613	Bond Issue Fees	5,331	-	-	-	-	-	0.00%
<b>Total Maintenance and Operations</b>		<b>198,792</b>	<b>250,143</b>	<b>260,494</b>	<b>221,732</b>	<b>237,190</b>	<b>15,458</b>	<b>6.97%</b>
<b>Capital Outlay, Transfers and Reserves</b>								
5990	Transfer to Reserves	30,000	30,000	30,000	42,310	39,771	(2,539)	-6.00%
5106	Leave Cash Out Bank	12,224	49,339	39,549	35,830	35,855	25	0.07%
<b>Total Capital Outlay, Transfers &amp; Reserve</b>		<b>42,224</b>	<b>79,339</b>	<b>69,549</b>	<b>78,140</b>	<b>75,627</b>	<b>(2,513)</b>	<b>-3.22%</b>
<b>Debt Payment</b>								
2305	Debt Payment (Acct 400-000-2305)	180,000	185,000	-	-	-	-	0.00%
5608	Debt Payment Interest	16,220	6,112	-	-	-	-	0.00%
<b>Total Debt Payment</b>		<b>196,220</b>	<b>191,112</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
5241	<b>G/F Administrative Services</b>	<b>409,475</b>	<b>406,541</b>	<b>\$356,894</b>	<b>\$369,068</b>	<b>\$391,403</b>	<b>22,335</b>	<b>6.05%</b>
<b>Total</b>		<b>\$ 1,271,221</b>	<b>\$ 1,373,292</b>	<b>\$ 1,085,785</b>	<b>\$ 1,016,093</b>	<b>\$ 1,093,439</b>	<b>77,346</b>	<b>7.61%</b>
<b>Staffing History</b>		<b>4.24</b>	<b>4.40</b>	<b>4.00</b>	<b>4.00</b>	<b>4.25</b>		

**LINE - ITEM EXPLANATIONS:**

5101 - 5106 - 25% of Administrative Assistant charged to account from City Managers office for lease maintaince.  
 5102 - Fringe Benefits PERS  
 5231 - Marina Billing Program Upgrade.

Account Number Explanations: See "Appendix" Tab  
 Capital Outlay: See "Projects" Tab

Dept	Reserve	2012		Budgeted	2012
		Beg Balance	Transfer In		
380	Depreciation Reserve	1,710,458	470,000	225,000	1,955,458
	Leave Cash Out		35,855	35,855	
152-374	Fleet Reserve	68,633	30,000	12,000	80,633

**CITY OF HOMER  
2012 OPERATING BUDGET**

**NARRATIVE**

**PORT & HARBOR - HARBOR**

The Harbor 601 is the "operations division" of Port and Harbor Department, actively managing and operating our Port and Harbor Facilities. Harbor Officers provide 24-hours, 365 days security and patrolling of Port and Harbor facilities and are first responders in case of fire, medical or other emergency situations such as vessels taking on water. Harbor Officers report new vessel arrivals for moorage billings; inspect facilities for safety and service problems; and initiate work requests for needed repairs. Harbor Officers monitor transient moorage, reserved slip moorage, Fish Dock, wood and steel grid schedules, Pioneer Dock and Deep Water Dock on a regular basis. All high displacement vessel arrivals and departures are observed and any associated damage to our facilities is reported. Frequent towage services for vessels that lost power or to shift vessels from mooring space to other moorings are performed by Harbor Officers using skiffs or the harbor tug. Vessel inventory is performed nightly of all vessels in the Small Boat Harbor and on our docks and repair grids to enable moorage charges and service charges to be billed out by Administrative staff.

Harbor Officers receive training in CPR, First Aid, Automatic External Defibrillator use, Emergency Trauma Training (ETT), hazardous materials handling, marine fire fighting, port security and USCG licensing.

**CITY OF HOMER  
2012 OPERATING BUDGET**

**FUND 400**

**601 - PORT & HARBOR - HARBOR**

		FY2008	FY 2009	FY 2010	FY 2011	FY 2012	Difference Between	
		Actual	Actual	Actual	Budget	Proposed	2011 Budget &	2012 Proposed
						Budget		
<b><u>Salaries and Benefits</u></b>								
5101	Regular Employees	\$ 250,637	\$ 283,488	\$ 280,618	\$ 287,470	\$ 275,167	\$ (12,303)	-4.28%
5102	Fringe Benefits	183,736	194,759	199,316	186,050	181,752	(4,298)	-2.31%
5103	P/T Employees	54,764	56,490	67,378	57,296	57,630	334	0.58%
5104	Fringe Benefits P/T	9,407	12,729	13,778	9,005	8,948	(57)	-0.63%
5105	Overtime	21,668	20,517	14,499	16,159	16,159	-	0.00%
5107	P/T Overtime	107	993	1,363	-	-	-	0.00%
<b><u>Total Salaries and Benefits</u></b>		<b>520,318</b>	<b>568,975</b>	<b>576,951</b>	<b>555,980</b>	<b>539,657</b>	<b>(16,323)</b>	<b>-2.94%</b>
<b><u>Maintenance and Operations</u></b>								
5201	Office Supplies	920	1,435	1,490	1,000	1,500	500	50.00%
5202	Operating Supplies	10,589	10,151	11,060	1,400	14,000	12,600	900.00%
5203	Fuel/Lube	14,224	10,958	10,742	12,000	14,000	2,000	16.67%
5204	Chemicals	2,833	2,692	3,335	3,000	3,000	-	0.00%
5207	Vehicle/Boat Maintenance	8,873	2,568	1,614	8,000	3,000	(5,000)	-62.50%
5208	Equipment Maintenance	425	779	1,303	2,000	2,000	-	0.00%
5209	Buildings & Grounds Maintenance	3,904	4,419	2,316	5,000	6,000	1,000	20.00%
5210	Professional & Special Services	4,270	3,401	2,515	5,000	5,000	-	0.00%
5213	Surveyor/Appraisal	-	-	-	500	500	-	0.00%
5217	Electricity	220,844	252,011	208,512	280,000	280,000	-	0.00%
5218	Water	30,570	34,202	47,011	37,000	40,000	3,000	8.11%
5219	Sewer	4,232	6,138	6,343	4,114	5,000	886	21.54%
5220	Refuse/Disposal	37,529	39,194	38,026	23,000	40,000	17,000	73.91%
5227	Advertising	-	108	104	1,000	2,000	1,000	100.00%
5231	Tools/Equipment	4,230	3,641	4,357	5,000	5,000	-	0.00%
5236	Transportation	-	-	3,236	4,000	4,000	-	0.00%
5237	Subsistence	-	-	1,428	2,000	2,000	-	0.00%
5238	Printing/Binding	1,750	1,563	2,682	2,000	2,000	-	0.00%
5249	Oil Spill Response Supplies	1,781	1,639	1,224	2,000	2,000	-	0.00%
5287	Electrical Supplies	3,032	574	3,898	3,000	3,000	-	0.00%
5601	Uniform/Clothing Allowance	1,727	1,750	3,134	2,500	3,000	500	20.00%
5602	Safety Equipment	3,414	2,486	2,197	4,000	7,500	3,500	87.50%
5603	Employee Training	3,789	3,752	2,373	4,000	4,000	-	0.00%
5627	Port Security	-	-	24,066	36,000	25,000	(11,000)	-30.56%
<b><u>Total Maintenance and Operatio</u></b>		<b>358,937</b>	<b>383,462</b>	<b>382,965</b>	<b>447,514</b>	<b>473,500</b>	<b>25,986</b>	<b>5.81%</b>
<b><u>Capital Outlay, Transfers and Reserves</u></b>								
5990	Transfer to Reserves	68,901	68,901	68,901	97,171	91,341	(5,830)	-6.00%
<b><u>Total Capital Outlay, Transfers &amp; Reser</u></b>		<b>68,901</b>	<b>68,901</b>	<b>68,901</b>	<b>97,171</b>	<b>91,341</b>	<b>(5,830)</b>	<b>-6.00%</b>
<b>Total</b>		<b>\$ 948,156</b>	<b>\$ 1,021,338</b>	<b>\$ 1,028,817</b>	<b>\$ 1,100,665</b>	<b>\$ 1,104,497</b>	<b>3,832</b>	<b>0.35%</b>
<b>Staffing History</b>		<b>10.32</b>	<b>6.55</b>	<b>7.29</b>	<b>7.29</b>	<b>6.89</b>		

**LINE - ITEM EXPLANATIONS:**

**5101 - 5105** In 2010, Port & Harbor funded (2) Enforcement Aides, in 2011 Budget one of the positions was removed.  
**5236 - 5237** Was using Admin Budget, moved in correct department.  
**5208** - Moved to 400-611.

*Account Number Explanations: See "Appendix" Tab*

CITY OF HOMER  
2012 OPERATING BUDGET

NARRATIVE

**PORT & HARBOR - PIONEER DOCK**

The Pioneer Dock berths the Coast Guard Buoy Tender Hickory, the Alaska Marine Highway System Ferries, and occasional tugs and barges. Fuel barges land here to pump petroleum products through pipelines to Petro Marine Services shore tanks.

Objectives include marketing the Pioneer Dock to medium size cruise ships enabling passengers to access locally provided tours and sales goods. Numerous USCG mandated security improvements, training, exercises and drills have been conducted at the Pioneer Dock. Demolition of the old Main Dock has been identified as a future capital project.

**FUND 400**

**602 - PORT & HARBOR - PIONEER DOCK**

	FY2008	FY 2009	FY 2010	FY 2011	FY 2012	Difference	
	Actual	Actual	Actual	Budget	Proposed	Between 2011	
					Budget	Budget & 2012	
<b><u>Salaries and Benefits</u></b>							
5101 Regular Employees	\$ 14,913	\$ 16,302	\$ 17,075	\$ 16,827	\$ 16,109	\$ (718)	-4.27%
5102 Fringe Benefits	10,778	11,998	11,843	13,075	12,824	(251)	-1.92%
5103 P/T Employees	414	2,524	2,830	2,636	2,625	(11)	-0.42%
5104 Fringe Benefits P/T	67	308	340	236	234	(2)	-0.64%
5105 Overtime	1,275	1,211	857	795	795	-	0.00%
5107 P/T Overtime	3	37	3	-	-	-	0.00%
<b><u>Total Salaries and Benefits</u></b>	<b>27,449</b>	<b>32,380</b>	<b>32,949</b>	<b>33,569</b>	<b>32,587</b>	<b>(982)</b>	<b>-2.93%</b>
<b><u>Maintenance and Operations</u></b>							
5201 Office Supplies	-	100	56	100	-	(100)	-100.00%
5202 Operating Supplies	414	500	87	500	500	-	0.00%
5210 Professional & Special Services	(25)	464	64	2,000	2,000	-	0.00%
5217 Electricity	1,877	1,506	1,563	1,800	2,500	700	38.89%
5218 Water	-	-	-	3,000	3,000	-	0.00%
5231 Tools/Equipment	300	300	-	300	1,000	700	233.33%
5602 Safety Equipment	500	500	215	500	500	-	0.00%
<b><u>Total Maintenance and Operati</u></b>	<b>3,066</b>	<b>3,370</b>	<b>1,984</b>	<b>8,200</b>	<b>9,500</b>	<b>1,300</b>	<b>15.85%</b>
<b><u>Capital Outlay, Transfers and Reserves</u></b>							
5990 Transfer to Reserves	50,000	50,000	50,000	70,516	66,285	(4,231)	-6.00%
<b><u>Total Capital Outlay, Transfers &amp; Reserves</u></b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>70,516</b>	<b>66,285</b>	<b>(4,231)</b>	<b>-6.00%</b>
<b>Total</b>	<b>\$ 80,515</b>	<b>\$ 85,750</b>	<b>\$ 84,933</b>	<b>\$ 112,285</b>	<b>\$ 108,372</b>	<b>(3,913)</b>	<b>-3.49%</b>
<b>Staffing History</b>	<b>0.30</b>	<b>0.50</b>	<b>0.48</b>	<b>0.48</b>	<b>0.48</b>		

**LINE - ITEM EXPLANATIONS:**

**5210** Professional & Specialty Services reflect historical expenditures.

*Account Number Explanations: See "Appendix" Tab*  
*Capital Outlay: See "Projects" Tab*

**CITY OF HOMER  
2012 OPERATING BUDGET**

**NARRATIVE  
PORT & HARBOR - FISH DOCK**

The Fish Dock cost center includes the dock, the cranes, the Ice Plant, and cold storage facility. The Fish Dock has 383 feet of dock face for mooring fishing vessels, 8 electric-hydraulic cranes for unloading, cold storage cubicles for rent in the Ice Plant. The Ice Plant makes 4 tons of ice per hour, stores up to 180 tons, and can deliver flake ice to fishing vessels at Fish Dock via augured and pneumatic delivery systems. The revenues on the Fish Dock derive from wharfage charges, crane rental, ice sales, cold storage rental, etc.

**FUND 400  
603 - PORT & HARBOR - FISH DOCK**

	FY2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2012 Proposed Budget	Difference Between 2011 Budget & 2012	
<b><u>Salaries and Benefits</u></b>							
5101 Regular Employees	\$ 207,591	\$ 217,921	\$ 177,179	\$ 182,338	\$ 185,831	\$ 3,493	1.92%
5102 Fringe Benefits	144,954	144,770	136,414	130,068	131,622	1,554	1.19%
5103 P/T Employees	17,255	20,756	19,873	29,368	28,607	(761)	-2.59%
5104 Fringe Benefits P/T	5,872	4,642	12,345	2,334	2,333	(1)	-0.06%
5105 Overtime	4,993	15,363	6,967	7,000	7,000	-	0.00%
5107 Part Time Overtime	1,745	2,645	2,455	-	3,000	3,000	0.00%
<b>Total Salaries and Benefits</b>	<b>382,411</b>	<b>406,097</b>	<b>355,233</b>	<b>351,108</b>	<b>358,393</b>	<b>7,285</b>	<b>2.07%</b>
<b><u>Maintenance and Operations</u></b>							
5201 Office Supplies	380	554	205	350	1,000	650	185.71%
5202 Operating Supplies	2,660	5,383	2,852	5,000	5,000	-	0.00%
5203 Fuel/Lube	3,213	3,965	4,259	3,800	3,800	-	0.00%
5204 Chemicals	1,602	4,020	3,076	4,200	4,200	-	0.00%
5207 Vehicle/Boat Maintenance	-	-	36	1,000	-	(1,000)	100.00%
5208 Equipment Maintenance	27,784	67,881	34,115	45,000	45,000	-	0.00%
5209 Building & Grounds Maintenance	5,631	12,687	9,440	5,000	19,000	14,000	280.00%
5210 Professional & Special Services	3,710	4,309	4,642	5,000	5,000	-	0.00%
5217 Electricity	135,092	162,121	132,013	150,000	147,000	(3,000)	-2.00%
5218 Water	29,349	217	29,577	30,000	30,000	-	0.00%
5219 Sewer	(529)	111	8,054	2,000	2,000	-	0.00%
5231 Tools/Equipment	3,189	3,676	3,017	3,000	3,000	-	0.00%
5602 Safety Equipment	306	2,108	3,222	3,000	3,000	-	0.00%
5603 Employee Training	120	0	2,625	3,000	3,000	-	0.00%
<b>Total Maintenance and Operations</b>	<b>212,505</b>	<b>267,028</b>	<b>237,132</b>	<b>260,350</b>	<b>271,000</b>	<b>10,650</b>	<b>4.09%</b>
<b><u>Capital Outlay, Transfers and Reserves</u></b>							
5990 Transfer to Reserves	150,046	150,046	150,046	211,613	198,916	(12,697)	-6.00%
<b>Total Capital Outlay, Transfers &amp; Reserves</b>	<b>150,046</b>	<b>150,046</b>	<b>150,046</b>	<b>211,613</b>	<b>198,916</b>	<b>(12,697)</b>	<b>-6.00%</b>
<b>Total</b>	<b>\$ 744,963</b>	<b>\$ 823,171</b>	<b>\$ 742,411</b>	<b>\$ 823,071</b>	<b>\$ 828,309</b>	<b>5,238</b>	<b>0.64%</b>
<b>Staffing History</b>	<b>3.90</b>	<b>4.60</b>	<b>4.10</b>	<b>3.98</b>	<b>3.98</b>		

**LINE - ITEM EXPLANATIONS:**

5209 - General Maintenance on Conduit Overhaul.

Account Number Explanations: See "Appendix" Tab  
Capital Outlay: See "Projects" Tab

**CITY OF HOMER  
2012 OPERATING BUDGET**

**NARRATIVE**

**PORT & HARBOR - DEEP WATER DOCK**

The Deep Water Dock provides 345 feet of dock face for berthing vessels plus 2 mooring dolphins and one mooring buoy off the south end, and one mooring dolphin and one mooring buoy off the north end of the dock. Larger vessels can berth at the DWD by securing mooring lines to the available mooring dolphins and buoys.

The "inside berth" of 210' provides additional moorage space.

**CITY OF HOMER  
2012 OPERATING BUDGET**

**FUND 400**

**04 - PORT & HARBOR - DEEP WATER DOCK**

	FY2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2012 Proposed Budget	Difference Between 2011 Budget & 2012	
<b><u>Salaries and Benefits</u></b>							
5101 Regular Employees	\$ 14,913	\$ 17,905	\$ 20,125	\$ 19,920	\$ 19,289	\$ (631)	-3.17%
5102 Fringe Benefits	11,571	13,441	13,866	12,797	12,577	(220)	-1.72%
5103 P/T Employees	414	2,524	2,829	2,636	2,625	(11)	-0.42%
5104 Fringe Benefits P/T	67	308	340	236	234	(2)	-0.64%
5105 Overtime	1,278	1,282	936	845	845	-	0.00%
5107 P/T Overtime	-	36	3	-	-	-	0.00%
<b><u>Total Salaries and Benefits</u></b>	<b>28,243</b>	<b>35,496</b>	<b>38,100</b>	<b>36,434</b>	<b>35,570</b>	<b>(864)</b>	<b>-2.37%</b>
<b><u>Maintenance and Operations</u></b>							
5202 Operating Supplies	-	-	561	100	100	-	0.00%
5210 Professional & Special Services	343	676	1,445	1,000	1,000	-	0.00%
5217 Electricity	3,143	3,554	2,335	4,000	4,500	500	12.50%
5218 Water	812	610	479	1,000	1,500	500	50.00%
5231 Tools/Equipment	140	500	14	500	500	-	0.00%
5601 Uniform/Clothing Allowance	-	179	-	-	-	-	0.00%
5602 Safety Equipment	300	300	-	-	-	-	0.00%
<b><u>Total Maintenance and Operations</u></b>	<b>4,738</b>	<b>5,819</b>	<b>4,833</b>	<b>6,600</b>	<b>7,600</b>	<b>1,000</b>	<b>15.15%</b>
<b><u>Capital Outlay, Transfers and Reserves</u></b>							
990 Transfer to Reserves	48,583	48,583	48,583	68,517	64,406	(4,111)	-6.00%
<b><u>Total Capital Outlay, Transfers &amp; Reserves</u></b>	<b>48,583</b>	<b>48,583</b>	<b>48,583</b>	<b>68,517</b>	<b>64,406</b>	<b>(4,111)</b>	<b>-6.00%</b>
<b>Total</b>	<b>\$ 81,564</b>	<b>\$ 89,897</b>	<b>\$ 91,516</b>	<b>\$ 111,551</b>	<b>\$ 107,576</b>	<b>(3,975)</b>	<b>-3.56%</b>
<b>Staffing History</b>	<b>1.07</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>	<b>0.51</b>		

**LINE - ITEM EXPLANATIONS:**

*Account Number Explanations: See "Appendix" Tab  
Capital Outlay: See "Projects" Tab*

CITY OF HOMER  
2012 OPERATING BUDGET

NARRATIVE

**PORT & HARBOR - OUTFALL LINE**

The outfall line was constructed in 1990 to meet Environmental Protection Agency (EPA) standards for fish waste discharge. Discharges are regulated under NPDES general permit AK-G52-000. This cost function was created to track expenses associated with the outfall line and associated lift/pump station. These costs include scheduled preventive maintenance, repairs, and maintaining a spare parts inventory. Associated utility costs are included in the Fish Dock expenses.

**FUND 400**  
**605 - PORT & HARBOR - OUTFALL LINE**

	FY2008	FY 2009	FY 2010	FY 2011	FY 2012	Difference	
	Actual	Actual	Actual	Budget	Propose	Between	
					d Budget	2011 Budget	
<b><u>Salaries and Benefits</u></b>							
5101	Regular Employees	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
5102	Fringe Benefits	-	-	-	-	-	0.00%
<b><u>Total Salaries and Benefits</u></b>		-	-	-	-	-	0.00%
<b><u>Maintenance and Operations</u></b>							
5202	Operating Supplies	-	-	-	-	-	0.00%
5208	Equipment Maintenance	724	-	-	1,500	1,500	0.00%
5209	Bldg/Grds Maint	-	-	59	-	-	0.00%
5210	Professional & Special Services	-	150	410	1,000	1,000	0.00%
5231	Tools/Equipment	-	-	-	-	-	0.00%
<b><u>Total Maintenance and Operations</u></b>		724	150	469	2,500	2,500	0.00%
<b><u>Capital Outlay, Transfers and Reserves</u></b>							
5990	Transfer to Reserves	2,000	2,000	2,000	2,821	2,652	(169) -6.00%
<b><u>Total Capital Outlay, Transfers &amp; Reserves</u></b>		2,000	2,000	2,000	2,821	2,652	(169) -6.00%
<b>Total</b>		<b>\$ 2,724</b>	<b>\$ 2,150</b>	<b>\$ 2,469</b>	<b>\$ 5,321</b>	<b>\$ 5,152</b>	<b>(169) -3.18%</b>

**LINE - ITEM EXPLANATIONS:**

*Account Number Explanations: See "Appendix" Tab*  
*Capital Outlay: See "Projects" Tab*

CITY OF HOMER  
2012 OPERATING BUDGET

**NARRATIVE**  
**PORT & HARBOR - FISH GRINDER**

The Fish Grinder was constructed in 2000 using Alaska Department of Fish and Game grant funding. It is owned and operated by the City of Homer under ADF&G/City of Homer Cooperative Agreement #COOP-00-035. This cost function was created to track expenses associated with the fish grinder operation per ADFG grant requirements.

**FUND 400**  
**606 - PORT & HARBOR - FISH GRINDER**

	FY2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2012 Proposed Budget	Difference Between 2011 Budget & 2012 Proposed Budget	
<b><u>Salaries and Benefits</u></b>							
5101 Regular Employees	\$ 134	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
5102 Fringe Benefits	33	-	-	-	-	-	0.00%
<b><u>Total Salaries and Benefits</u></b>	<b>167</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
<b><u>Maintenance and Operations</u></b>							
5202 Operating Supplies	1,784	2,758	-	4,000	4,000	-	0.00%
5208 Equipment Maintenance	13,656	22,449	8,658	14,000	14,000	-	0.00%
5209 Building & Grounds Maintenance	-	2,358	-	2,500	2,500	-	0.00%
5218 Water	429	1,631	466	1,000	1,000	-	0.00%
5231 Tools/Equipment	-	-	-	500	500	-	0.00%
<b><u>Total Maintenance and Operations</u></b>	<b>15,869</b>	<b>29,196</b>	<b>9,124</b>	<b>22,000</b>	<b>22,000</b>	<b>-</b>	<b>0.00%</b>
<b><u>Capital Outlay, Transfers and Reserves</u></b>							
5990 Transfer to Reserves	5,000	5,000	5,000	7,052	6,629	(423)	-6.00%
<b><u>Total Capital Outlay, Transfers &amp; Reserves</u></b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>7,052</b>	<b>6,629</b>	<b>(423)</b>	<b>-6.00%</b>
<b>Total</b>	<b>\$ 21,036</b>	<b>\$ 34,196</b>	<b>\$ 14,124</b>	<b>\$ 29,052</b>	<b>\$ 28,629</b>	<b>(423)</b>	<b>-1.46%</b>

**LINE - ITEM EXPLANATIONS:**

*Account Number Explanations: See "Appendix" Tab*  
*Capital Outlay: See "Projects" Tab*

**CITY OF HOMER  
2012 OPERATING BUDGET**

**NARRATIVE**

**PORT & HARBOR - ADMINISTRATION MAINTENANCE**

This represents expenses associated with the administration of the Public Works Maintenance of Port and Harbor facilities by the Public Works Director, Public Works Superintendent and the Port Maintenance Lead Technician.

**FUND 400  
610 - PORT & HARBOR - ADMINISTRATION MAINTENANCE**

		FY2008	FY 2009	FY 2010	FY 2011	FY 2012	Difference	
		Actual	Actual	Actual	Budget	Proposed Budget	Between 2011 Budget & 2012	
<b><u>Salaries and Benefits</u></b>								
5101	Regular Employees	\$ 28,065	\$ 25,497	\$ 24,460	\$ 25,064	\$ -	\$(25,064)	-100.00%
5102	Fringe Benefits	17,961	15,575	14,635	13,960	-	(13,960)	-100.00%
5105	Overtime	157	326	23	100	-	(100)	-100.00%
	<b><u>Total Salaries and Benefits</u></b>	<b>46,183</b>	<b>41,398</b>	<b>39,118</b>	<b>39,124</b>	<b>-</b>	<b>(39,124)</b>	<b>-100.00%</b>
<b><u>Maintenance and Operations</u></b>								
5202	Operating Supplies	-	-	46	200	-	(200)	-100.00%
5208	Equipment Maintenance	-	8	-	-	-	-	0.00%
5209	Building & Grounds Maintenance	29	492	54	500	-	(500)	-100.00%
5210	Professional & Special Services	332	531	46	750	-	(750)	-100.00%
5215	Communications	4,275	2,893	119	3,000	-	(3,000)	-100.00%
5231	Tools/Equipment	-	-	292	1,000	-	(1,000)	-100.00%
5233	Computers and Related Items	1,702	-	-	-	-	-	0.00%
5603	Employee Training	179	-	-	-	-	-	0.00%
	<b><u>Total Maintenance and Operations</u></b>	<b>6,518</b>	<b>3,924</b>	<b>558</b>	<b>5,450</b>	<b>-</b>	<b>(5,450)</b>	<b>-100.00%</b>
	<b>Total</b>	<b>\$ 52,700</b>	<b>\$ 45,322</b>	<b>\$ 39,676</b>	<b>\$ 44,574</b>	<b>\$ -</b>	<b>(44,574)</b>	<b>-100.00%</b>
	<b>Staffing History</b>	<b>0.40</b>	<b>0.40</b>	<b>0.35</b>	<b>0.35</b>	<b>0.00</b>		

**LINE - ITEM EXPLANATIONS:**

*Account Number Explanations: See "Appendix" Tab*

CITY OF HOMER  
2012 OPERATING BUDGET

**NARRATIVE**  
**PORT & HARBOR - HARBOR MAINTENANCE**

This Unit represents the labor and operation expenses associated with maintenance of the harbor facilities, including all floats systems, ramps and transient moorages, and wood & steel grids. This includes operating supplies, heating fuel, fuel for vehicles vehicle, boat and equipment maintenance, building and grounds maintenance, used oil collection /disposal, utilities and float/ramp repair.

**FUND 400**

**611 - PORT & HARBOR - HARBOR MAINTENANCE**

	<b>FY2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>Difference</b>	
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Proposed</b>	<b>Between 2011</b>	<b>Budget &amp; 2012</b>
					<b>Budget</b>		
<b><u>Salaries and Benefits</u></b>							
5101	Regular Employees	\$ 101,282	\$ 107,302	\$ 112,676	\$ 115,373	\$ 128,853	\$ 13,480 11.68%
5102	Fringe Benefits	74,371	79,019	82,686	76,979	85,439	8,460 10.99%
5103	P/T Employees	10,243	18,690	19,274	19,454	19,454	(0) 0.00%
5104	Fringe Benefits P/T	1,558	7,184	6,323	6,598	4,280	(2,318) -35.13%
5105	Overtime	5,620	1,269	1,293	1,500	-	(1,500) -100.00%
5107	P/T Overtime	80	26	-	-	-	- 0.00%
	<b>Total Salaries and Benefits</b>	<b>193,155</b>	<b>213,491</b>	<b>222,252</b>	<b>219,904</b>	<b>238,026</b>	<b>18,122 8.24%</b>
<b><u>Maintenance and Operations</u></b>							
5202	Operating Supplies	779	159	308	1,000	1,000	- 0.00%
5203	Fuel/Lube	17,637	10,270	17,805	13,500	13,000	(500) -3.70%
5207	Vehicle/Boat Maintenance	1,520	3,235	797	4,000	10,000	6,000 150.00%
5208	Equipment Maintenance	1,880	11,566	9,508	7,000	7,000	- 0.00%
5209	Building & Grounds Maintenance	11,672	10,464	12,552	10,500	10,500	- 0.00%
5210	Professional & Special Services	2,614	1,831	2,376	2,500	2,500	- 0.00%
5217	Electricity	8,920	10,917	8,279	9,000	9,000	- 0.00%
5218	Water	1,044	1,036	1,073	1,200	1,200	- 0.00%
5219	Sewer	973	1,188	1,097	1,100	1,100	- 0.00%
5231	Tools/Equipment	4,258	740	1,595	4,000	4,000	- 0.00%
5256	Used Oil Disposal	29,891	16,425	24,269	27,500	27,500	- 0.00%
5258	Float and Ramp Repair	11,705	1,672	11,267	10,000	10,000	- 0.00%
5601	Uniform/Clothing Allowance	2,018	1,844	2,095	2,500	2,500	- 0.00%
5603	Employee Training	3,982	-	32	1,000	1,000	- 0.00%
	<b>Total Maintenance and Operations</b>	<b>98,894</b>	<b>71,348</b>	<b>93,052</b>	<b>94,800</b>	<b>100,300</b>	<b>5,500 5.80%</b>
<b>Total</b>		<b>\$ 292,048</b>	<b>\$ 284,839</b>	<b>\$ 315,304</b>	<b>\$ 314,704</b>	<b>\$ 338,326</b>	<b>23,622 7.51%</b>
<b>Staffing History</b>		<b>2.15</b>	<b>2.15</b>	<b>2.80</b>	<b>2.80</b>	<b>3.05</b>	

**LINE - ITEM EXPLANATIONS:**

5207 - Moved from other departments to be captured collectively here.

*Account Number Explanations: See "Appendix" Tab*

**CITY OF HOMER  
2012 OPERATING BUDGET**

**NARRATIVE  
PORT & HARBOR - PIONEER DOCK MAINTENANCE**

This account is used to track expenses associated with the maintenance of the Pioneer Dock separate from the Pioneer Dock operating costs.

**FUND 400  
612 - PORT & HARBOR - PIONEER DOCK MAINTENANCE**

	FY2008	FY 2009	FY 2010	FY 2011	FY 2012	Difference	
	Actual	Actual	Actual	Budget	Proposed	Between 2011	
					Budget	Budget & 2012	
<b><u>Salaries and Benefits</u></b>							
5101 Regular Employees	\$ 14,108	\$ 14,176	\$ 14,666	\$ 14,989	\$ 15,203	\$ 214	1.42%
5102 Fringe Benefits	10,128	10,793	10,734	10,000	10,062	62	0.62%
5103 P/T Employees	2,990	-	-	-	-	-	0.00%
5104 Fringe Benefits P/T	454	-	-	-	-	-	0.00%
5105 Overtime	108	-	16	100	-	(100)	#####
5107 P/T Overtime	4	-	-	-	-	-	0.00%
<b>Total Salaries and Benefits</b>	<b>27,791</b>	<b>24,969</b>	<b>25,416</b>	<b>25,089</b>	<b>25,265</b>	<b>176</b>	<b>0.70%</b>
<b><u>Maintenance and Operations</u></b>							
5202 Operating Supplies	-	-	-	500	500	-	0.00%
5209 Building & Grounds Maintenance	3,445	938	1,845	5,000	5,000	-	0.00%
5231 Tools/Equipment	-	-	500	1,500	1,500	-	0.00%
5602 Safety Equipment	-	300	408	1,000	1,000	-	0.00%
<b>Total Maintenance and Operations</b>	<b>3,445</b>	<b>1,238</b>	<b>2,753</b>	<b>8,000</b>	<b>8,000</b>	<b>-</b>	<b>0.00%</b>
<b>Total</b>	<b>\$ 31,236</b>	<b>\$ 26,206</b>	<b>\$ 28,168</b>	<b>\$ 33,089</b>	<b>\$ 33,265</b>	<b>176</b>	<b>0.53%</b>
<b>Staffing History</b>	<b>0.30</b>	<b>0.40</b>	<b>0.30</b>	<b>0.30</b>	<b>0.30</b>		

**LINE - ITEM EXPLANATIONS:**

*Account Number Explanations: See "Appendix" Tab*

**CITY OF HOMER  
2012 OPERATING BUDGET**

**NARRATIVE  
PORT & HARBOR - DEEP WATER DOCK MAINTENANCE**

The purpose of this account is to track the maintenance costs separate from operating costs. Electricity, water service, dock maintenance and repairs are reflected here for the Deep Water Dock.

**FUND 400  
614 - PORT & HARBOR - DEEP WATER DOCK MAINTENANCE**

		FY2008	FY 2009	FY 2010	FY 2011	FY 2012	Difference	
		Actual	Actual	Actual	Budget	Proposed	Between 2011	
						Budget	Budget & 2012	
							Proposed Budget	
<b><u>Salaries and Benefits</u></b>								
5101	Regular Employees	\$ 14,108	\$ 14,176	\$ 14,666	\$ 14,989	\$ 15,203	\$ 214	1.42%
5102	Fringe Benefits	-	10,793	10,830	10,052	10,062	10	0.10%
5103	P/T Employees	2,990	-	-	-	-	-	0.00%
5104	Fringe Benefits P/T	469	-	-	-	-	-	0.00%
5105	Overtime	25	129	299	500	-	(500)	-100.00%
5107	P/T Overtime	4	-	-	-	-	-	0.00%
<b><u>Total Salaries and Benefits</u></b>		<b>17,596</b>	<b>25,098</b>	<b>25,795</b>	<b>25,541</b>	<b>25,265</b>	<b>(276)</b>	<b>-1.08%</b>
<b><u>Maintenance and Operations</u></b>								
5202	Operating Supplies	-	61	87	500	500	-	0.00%
5209	Building & Grounds Maintenance	3,358	3,248	5,832	5,500	5,500	-	0.00%
5231	Tools/Equipment	25	-	149	1,000	1,000	-	0.00%
5602	Safety Equipment	-	300	300	750	750	-	0.00%
<b><u>Total Maintenance and Operations</u></b>		<b>3,383</b>	<b>3,609</b>	<b>6,368</b>	<b>7,750</b>	<b>7,750</b>	<b>-</b>	<b>0.00%</b>
<b>Total</b>		<b>\$ 20,979</b>	<b>\$ 28,706</b>	<b>\$ 32,163</b>	<b>\$ 33,291</b>	<b>\$ 33,015</b>	<b>(276)</b>	<b>-0.83%</b>
<b>Staffing History</b>		<b>0.30</b>	<b>0.40</b>	<b>0.30</b>	<b>0.30</b>	<b>0.30</b>		

**LINE - ITEM EXPLANATIONS:**

*Account Number Explanations: See "Appendix" Tab*

**CITY OF HOMER  
2012 OPERATING BUDGET**

**Port & Harbor Reserves  
456 - 380**

Acct #		2009	2010	2011	2012
		Actual	Actual	Budget	Budget
	Beginning Balance	1,219,265	1,383,836	1,652,816	1,710,865
4992	Annual Transfer	324,530	324,530	470,000	440,000
	Transfer from G/F for Ben Walters Dock				
4801	Interest Income	11,050	35,752		
4610	Plans & Specs	320			
5990	Energy Fund trsf		14-Oct (48,620)		
	<b>Expenditures</b>	<b>(171,329)</b>	<b>(42,682)</b>	<b>(141,873)</b>	
	Subtotal	1,383,836	1,652,816	1,980,943	2,150,865
	Encumbered			(270,077)	(225,000)
	<b>Ending Balance</b>	<b>1,383,836</b>	<b>1,652,816</b>	<b>1,710,865</b>	<b>1,925,865</b>

Expenditure Detail	Ord #	2008	2009	2010	2011	2012				
		Actual	Budget	Actual	Budget	Actual				
High Mast Light		636								
US Army COE Dredge Dewatering										
Overslope Design Work										
Repaint 3 Vehicles										
Replace 1972 Loader (Lease)		2,253	37,887	19,440		9,720				
Harbor Boardwalk Repair										
Wood Grid Repairs										
CC Float Finger Hinges										
Fish Outfall Pump Station Ctrl Panel		50,932								
Electricity Extension for CC Float										
385 Parking Improvements		3,000		14,185						
Rake Drive Unit		20,000								
East Boat Feasibility Study		136,125	107,500							
Dredge Spoil Loading & Trucking		10,000	10,000							
Service Van Welder		12,777								
Harbor Tug ReB	Ord 08-26		24,954	24,086						
Light Pole & Launch & Ramp			7,000							
Forks for Loader			5,350	6,200						
926 Ben Walters Dock Replacement	Ord 08-1	58,793		2,262						
DWD Repairs	Ord 09-18		116,075	91,549		9,078				
Mooring Buoys	Ord 09-26		10,000	13,608						
2010 Fish Dock Access Improvements				40,000						
SeaCops Fish Dock Billing System				50,000		56,129				
380 Rake Drive/Ice Bin Dock Rebuild				17,000	8,203					
Potable Water To Floats				40,000	15,581	40,000				
Ice Production Water Line Heat Exchanger				7,000						
2011 Harbor Tug Safety Equip Upgrade					15,000	15,000				
Fish Dk Crane Rebuild					50,000					
Fish Dk Electrical Conduit overhaul					10,000	5,842				
Fish Dk Ice Deliv Syst Rebuild					20,000					
Replace Wagons Forklift					60,000	64,002				
2012 Fish Dock Ice Shute						15,000				
Fish Dock Corrosion Protection						30,000				
Fish Dock Cranes						120,000				
Harbor Tug Ballast						5,000				
Ice Plant Cold Storage						15,000				
		<b>294,515</b>	<b>312,369</b>	<b>171,330</b>	<b>154,000</b>	<b>42,682</b>	<b>160,000</b>	<b>141,873</b>	<b>225,000</b>	<b>-</b>

**CITY OF HOMER  
2012 OPERATING BUDGET**

**Port & Harbor Fleet Reserves  
452 - 374**

Acct #	2008	2009	2010	2011	2012
	Actual	Actual	Actual	Budget	Budget
Beginning Balance	39,139	69,139	73,545	68,796	68,633
4992 Annual Transfer	30,000	30,000	30,000	30,000	30,000
5xxx Expenditures		(25,594)	(34,749)	(30,163)	
Subtotal	69,139	73,545	68,796	68,633	98,633
Encumbered					(12,000)
Ending Balance	<u>69,139</u>	<u>73,545</u>	<u>68,796</u>	<u>68,633</u>	<u>86,633</u>

**Expenditure Detail**

Ord #	2008		2009		2010		2011		2012	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Skiff Motor Replacement										
Snow Blade Attachment										
1 Ton 4X4 Truck & Plow	-									
Patrol Truck			25,000	25,594						
Plow & Maintenance Truck					35,000	27,474				
Redden Marine						7,275				
1/2 Ton Pickup Truck							30,000	30,163		
Used 3/4 Ton Truck									12,000	
	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>25,594</u>	<u>35,000</u>	<u>34,749</u>	<u>30,000</u>	<u>30,163</u>	<u>12,000</u>	<u>-</u>

**CITY OF HOMER  
2012 OPERATING BUDGET**

**Port & Harbor Cruise Ship Tax Reserves  
460-927**

Acct #	2008 Actual	2009 Actual	2010 Actual	2011 Budget	2012 Budget
Beginning Balance			616	669	669
4992 Annual Transfer					
Transfer fr P&H Fleet (415-377)					
4207 Cruise Ship Tax		616	2,898		
4801 Interest Income					
5xxx Expenditures			(2,844)		
Subtotal	-	616	669	669	669
Encumbered					
<b>Ending Balance</b>	-	616	669	669	669

Expenditure Detail	2008		2009		2010		2011	
	Ord #	Budget	Actual	Budget	Actual	Budget	Actual	Budget
Port Security & enhancements for Cruise ship passengers						2,844		
		-	-	-	-	-	2,844	-

## Melissa Jacobsen

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**To:** Walt Wrede  
**Subject:** RE: A Question

**From:** Mitchell, Deven J (DOR) [mailto:deven.mitchell@alaska.gov]  
**Sent:** Tuesday, October 04, 2011 9:05 AM  
**To:** Walt Wrede  
**Subject:** RE: A Question

Walt,

Revenue bonds typically have both a rate covenant and a reserve requirement.

The 1.25 rate covenant that was discussed is a requirement that net revenues of the port enterprise equal at least 1.25 times bonded debt service of the enterprise. So for example if debt service was \$300,000 you'd be obligated to collect 375,000 in net revenue. The excess collection can be used for one-time costs of the enterprise or to fund a repair and replacement reserve or other allowed uses. If an enterprise has exhibited historical strong operational discipline it is possible that a rate covenant can be lower than 1.25 times – maybe 1.15 times.

The reserve fund I talked about would need to be funded at closing and could be funded from the current \$1.8 million of cash on hand or from bond proceeds. This reserve would basically equal a year's worth of debt service on the bonds.

Both of these issues is avoided if the City decides to issue general obligation bonds for the harbor (can still intend to use harbor revenue to pay debt service) as it provides a broader pledge of the City and so less structure is required on the loan.

Let me know if still confusing.

Deven

**From:** Walt Wrede [mailto:wwrede@ci.homer.ak.us]  
**Sent:** Tuesday, October 04, 2011 8:35 AM  
**To:** Mitchell, Deven J (DOR)  
**Subject:** A Question

Deven:

Good Morning. I have two quick questions for you.

When you made your presentation to the Homer Port Bond Committee, you referenced the 1.25 rule. The committee members understood you to be saying the City had to charge 1.25 times the amount of fees necessary to make bond payments in the first year in order to create a reserve which could be used to avoid impending default and/or for ordinary maintenance. The questions the Committee has are:

1. Is this interpretation correct?

2. If the Port already has reserves (currently 1.8 Million), can it dedicate a portion of those reserves to the bond reserve instead of implementing the 2.15 rule? In other words, can we just raise fees enough to make bond payments if we already have reserve funds?

Thanks. Hope to hear from you soon.

Walt

**Melissa Jacobsen**

---

**To:** Walt Wrede  
**Subject:** RE: A Question

**From:** Mitchell, Deven J (DOR) [mailto:deven.mitchell@alaska.gov]  
**Sent:** Tuesday, October 04, 2011 12:10 PM  
**To:** Walt Wrede  
**Subject:** RE: A Question

Walt,

You are right total revenues of the Port.

If you are looking at \$400,000 of debt service rate covenant would dictate that you have an extra \$100,000 of net revenue above that to satisfy a 1.25 times test. If the port generated \$3.5 million under this scenario operating costs should be \$3 million to allow for the \$400 of debt payment and \$100 of coverage. Like I said then that \$100,000 can be used for capital costs or other allowed use.

So if last year you had \$3.5 million in revenue and \$3.5 million in operating expenses you are looking at increasing revenues by \$500,000 or decreasing operating expenses by \$500,000 or some combination thereof.

**From:** Walt Wrede [mailto:wwrede@ci.homer.ak.us]  
**Sent:** Tuesday, October 04, 2011 11:22 AM  
**To:** Mitchell, Deven J (DOR)  
**Subject:** RE: A Question

Deven:

Thanks. Very helpful. Just one follow-up.

The 1.25 rate covenant. When you talk below about net revenues of the port enterprise, do you mean the "improvements" that are funded by the bond sale or the port and harbor enterprise fund itself? My guess is that you are talking about the former. I anticipate that our annual bond payment will be around \$400,000. Revenues for the port and harbor enterprise fund were \$3.5 Million last year. If that is what you mean, it is possible to show that we have the 1.2 covenant rate covered (dedicated) without raising new revenue and fees?

Walt

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1. Is this interpretation correct?
2. If the Port already has reserves (currently 1.8 Million), can it dedicate a portion of those reserves to the bond reserve instead of implementing the 2.15 rule? In other words, can we just raise fees enough to make bond payments if we already have reserve funds?

Thanks. Hope to hear from you soon.

Walt



# City of Homer

## Port / Harbor

4350 Homer Spit Road  
Homer, Alaska 99603-8005

Telephone (907) 235-3160  
Fax (907) 235-3152  
E-mail [port@ci.homer.ak.us](mailto:port@ci.homer.ak.us)  
Web Site <http://port.ci.homer.ak.us>

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### MEMORANDUM

TO: HARBOR IMPROVEMENTS COMMITTEE  
CC: WALT WREDE, CITY MANAGER  
FROM: BRYAN HAWKINS, PORT DIRECTOR/HARBORMASTER  
DATE: OCTOBER 4, 2011  
SUBJECT: FUNDING SOURCES FOR HOMER'S LOAD & LAUNCH PROJECT

#### Background

During the last Harbor Improvements Committee meeting on September 22, 2011, the following question was asked: could we use State of Alaska Municipal Harbors matching funds to help pay for the City's required 25% local match?

I contacted Mr. Jeff Breakfield, our contact person at Fish and Game for this project, and confirmed that 75% of these funds will come from the Federal aid in Sport Fish Restoration Act (Dingell-Johnson/Wallop-Breaux) monies.

I met with Anne Marie, Special Projects Coordinator for the City, and reviewed the State's rules for this funding source and determined that this project fits within those guidelines, giving us access to the 50/50 match funding. We placed a call into the program manager for the ADOT Municipal Harbors match funding to confirm our determination. At the time this memo was written and before packet deadline, a response had not yet been received.

#### Recommendation

For Informational Use







building is substantially winter electricity, lighting, and heating efficiencies, and uses fuel efficient covers and materials for occupancy as an office building. The new building is being planned as overslope development. Cost: \$2,875,000.

- Harbor Entrance Erosion Control—will construct a rock revetment to replace the badly damaged and disintegrating log cribbing that was installed as a temporary erosion control measure in 1995. Rip-rap revetment would extend 935 feet from the jetty entrance of the harbor to the existing revetment near the Ferry Terminal, providing critical shore/infrastructure protection. Cost: \$600,000.
- Ramp 3 Gangway and Approach—will replace the existing Ramp 3 which dates back to the mid-1960s. This ramp is the steepest ramp in the harbor and difficult to use during very low tides. At 100 feet long, the new ramp will be less steep and therefore ADA compliant. It will be constructed of aluminum and covered by an awning to keep it snow and ice-free for year-round access. The existing Ramp 3 approach, a long narrow wooden structure in poor condition, will also be replaced. Cost: \$1,700,000.
- Harbor Float Replacement—will replace some of the oldest and most badly damaged floats in the harbor. These floats are plagued by worn and irregular walking surfaces, bull rails in need of replacement, ice damage to pilings, and broken sidewalks with exposed flotation. A total of 1,706 linear feet will be replaced: A Float, connecting E-J; J Float, R Float, and S Float. Cost: \$3,500,000.
- Upgrade System 5 – Vessel Shore Power and Water—will provide System 5, the large vessel float system in the Homer Harbor, with additional power pedestals and a year-round fresh water supply to meet the needs of the large vessel fleet and attract new vessels to be home-ported in Homer. Cost: \$530,000.
- Load and Launch Ramp—will reconstruct the entire Load and Launch Ramp facility, replacing all five lanes along with the floats and piles. The existing ramp is suffering from age-related wear and tear and has been judged by the Alaska Dept. of Fish and Game to be in need of replacement. The facility serves small boaters from all over south-central Alaska. Cost: \$3,350,000.

**PLANS & PROGRESS:** 80% of design and engineering funds have been procured through a Denali Commission Waterfront Development grant for three of the projects: Ramp 3 Gangway and Approach, Harbor Float Replacement, and System 5 Upgrade. The same three projects are also eligible for an Alaska Municipal Harbor Facility grant, which would cover 50% of construction costs. Local revenue bonds can be used to meet the 50% match requirement for this grant program. Load and Launch Ramp reconstruction may be accomplished with a Federal Aid in Sport Fish Restoration Act grant together with state matching funds (provided through the Dept. of Fish and Game).

Total Project Cost: \$12,555,000

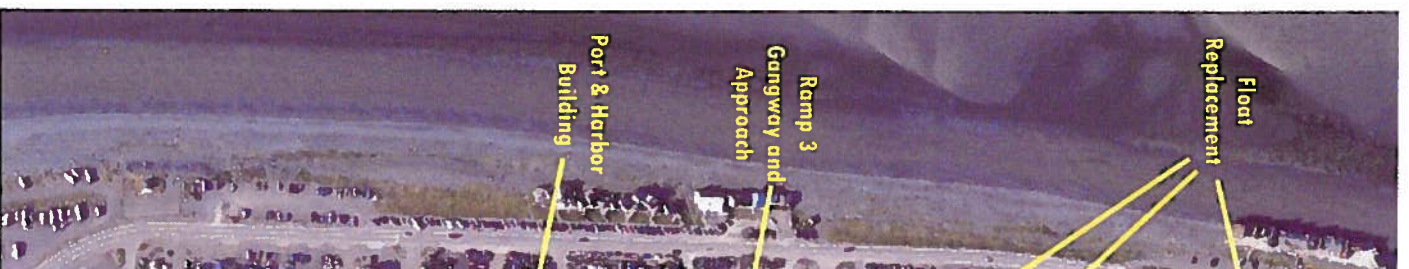
Amount covered by existing or projected grant funds = \$6,380,000 as follows:

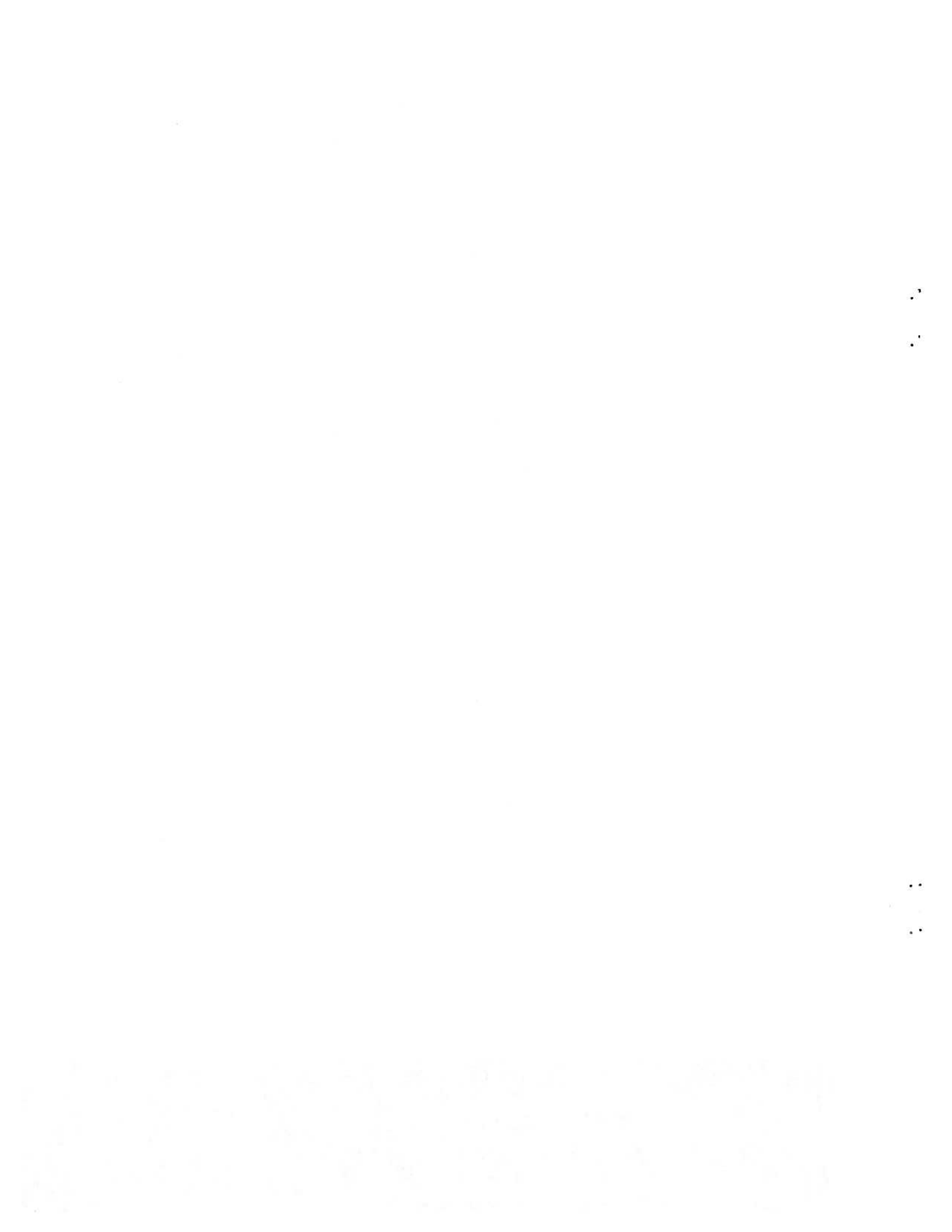
- \$440,000 (Denali Commission grant – already secured)
  - \$2,590,000 (Municipal Harbor Facility grant – to be requested after revenue bond sale is approved)
  - \$3,350,000 (Federal Aid in Sport Fish Restoration Act funds plus state Fish and Game funds)
- Remaining (local responsibility) = \$6,175,000

Schedule: 2012-2014      Priority Level: 1

**NOTE: 4 of the 5 projects described above have previously been approved for the CIP (all but Load and Launch Ramp)**

Contact Mayor Jim Hornaday or City Manager Walt Wrede at 235-8121







## Harbor Improvement Revenue Bond Projects

**PROJECT DESCRIPTION & BENEFIT:** This project will utilize municipal revenue bonds along with state and federal grant funds to accomplish six significant harbor improvement projects:

- **Port & Harbor Building**—will replace the existing Port & Harbor building (Harbormaster's Office) constructed in 1983. The building is substandard with electrical, lighting, and heating deficiencies, and does not meet codes and standards for occupancy as an office building. The new building is being planned as overslope development. Cost: \$2,875,000.
- **Harbor Entrance Erosion Control**—will construct a rock revetment to replace the badly damaged and disintegrating log cribbing that was installed as a temporary erosion control measure in 1995. Rip-rap revetment would extend 935 feet from the jetty entrance of the harbor to the existing revetment near the Ferry Terminal, providing critical shore/infrastructure protection. Cost: \$600,000.
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**PLANS & PROGRESS:** 80% of design and engineering funds have been procured through a Denali Commission Waterfront

Development grant for three of the projects: Ramp 3 Gangway and Approach, Harbor Float Replacement, and System 5 Upgrade. The same three projects are also eligible for an Alaska Municipal Harbor Facility grant, which would cover 50% of construction costs. Local revenue bonds can be used to meet the 50% match requirement for this grant program. Load and Launch Ramp reconstruction may be accomplished with a Federal Aid in Sport Fish Restoration Act grant together with state matching funds (provided through the Dept. of Fish and Game).

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