



Homer City Hall
491 E. Pioneer Avenue
Homer, Alaska 99603
www.cityofhomer-ak.gov

City of Homer Agenda

**City Council Regular Meeting
Monday, November 25, 2019 at 6:00 PM
City Hall Cowles Council Chambers**

CALL TO ORDER, PLEDGE OF ALLEGIANCE

AGENDA APPROVAL (Addition of items to or removing items from the agenda will be by unanimous consent of the Council. HCC 2.08.040.)

MAYORAL PROCLAMATIONS AND RECOGNITIONS

PUBLIC COMMENT ON MATTERS ALREADY ON THE AGENDA

RECONSIDERATION

CONSENT AGENDA (Items listed below will be enacted by one motion. If a separate discussion is desired on an item, that item may be removed from the Consent Agenda and placed on the Regular Meeting Agenda at the request of a Councilmember.)

- a. City Council Unapproved Meeting Minutes for October 14 and 28, 2019 Regular Meetings and October 28, 2019 Special Meeting. City Clerk. Recommend adoption.
- b. Memorandum 19-145 from Deputy City Clerk Re: Liquor License Renewal for Harbor Grill and Liquor License Transfer for Little Mermaid. Recommend approval.
- c. Ordinance 19-53, An Ordinance of the City Council of Homer, Alaska Amending Homer City Code 1.16.040 Fine Schedule and Chapter 5.42 Carryout Bags, Sections 5.42.020 Definitions and 5.42.020 Exceptions. Venuti. Recommended dates Introduction November 25, 2019, Public Hearing and Second Reading December 9, 2019.

Memorandum 19-147 from Special Projects and Communications Coordinator as backup

- d. Ordinance 19-54, An Ordinance of the City Council of Homer, Alaska Amending the 2019 Operating Budget to Appropriate an Amount not to Exceed \$50,000 from the HART Fund for the Purpose of Developing a Wayfinding-Streetscape Plan for the City of Homer, Authorizing the City Manager to Prepare an RFP for Consultant Services and Authorizing the Establishment of a Wayfinding and Streetscape Task Force with the Consultant. Venuti/Smith. Recommended dates Introduction November 25, 2019, Public Hearing and Second Reading December 9, 2019.

Memorandum 19-148 from Special Projects and Communications Coordinator as backup

- e. Resolution 19-082, A Resolution of the City Council of Homer, Alaska Urging the Alaska Department of Transportation and Public Facilities to Keep the Silvertip Maintenance Station Open. Aderhold. Recommend adoption.
- f. Resolution 19-083, A Resolution of the City Council of Homer Alaska Strongly Discouraging any Legislative or Regulatory Changes that Erode Oil Spill Prevention and Response Standards; Stating that if the System Created after the 1989 Oil Spill is Weakened, Alaskans will Likely Face an Increased Risk of Reliving Another Major Oil Spill; and Asking the State of Alaska to Halt the Department of Environmental Conservation's Public Scoping Process Until Detailed Information is Provided to the Public as to the Driving Factors that led to this Regulatory and Statutory Reform Initiative. Aderhold. Recommend adoption.
- g. Resolution 19-084, A Resolution of the Homer City Council Approving an Operating Agreement Between the Kenai Peninsula Borough and the South Peninsula Hospital Inc. dated January 1, 2020 and also Approving the Kenai Peninsula Borough and South Peninsula Hospital Inc.'s Request to Sublease a Portion of the Hospital to the U.S. Department of Veterans Affairs on the City Leased Property Tract A-2, South Peninsula Hospital Subdivision 2008 Addition, Filed as Plat No. 2008-92. City Manager. Recommend adoption.
- h. Resolution 19-085, A Resolution of the City Council of Homer, Alaska Encouraging Proper Pronunciation of Cowles Council Chambers as Continued Recognition for the City of Homer's First Mayor. Evensen. Recommend adoption.

VISITORS

- a. South Peninsula Hospital Report - Ryan Smith, CEO

ANNOUNCEMENTS / PRESENTATIONS / REPORTS (5 Minute limit per report)

- a. Committee of the Whole Report
- b. Worksession Report
- c. Special Meeting Report
- d. Mayor's Report
- e. Borough Report
- f. Library Advisory Board
- g. Planning Commission
- h. Economic Development Advisory Commission

i. Memorandum from Economic Development Advisory Commission Re: Recommendations for Ordinance 19-47 to Repeal HCC 2.76 Economic Development Advisory Commission

i. Parks Art Recreation and Culture Advisory Commission

j. Port and Harbor Advisory Commission

k. Americans with Disabilities Act Compliance Committee

l. Employee Committee Report

i. Memorandum from Employee Committee Re: Request for a COLA for FY 2020 & 2021 to Match Inflation

PUBLIC HEARING(S)

a. Ordinance 19-49, An Ordinance of the City Council of Homer, Alaska Imposing a Temporary Six-Month Moratorium on Applications for Professional Offices and Medical Clinics in the Residential Office District and Directing the Planning Commission to Make a Recommendation to the City Council for the Creation of a Medical District in the Vicinity of the South Peninsula Hospital During this Time Frame. Smith. Introduction October 14, 2019 Public Hearing and Second Reading November 25, 2019

b. Ordinance 19-50, An Ordinance of the City Council of Homer, Alaska Amending Homer City Code 21.30 Marine Industrial Zoning District Section 21.30.020 Permitted Uses and Structures, to add Boat Sales, Rentals, Service, Repair and Storage, and Boat Manufacturing as Permitted Uses and Section 21.30.050 Conditional Uses and Structures to Remove Boat Sales, Rentals, Service, Repair and Storage, and Boat Manufacturing as Conditional Uses. Planning Commission. Introduction October 28, 2019 Public Hearing and Second Reading November 25, 2019.

Memorandum 19-140 from City Planner as backup

c. Ordinance 19-51, An Ordinance of the Homer City Council Appropriating Funds for the Calendar Years 2020 and 2021 for the General Fund, the Water Fund, the Sewer Fund, the Port/Harbor Fund, Capital Projects, and Internal Service Funds. City Manager. Introduction October 28, 2019, Public Hearing and Second Reading November 25, 2019 and December 9, 2019, Second Reading December 9, 2019.

d. Resolution 19-080, A Resolution of the City Council of Homer, Alaska Amending the Homer Tariff No. 1 Under Rule 9-Anchoring, Rule 12-Vehicle Parking, Rule 13-Wharfage, Demurrage and Free Time, Rule 26-Fish Dock Rates, and Rule 27-Small Boat Harbor Rules and Regulations. City Manager/Port Director. Follows Ordinance 19-51.

e. Resolution 19-081, A Resolution of the City Council of Homer, Alaska Amending the City Fee Schedule under Administrative Fees, City Clerk Fees, and Port and Harbor Fees. City Clerk. Follows Ordinance 19-51.

Resolution 19-081(S), A Resolution of the City Council of Homer, Alaska Amending the City Fee Schedule under Administrative Fees, City Clerk Fees, and Port and Harbor Fees. City Clerk. Follows Ordinance 19-51.

Memorandum 19-154 from City Clerk as backup

ORDINANCE(S)

- [a.](#) Ordinance 19-55, An Ordinance of the City Council of Homer, Alaska Amending Homer City Code Amending Homer City Code 2.08.040, Bylaws for Council Procedures to Establish that Newly Elected Members will be Seated at a Special Meeting Following the Canvass of the Election; and 4.35.404 Certification of Election to Clarify the Time for Certification of a Regular and Special Election. Evensen/Hansen-Cavasos. Recommended dates Introduction November 25, 2019, Public Hearing and Second Reading December 9, 2019.
- [b.](#) Ordinance 19-56, An Ordinance of the City Council of Homer, Alaska Moving Expenditures in the Amount of \$92,852.24 Previously Allocated from the General Fund Operating Fund to now be Allocated from the Natural Gas Line Capital Project Fund for Legal and Travel Related Expenses Associated with ENSTAR Tariff Filing 310-4. Mayor. Recommended dates Introduction November 25, 2019, Public Hearing and Second Reading December 9, 2019.

CITY MANAGER'S REPORT

- [a.](#) City Manager's Report

PENDING BUSINESS

- [a.](#) Resolution 19-071, A Resolution of the City Council of Homer, Alaska Accepting the 2018 Comprehensive Annual Financial Report with Audit and Financial Statements and Acknowledging the Management Letter Submitted by the City's Independent Auditor, BDO, USA, LLP and Authorizing the City Manager to Execute the Financial Report. City Manager/Finance Director.

Memorandum 19-149 from Finance Director as backup

NEW BUSINESS

- [a.](#) Memorandum 19-150 from City Clerk Re: Right of Way Evaluation Team
- [b.](#) Memorandum 19-151 from Councilmembers Aderhold and Venuti Re: City Council Retreat Planning
- [c.](#) Memorandum 19-152 from City Clerk Re: Travel Reimbursement for Councilmember Venuti's Attendance at the Alaska Municipal League Conference in Anchorage on November 20 and 21, 2019

[d.](#) Memorandum 19-153 from Councilmember Lord Re: Traffic Calming Policy

RESOLUTIONS

COMMENTS OF THE AUDIENCE

COMMENTS OF THE CITY ATTORNEY

COMMENTS OF THE CITY CLERK

COMMENTS OF THE CITY MANAGER

COMMENTS OF THE MAYOR

COMMENTS OF THE CITY COUNCIL

ADJOURNMENT

Next Regular Meeting is Monday, December 9, 2019 at 6:00 p.m., Worksession at 4:00 p.m. Committee of the Whole at 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

Session 19-30 a Regular Meeting of the Homer City Council was called to order on October 14, 2019 by Mayor Ken Castner at 6:00 p.m. at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska, and opened with the Pledge of Allegiance.

PRESENT: COUNCILMEMBERS: ADERHOLD, ERICKSON, LORD, SMITH, STROOZAS, VENUTI

STAFF: CITY MANAGER KOESTER
CITY CLERK JACOBSEN
CITY ATTORNEY GATTI

AGENDA APPROVAL (Addition of items to or removing items from the agenda will be by unanimous consent of the Council. HCC 2.08.040.)

The following changes were made: **CITY MANAGERS REPORT** Written public comment; **NEW BUSINESS** Memorandum **19-134** from City Clerk Re: Affidavit filed to Initiate a Contest of the Residency of a Candidate in the October 1, 2019 Regular Election. Copy of affidavit to contest and written public comment; **RESOLUTIONS** **Resolution 19-073**, A Resolution of the City Council of Homer, Alaska Imposing a Moratorium for Cutting, Clearing or Removal of Trees and Vegetation located Within the Vehicle Right of Ways Between October 1, 2019 and May 1, 2020. Mayor. **Resolution 19-073(S)**, A Resolution of the City Council of Homer, Alaska, Establishing a Moratorium on Cutting, Clearing or Removal of Trees and Vegetation Located within Public Rights of Way (ROW) between October 15, 2019 and May 1, 2020, and Establishing a ROW Policy Evaluation Team. Lord/Aderhold. Written public comment, **Resolution 19-074**, A Resolution of the City Council of Homer, Alaska Certifying the Results of the City of Homer Regular Election held October 1, 2019 to Elect Two Councilmembers and Decide one Proposition. City Clerk/Canvass Board. Written public comment.

LORD/VENUTI MOVED TO APPROVE THE AGENDA AS AMENDED

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

MAYORAL PROCLAMATIONS AND RECOGNITIONS

PUBLIC COMMENT ON MATTERS ALREADY ON THE AGENDA

Mayor Castner expressed his hope that commenters will maintain the equanimity with regard to the issues on the agenda this evening. He explained Council is not taking evidence tonight, and reminded everyone we are one community and asked that we respect everyone's opinion. He reviewed the processes that would be taking place regarding Memorandum 19-134 and Resolution 19-074.

Ron Keffer, city resident, commented in support of certifying the results of the October 1st election and following the process for the election contest.

Scott Adams, city resident, commented in support of Resolution 19-073 and the moratorium on right of way clearing.

Kate Finn, city resident, commented in support of certifying the results of the October 1st election and following the process for the election contest.

Gee Denton, city resident, commented in support of Resolution 19-073 and the moratorium on right of way clearing.

David Taylor commented in support of Gee Denton and Resolution 19-073 and the moratorium on right of way clearing.

Thomas Soderholm, city resident, commented in support of certifying the results of the October 1st election and following the process for the election contest.

Jill Hockema, non-resident, commented regarding Storm Hansen-Cavasos not being a resident of the City of Homer for one year prior to election day.

Ginny Espenshade, city resident, commented in support of following the processes for the election and encouraged the public to be respectful.

Kathryn Carsow, city resident, commented in support of certifying the results of the October 1st election and following the process for the election contest.

Francie Roberts, city resident, city resident, commented in support of certifying the results of the October 1st election and following the process for the election contest.

Paula Gallager, city resident, commented the City Clerk didn't thoroughly vet all of the candidates and expressed her concerns with considering intent.

Adam Hykes, city resident, encouraged Council to follow the laws regarding the election process regarding election certification and processing the election contest.

Arelene Ronda, commented in support of certifying the results of the October 1st election and following process for the election contest.

McKibben Jackinsky, city resident, commented in support of Resolution 19-073 and the moratorium on right of way clearing.

Connor Schmidt, city resident, commented in support of certifying the results of the October 1st election and following the process for the election contest.

Renee Edem, city resident, commented in support of investigating the residency of Storm-Hansen-Cavasos.

Shirley Thompson, city resident, commented in support of Resolution 19-073 and the moratorium on right of way clearing.

Kim Seymour, city resident, commented in opposition of certifying the October 1st election results and in support of commented in support of Resolution 19-073 and the moratorium on right of way clearing.

Corbin Arno, non-resident, commented in support of Public Works employees and in opposition of Resolution 19-073 and the moratorium on right of way clearing.

Carol Ford, city resident, commented people are testifying and shouldn't be, and are continuously cutting others down. She encouraged following the rules regarding the election process.

Megan O'Neil, city resident, commented in support of certifying the results of the October 1st election and following the process for the election contest.

Larry Slone, city resident, commented in support of Public Works, and postponing election certification to the next meeting.

Cassie Lawver, non-resident, commented regarding Storm Hansen-Cavasos not being a resident of the City of Homer for one year prior to election day.

Tara Findley, city resident, commented in support of certifying the results of the October 1st election and following the process for the election contest.

Susannah Webster, city resident, commented in support of certifying the results of the October 1st election and following the process for the election contest.

Ralph Crane, city resident, commented in support of certifying the results of the October 1st election and following the process for the election contest.

Mayor Castner called for a 10 minute break at 7:03 p.m. The meeting reconvened at 7:13 p.m.

RECONSIDERATION

CONSENT AGENDA (Items listed below will be enacted by one motion. If a separate discussion is desired on an item, that item may be removed from the Consent Agenda and placed on the Regular Meeting Agenda at the request of a Councilmember.)

- a. Homer City Council Unapproved Regular Meeting Minutes of September 23, 2019. City Clerk. Recommend adoption.
- b. Memorandum 19-130 from Deputy City Clerk Re: Liquor License Renewal for Homer Brewing Company. Recommend approval.
- c. Ordinance 19-44, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating an FY2017 State Homeland Security Program Reallocation Award for an Amount no to Exceed \$53,324.58 to Replace Mobile Radios in the City's Radio Communication System and Authorizing the City Manager to Execute the Appropriate

Documents. City Manager. Recommended dates Introduction October 14, 2019, Public Hearing and Second Reading October 28, 2019.

Memorandum 19-131 from Fire Chief as backup

- d. Ordinance 19-45, An Ordinance of the City Council of Homer, Alaska Accepting and Appropriating an FY2019 State Homeland Security Program Grant in the Amount of \$255,005 for a Back Generator at the Fire Hall and a Dispatch Console for the Police Department and Appropriating \$24,704 from the Police Station Reserve Account to Purchase a Computer Hardware Integrated Workstation to House the Dispatch Console. City Manager. Recommended dates Introduction October 14, 2019, Public Hearing and Second Reading October 28, 2019

Memorandum 19-132 from Police Chief as backup

- e. Ordinance 19-46, An Ordinance of the City Council of Homer, Alaska Amending Homer City Code Chapter 2.60, Parks, Art, Recreation, and Culture Advisory Commission, Section 2.60.010(A) Created-Membership, to Reduce the Number of Members from Nine to Seven. Aderhold. Recommended dates Introduction October 14, 2019, Public Hearing and Second Reading October 28, 2019
- f. Ordinance 19-47, An Ordinance of the City Council of Homer, Alaska, Repealing Homer City Code 2.76 Economic Development Advisory Commission, Requiring Economic Finding to Accompany Recommendations from City Commission, Establishing an Official Mayoral Appointment to the Kenai Peninsula Economic Development District Board of Directors City of Homer Seat and Encouraging Appointment of Task Forces to Address Timely Community Issues, and Amending Homer City Code 2.58.020 Creation of City Boards and Commissions to Delete (e) Economic Development Advisory Commission. Lord/Erickson. Recommended dates Introduction October 14, 2019 Public Hearing and Second Reading November 25, 2019

Moved to Ordinances item c. Lord.

- g. Resolution 19-070, A Resolution of the City Council of Homer, Alaska, Amending the Parks, Art, Recreation and Culture Advisory Commission Bylaws by Renaming Articles in a Manner that more Efficiently Outlines the Commission's Internal Operations; and Amending Articles Titled Name and Authorization, Purpose, Members, Officers, Meetings, Committees, Bylaw Amendments, and Teleconferencing. Aderhold.

Memorandum 19-133 from PARCAC as backup

Item f. moved to Ordinance item c. Lord.

LORD/VENUTI MOVED TO APPROVE THE RECOMMENDATIONS OF THE CONSENT AGENDA AS READ.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

VISITORS

- a. 2018 Audit Report - BDO (10 Minutes)

This presentation may be rescheduled.

ANNOUNCEMENTS / PRESENTATIONS / REPORTS (5 Minute limit per report)

- a. Worksession Report

City Manager Koester reported BDO presented the 2018 audit. It was a clean audit and Assurance Partner Bikky Shrestha reviewed a lot of the process that was used and answered questions from Councilmembers.

- a. Committee of the Whole Report

Councilmember Smith reported Council discussed the consent and regular meeting agenda and the City Manager presented the draft biennial budget.

- b. Mayor's Report

Mayor Castner welcomed City Attorney Michael Gatti to his first council meeting. He reported on the North Pacific Fisheries Council meetings and that there is a builder's association coming to Homer this week. He also shared Governor Dunleavy will be in Homer on Thursday and speaking at or around 2:30 in the afternoon.

- c. Borough Report

Assembly member Kelly Cooper reported the Borough election brought three new members to the body from Nikiski, Central Peninsula and Soldotna, and both propositions failed. The Borough Comprehensive Plan is nearing completion, the draft can be viewed on the Borough website, and there will be a public hearing November 5th. Unincorporated communities have begun their meetings for the Community Assistance Program. The program may be gone in the next few years so it's important for those communities to make the best use of that money. The Fire Departments for the City of Kenai, Nikiski, and Central Emergency Services received a State grant to purchase new Self Contained Breathing Apparatus. An ordinance has been introduced to hire a contractor to manage the large amount of beetle kill coming to the land fill. She's co-

sponsored a resolution requesting public land managers at state and federal level to take reasonable actions to prevent, limit, and mitigate wildfires on the Peninsula, in response to the impacts of the recent fires. The Borough received a \$55,000 grant for cyber security vulnerability assessment and disaster management training. She encouraged the City to evaluate its program also. Lastly the ordinance for regarding subdivision private streets and gated subdivisions has been postponed until to December 3rd to allow each of the cities to review and give input.

d. Library Advisory Board

Connor Schmidt, Library Advisory Board member, reported the Board has been discussing the creation of an endowment fund for the library. The idea is to have a community foundation that would hold on to the endowment fund and it would create mechanism to received donations of larger goods or things that are not cash. He also commented on upcoming events including Friends of the Library Week, the Fall Plant and Book Sale, and a showing of The Public, a movie about what happens when unsheltered patrons refuse to leave the Cincinnati Public Library on a cold night.

f. Planning Commission

g. Economic Development Advisory Commission

Karin Marks, Economic Development Advisory Commission Chair, commented there is a joint worksession scheduled on Wednesday with the Planning Commission, PARCAC, and EDC to discuss the Wayfinding and Streetscape proposal. At their meeting on Tuesday they discussed the draft ordinance to disband the Commission, with Councilmembers Lord and Smith. Although many feel the current structure of the EDC is flawed and some tasks are no longer needed, the current commissioners feel their time has not been wasted, but they are also open for changes and new ideas. After further discussion it was agreed there would be more work done to make sure the best possible alternative can be reached.

h. Parks Art Recreation and Culture Advisory Commission

i. Port and Harbor Advisory Commission

Mark Zeiset, Port and Harbor Advisory Commissioner, thanked Council for their continued support of the harbor. He reported in November the Port and Harbor will be represented at Pacific Marine Expo in Seattle, the largest fish expo in the northwest. They'll be partnering with the Marine Trades Association to support and promote Homer.

j. Americans with Disabilities Act Compliance Committee

PUBLIC HEARING(S)

- a. Ordinance 19-42, An Ordinance of the City Council of Homer, Alaska, Instituting the Industrial Pretreatment Discharge and Waste Disposal Manual. City Manager. Introduction September 23, 2019 Public Hearing and Second Reading October 14, 2019

Mayor Castner opened the public hearing. There were no public comments and the hearing was closed.

LORD/ADERHOLD MOVED TO ADOPT ORDINANCE 19-42 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

There was brief discussion regard correction of a typo graphical error.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- b. Ordinance 19-43(S)(A), An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 7.06.020, "Use of Improperly Muffled Engine Brakes Prohibited", to Prohibit the Use of Muffled Engine Brakes ~~to~~ **Except on** Certain Roads within the City of Homer. City Manager/Police Chief. Introduction September 23, 2019, Public Hearing and Second Reading October 14, 2019.

Mayor Castner opened the public hearing.

Scott Adams, city resident, commented in support of the ordinance and thought this was already in the books.

Larry Slone, city resident, commented in support of the ordinance.

There were no further comments and the hearing was closed.

LORD/VENUTI MOVED TO ADOPT ORDINANCE 19-43(S)(A)

There was brief discussion clarifying the ordinance clarifies roads where use of muffled engine brakes is permitted.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- c. 2020-2021 Budget

Mayor Castner opened the public hearing.

Representative Sara Vance, city resident, commented in support of the City's balanced budget and commended the City Manager and Council for their work.

Larry Slone, city resident, concurred with Representative Vance's comments and acknowledged the fine work by the City Manager in determining the types of projects need to be prioritized over the next 5 years.

ORDINANCE(S)

- a. Ordinance 19-48, An Ordinance Of The City Council of Homer, Alaska Amending the FY 2019 Capital Budget by Re-Appropriating \$35,000 from Homer Education and Recreation Center (HERC) Demolishment Study Approved in Ordinance 19-35(A)(S) to Contract with Grow Economy to Write and Apply for a United States Economic Development Administration Planning Grant for the Demolition of The Homer Education and Recreation Complex (HERC) and the Development of a Regional Innovation Plaza at the HERC, Provide Matching Funds to the Grant, and Authorizing the City Manager to Execute the Appropriate Documents. Smith/Stroozas.
Recommended dates Introduction October 14, 2019 Public Hearing and Second Reading October 28, 2019

STROOZAS/SMITH MOVED TO INTRODUCE ORDINANCE 19-48 BY READING OF TITLE ONLY.

Councilmembers Stroozas and Smith commented in support of the ordinance. With this ordinance there will be more of a two for one investment as there will be a demolition study done as well as preparing a planning grant to consider costs and benefits of transforming the HERC into a innovation plaza. Councilmember Smith noted Jeremiah Riley is available for the next few weeks to help address concerns.

Councilmembers Venuti, Aderhold, and Lord expressed concerns. Having done some research on this type of grant it looks like the only community in our area that would qualify would be Tyonek. Lists of projects funded appear to be long term funding in areas that are trying to recover from natural disaster or are in economic recovery. Question was raised why Grow Alaska isn't working with KPEDD on the project. There was disagreement that this will be a two for one investment.

Councilmember Erickson said she's intrigued but would like to see it handled through an RFP and they need to look deeper to see how to partner with others.

There was brief discussion of postponing to the next meeting to allow the sponsors a chance to get answers and propose a more solid package for Council to consider.

SMITH/ERICKSON MOVED TO POSTPONE TO THE NEXT MEETING.

Councilmember Smith asked members to submit their questions to the Riley's.

VOTE (postponement): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- b. Ordinance 19-49, An Ordinance of the City Council of Homer, Alaska Imposing a Temporary Six-Month Moratorium on Applications for Professional Offices and Medical Clinics in the Residential Office District and Directing the Planning Commission to Make a Recommendation to the City Council for the Creation of a Medical District in the Vicinity of the South Peninsula Hospital During this Time Frame. Smith. Recommended dates Introduction October 14, 2019 Public Hearing and Second Reading October 28, 2019

SMITH/ERICKSON MOVED TO INTRODUCE ORDINANCE 19-49 AND REFER IT TO THE PLANNING COMMISSION FOR CONSIDERATION AND RECOMMENDATION.

There was brief discussion that establishing a medical district in the area of the hospital has been on the Planning Commission's list and this will be an opportunity to work through the process without having any applications submitted. Heath been on PC list and give them an opportunity without further CUPS presented.

There was no objection to scheduling the ordinance for public hearing on November 25th.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- c. Ordinance 19-47, An Ordinance of the City Council of Homer, Alaska, Repealing Homer City Code 2.76 Economic Development Advisory Commission, Requiring Economic Finding to Accompany Recommendations from City Commission, Establishing an Official Mayoral Appointment to the Kenai Peninsula Economic Development District Board of Directors City of Homer Seat and Encouraging Appointment of Task Forces to Address Timely Community Issues, and Amending Homer City Code 2.58.020 Creation of City Boards and Commissions to Delete (e) Economic Development Advisory Commission. Lord/Erickson. Recommended dates Introduction October 14, 2019 Public Hearing and Second Reading November 25, 2019

LORD/ERICKSEN MOVED TO POSTPONE ORDINANCE 19-47 TO FEBRUARY 10, 2020.

There were comments explaining Council touched on this at Committee of the Whole. Postponing will allow time to work through some suggestions before action is taken.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

CITY MANAGER'S REPORT

a. City Manager's Report

City Manager Koester highlighted the response to questions Councilmembers had regarding potential next steps for the seawall and what bonded indebtedness would look like, and maps of coastal erosion and the neighborhood. She will continue working on what a major maintenance project would look like for the seawall.

There was brief discussion clarifying the information on the Council retreat, and supporting participating in the AML Block Party. They also addressed the process for submitting information to the City Attorney per the Council's Operating Manual.

PENDING BUSINESS

- a. Resolution 19-068, A Resolution of the Homer City Council Adopting the Industrial Waste Disposal Permit, Commercial Waste Disposal Permit, Water/Sewer Extension Permit, Water Filling Station Permit, and Utility Construction Project Permit as Part of the Public Utility System Application Process. City Manager.

Resolution 19-068(S), A Resolution of the Homer City Council Adopting the Industrial Waste Disposal Permit, Commercial Waste Disposal Permit, Water/Sewer Extension Permit, **and** Water Filling Station Permit, and Utility Construction Project Permit as Part of the Public Utility System Application Process. City Manager.

Mayor Castner explained there is a motion on the floor to adopt Resolution 19-068 that was postponed from September 23rd.

LORD/VENUTI MOVED TO SUBSTITUTE RESOLUTION 19-068(S) FOR 19-068

There was no discussion.

VOTE (substitution): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

LORD/ERICKSON MOVED TO AMEND LINE 8 ADD AND WATER SEWER EXTENSION PERMIT THEN DELETE THAT "AND" AND DELETE WATER FILLING STATION PERMIT.

VOTE (amendment): NON OBJECTION. UNANIMOUS CONSENT

Motion carried.

There was no further discussion on the main motion as amended.

VOTE (main motion): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

NEW BUSINESS

- a. Memorandum 19-134 from City Clerk Re: Affidavit filed to Initiate a Contest of the Residency of a Candidate in the October 1, 2019 Regular Election.

Mayor Castner explained City Attorney Gatti's firm hired Libby Bakalar to do piece meal work. Attorney Bakalar is representing Councilmember-Elect Hansen-Cavasos. He does not believe it is a conflict in this case and asked if the Council objected. No objection was stated.

Mayor Castner recused Councilmember Stroozas from participating in this action because he filed the affidavit of contest. He also reviewed the process for this and Resolution 19-074.

LORD/VENUTI MAYOR: MOVED THAT COUNCIL TO ORDER AN INVESTIGATION REGARDING THE RESIDENCY OF CANDIDATE HANSEN-CAVASOS, BY THE CITY MANAGER WITH THE ASSISTANCE OF THE CITY CLERK AND CITY ATTORNEY, PURSUANT TO HCC 4.50.010(C)?

There was brief discussion regarding the recusal and Councilmember Stroozas left the table.

Councilmember Aderhold requested clarification from City Attorney Gatti regarding the investigation process.

City Attorney Gatti recognized the difficulty of this action for the Council and the community, and explained we'll work through it properly and as expeditiously as possible. If Council decides to conduct an investigation, more information will come forward. He acknowledge the public has been providing materials. In the investigation people who are asked to provide information should do so under oath. That gives the imprimatur of solemnity and that they are important factual statements being provided truthfully. Under the election contest code section it doesn't outline process to conduct an election contest, however, it is a quasi-judicial proceeding where due process is accorded the participants. The hearing has to be fair in fact and appearance. The investigation is conducted in public and we'll have to work through how to do that. In a quasi-judicial process, Council can't talk to people outside of the context of the determination they will make. He explained to Council that if they elect to hold an investigation, their constituents can't talk to them about it outside of a duly noticed public hearing.

Councilmember Smith asked if the October 21st timeframe the Mayor suggested is enough time.

City Attorney Gatti responded if that's the timeframe Council establishes, we'll do our best to conduct the investigation and get the best information we can. He addressed the objective and subjective components of the question. The objection component is what indicia of residency is there to show a person has lived in the city for one year, per city code, and there is some

guidance in regulatory sections of state law. The subjective component looks at ways to ascertain intent and quantify it to some degree. There are various stakeholders one way or the other. They are all to be respected and people should be courteous and civil to one another. In the end, there will be one side that isn't going to be happy with the outcome, whatever it is. In response to further questions Attorney Gatti explained what Council will be doing is determining the qualifications of your members, which is why it would be a quasi-judicial proceedings. It really implicates due process and fairness, which is why you don't talk to people outside the proceeding, just like judges don't talk to the lawyers or the litigants unless they are in the courtroom taking information on the record. In the event the Council took an action where a person was improperly seated on the Council, Attorney Gatti explained the totality of the circumstances at the time are going to determine what the outcome of that issue might be.

There was brief discussion about the certification of the election, noting there are issues with either approach to certify the entire election or bifurcating and only certifying a portion.

VOTE: YES: ADERHOLD, LORD, VENUTI, SMITH, ERICKSON

Motion carried.

- b. Memorandum 19-135 from City Clerk Re: Travel Authorization for Mayor and Councilmembers to Attend the Alaska Municipal League 69th Annual Local Government Conference in Anchorage, Alaska, November 18-22, 2019.

LORD/ERICKSON MOVED TO APPROVE THE RECOMMENDATION IN MEMORANDUM 19-135 TO ALLOW THE MAYOR, UP TO THREE COUNCILMEMBERS TO ATTEND AML ANNUAL CONFERENCE AND UP TO TWO NEWLY ELECTED OFFICIALS TO ATTEND NEWLY ELECTED OFFICIAL TRAINING.

It was noted that Councilmembers Aderhold, Lord, and Venuti had expressed interest in attending.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

Mayor Castner asked for a recess at 8:48 p.m. The meeting resumed at 8:57 p.m.

RESOLUTIONS

- a. Resolution 19-071, A Resolution of the City Council of Homer, Alaska Accepting the 2018 Comprehensive Annual Financial Report with Audit and Financial Statements and Acknowledging the Management Letter Submitted by the City's Independent Auditor, BDO, USA, LLP and Authorizing the City Manager to Execute the Financial Report. City Manager/Finance Director.

VENUTI/LORD MOVED TO ADOPT RESOLUTION 19-071.

Mayor Castner commented that he has questions he'd like to submit to BDO regarding the audit. He had hoped to address them earlier at the worksession but ran out of time.

ERICKSON/SMITH MOVED TO POSTPONE TO THE NOVEMBER 25th MEETING.

There was discussion confirming the postponement won't impact any time sensitive issues regarding the audit process, and considering the line of questioning the Mayor intended to pose and potential cost to the City.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- b. Resolution 19-072, A Resolution of the City Council of Homer, Alaska Awarding the Contract for Third Party Accounting Analysis of HAWSP History and Reporting to the firm of Altman Rogers & Co. in the Amount of \$12,500 plus \$300 for Travel and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Finance Director.

Memorandum 19-138 from Finance Department as backup

ERICKSON/LORD MOVED TO ADOPT RESOLUTION 19-072

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- c. Resolution 19-073, A Resolution of the City Council of Homer, Alaska Imposing a Moratorium for Cutting, Clearing or Removal of Trees and Vegetation located Within the Vehicle Right of Ways Between October 1, 2019 and May 1, 2020. Mayor.

Memorandum 19-137 from Mayor as backup

Resolution 19-073(S), A Resolution of the City Council of Homer, Alaska, Establishing a Moratorium on Cutting, Clearing or Removal of Trees and Vegetation Located within Public Rights of Way (ROW) between October 15, 2019 and May 1, 2020, and Establishing a ROW Policy Evaluation Team. Lord/Aderhold.

ERICKSON/SMITH MOVED TO ADOPT RESOLUTION 19-073.

LORD/VENUTI MOVED TO SUBSTITUTE RESOLUTION 19-073(S) FOR 19-073.

Councilmember Lord commented she thinks the substitute casts the issue in a more positive and proactive manner that would provide an opportunity to have two Councilmembers work with administration to evaluate the right of way maintenance policy. It also includes legal rights and responsibilities of the City and landowners, and a clause the evaluation team may need to seek legal counsel from the City Attorney.

Councilmember Venuti agreed the original resolution as presented is negative and supports the substitute. She thinks it will be helpful to have the evaluation team address the policy for the right of way.

Councilmember Erickson shared that someone from Public Works needs to be part of the discussion. The goal is to make it work well for both the public and staff.

There were further comments emphasizing the goal of working on an overall policy, and not micromanaging Public Works role in right of way maintenance, and also in support of Public Works and their efforts. Discussion also touched on the notion that a policy decision may include additional staff to work in a different fashion related to right of way maintenance.

VOTE (substitution): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

ADERHOLD/LORD MOVED TO AMEND AND ADD A RESOLVE CLAUSE THAT THE MORATORIUM DOESN'T APPLY IF CLEARING IS REQUIRED FOR PUBLIC SAFETY PURPOSES.

City Manager Koester took issue with the suggestion because the reason this resolution came up is because the Council doesn't trust Public Works' ability to determine what a public safety issue is. She'd rather the direction be very clear, instead of the public being upset because of clearing during a moratorium. It puts staff in a difficult position. The reason for right of way clearing is very much about public safety.

VOTE (amendment): NO: VENUTI, SMITH, ADERHOLD, LORD, STROOZAS, ERICKSON

Motion failed.

There was no further discussion.

VOTE (main motion): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- d. Resolution 19-074, A Resolution of the City Council of Homer, Alaska Certifying the Results of the City of Homer Regular Election held October 1, 2019 to Elect Two Councilmembers and Decide one Proposition. City Clerk/Canvass Board.

Resolution 19-074(S), A Resolution of the City Council of Homer, Alaska Certifying the Results of the City of Homer Regular Election held October 1, 2019 to Elect Two Councilmembers and Decide one Proposition. City Clerk.

Memorandum 19-136 from City Clerk as backup

LORD/ADERHOLD MOVED TO ADOPT RESOLUTION 19-074.

Councilmember Smith expressed his concern about certifying an election that's been contested after the public comments and not so definitive direction from legal counsel. He's concerned if something is shown later that a candidate was disqualified because of illegal participation then we have an election that has been nullified as a result of that. He thinks should one person be disqualified then the other candidates on the ballot and received votes are nullified also. The idea of the vacation of the seat becomes a question for the body to appoint, versus upholding the rest of the election results is problematic to him.

After brief discussion Councilmember Smith said there were valid candidates and if the investigation shows that candidate should be disqualified, we had other valid participants in the election who received votes. If that person were to be disqualified we're basically saying those votes don't count. He doesn't agree it's a valid path to have a vacated seats and appoint someone in the stead, when we had candidates who received votes in order to be elected.

Councilmember Aderhold disagreed with that perspective because voters went to the polls and voted for people they presumed were qualified to be elected into this office. She thinks we need to move forward honoring the wishes of the voters and also acknowledging the results of the election, which is what this resolution does; and also presuming innocence instead of presuming guilt. That's the way the U.S. is supposed to work and she believes it's the way they should work.

VOTE: YES: ADERHOLD, LORD, VENUTI, STROOZAS, SMITH, ERICKSON

Motion carried.

City Clerk Jacobsen administered the Oath of Office to Councilmembers Evensen and Hansen-Cavazos.

COMMENTS OF THE AUDIENCE

Ron Keffer, city resident, expressed his appreciation to Council for what they did tonight, particularly the way they worked with code, the Attorney, and the process.

Gee Denton, city resident, shared some history of the work done in the Baycrest area and added to her earlier comments about the significant damage to her home and other homes because of the erosion on Judy Rebecca Court.

McKibben Jackinsky, city resident, clarified earlier when she said Kachemak Subdivision she meant Baycrest. She appreciated the details Gee Denton provided about what she and her neighbors have experienced, she added more details and that she appreciates Council passing Resolution 19-073(S).

Kim Seymour, city resident, commented in the past couple years Public Works has done a good job on his road. He explained some of the prior discussions he had with Public Works about snow removal and issues that resulted.

Shirley Thompson, city resident, commented regarding issues at Judy Rebecca Court and the issues she's had with Public Works.

Ginny Espenschade, city resident, expressed her understanding of an issue with culture in what she's hearing tonight. Policy is one way to address it, but encouraged keeping in mind people don't always interact with everyone in the same way.

Sunrise Sjoeborg, city resident, commented she thinks the right of way clearing could be done more effectively and encouraged that the ditches be cleaned after the clearing takes place.

Larry Slone, city resident, commended Council on deferring the decision to accept the audit until questions can be answered regarding finances. On the moratorium for clearing, it's appropriate to expand the discussion on the big picture.

Scott Adams, city resident, supports keeping filling station permits in Resolution 19-068(S), and supports transparency with the audit. Regarding clearing, he thinks some areas need to be micromanaged because they aren't all the same, noting the Baycrest subdivision. The City should also have to stand by the standards of steep slopes.

Lynn Spence, city resident, thanked all the members for listening tonight and despite their diverse views, she recognizes their commitment to the City. She appreciates the new Councilmembers who have stepped up and are willing to look to the future of our City.

COMMENTS OF THE CITY ATTORNEY

Attorney Gatti commented it was an interesting meeting and he's thankful to represent the City.

COMMENTS OF THE CITY CLERK

City Clerk Jacobsen said she's enjoyed of working with Councilmembers Stroozas and Erickson on the Planning Commission and Councilmember Erickson on the Economic Development Advisory Commission, and also on Council. She appreciates their service to the community.

COMMENTS OF THE CITY MANAGER

City Manager Koester took a moment to defend city employees. There's been a lot of vilification of the Public Works Department tonight and she appreciates that the Council will come together to give direction to Public Works. It's important to remember these are people who are doing their jobs to clear and maintain rights of way. There are almost 4000 parcels in city limits and many have a road that fronts them, and there's a ditch and an ambulance has to be able to get to your house, along with a snow plow has to plow. Just remember they are human beings who have to get up at 4:00 a.m. during to start the plow routes. They schedule their time off around snow storms because they know even if they aren't on call, they'll probably be called in to ensure everyone can get to their jobs. She knows it's not perfect and she appreciates the opportunity to improve, but she knows they are hardworking friends and neighbors.

COMMENTS OF THE MAYOR

Mayor Castner said he doesn't have a vendetta against Public Works but he believes there are 100 people who work for the city and 7000 people who live in the city. The 7000 people who live here should be the ones that derive what the policies are for their neighborhoods, their quality of life, their health and happiness, and he feels that as an elected Mayor it's his job to provide a voice for the citizens of the city, and Katie Koester can be the advocate for the employees. He thanked Councilmembers Stroozas and Erickson. He knows they've had a kind of divided Council, but he think they've worked hard to try to find the center of the town and public opinion.

COMMENTS OF THE CITY COUNCIL

Councilmember Venuti thanked Councilmembers Erickson and Stroozas for their service to the community, it was enjoyable working with them. She's sad to see them leave, but looks forward to working with the new members. She thanked the voters for passing the plastic bag ban, the Better Bags group is fabulous, and boomerang bags are a great solution. She's proud of Homer. She thanked the Election Canvass Board, there were no problems with the numbers, it was a well done election, despite the conflict now. The election workers were friendly and did their job. She shared that she participated in Lunch with a Councilmember today and had great discussions, and commented about part time class offerings available at the college.

Councilmember Smith welcomed the new councilmembers, as they've seen, things can get interesting quick. He thanked Councilmembers Erickson and Stroozas, he's grateful for their contribution and the diversity of the Council during their time, he thinks that's what's best for the community. He shared some reflections from his recent road trip and read the poem *The Spider and the Fly*.

Councilmember Lord responded to public comment that there are more permits being address that will be coming forward, and that the moratorium on clearing applies to rights of way city wide. She commented that everyone sitting at this table and everybody working for the city is a member of this community. We don't all get it right every time, which includes elected officials and members of this organization, but the city is "of the people" and if and when people have concerns we have an opportunity to work together to make things better. She believes we have a strong administration with good experience and a proactive supportive ethic, and works hard for the city. She highlighted the services of the city that provide a foundation for all the people, their families, and the businesses. She said she'll be going to the Pacific Marine Expo to be at the UFA booth to talk about the Harbormasters Association, vessel registration and titling laws in the State, and anything else people want to talk about. She shared about her recent trip to Juneau for the annual Harbormasters Association meeting. She thanked Councilmembers Erickson and Stroozas, and welcomed the new Councilmembers.

Councilmember Erickson said the last three years have been quite a ride. She shared her appreciation for being at the table, she implored new Councilmember Evensen take on the efforts for the Baycrest Subdivision issues, and shared her appreciation for what she feels each member has brought to the the table during her time on the Council.

Councilmember Aderhold welcomed the new Councilmembers and thanked Councilmembers Stroozas and Erickson for their service to the community. She shared her appreciation for City staff who work hard and are members of our community. She noted the customer feedback quarterly comment card report that was provided as a laydown and most of the things in the report are complements to City staff. She recognizes those who have shared about disparaging experiences, which is theirs to own. By and large our staff is professional and good at their jobs. She has an expectation that our Mayor will conduct himself professionally and when he writes memos he will do so professionally. She believes the memo provided tonight was not professional. She appreciated all the public comments tonight, it is always helpful in decision making.

Councilmember Stroozas welcomed the new Councilmembers and wished them the best for successful terms. He shared some of his history of coming to Homer beginning in 2000 and becoming involved in City government in 2006. He has appreciated the opportunity to serve. He's looking forward to being retired again and having more time to spend with family, and said he has appreciated working with everyone.

ADJOURN

There being no further business to come before the Council Mayor Castner adjourned the meeting at 10:27 p.m. The next Regular Meeting is Monday, October 28, 2019 at 6:00 p.m., Committee of the Whole at 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

Melissa Jacobsen, MMC, City Clerk

Approved: _____

Session 19-31 a Special Meeting of the Homer City Council was called to order on October 28, 2019 by Mayor Ken Castner at 3:00 p.m. at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

VENUTI/ADERHOLD MOVED TO ALLOW COUNCILMEMBER LORD TO PARTICIPATE TELEPHONICALLY.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

PRESENT: COUNCILMEMBERS: ADERHOLD, EVENSEN, HANSEN-CAVASOS, LORD (telephonic), SMITH, VENUTI

STAFF: CITY MANAGER KOESTER
CITY CLERK JACOBSEN
ATTORNEY CAULFIELD

Mayor Castner noted for the record that City Attorney Gatti and Attorney Bakalar and were also attending telephonically.

AGENDA APPROVAL (Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual, pg. 6)

Mayor Castner note additional information in the supplemental packet that includes the Investigation Report to Council and email correspondence between the City Clerk and Dave Gerard re: investigation interview.

ADERHOLD/VENUTI MOVED TO APPROVE THE AGENDA.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

NEW BUSINESS

- a. Consideration of Investigative Report and Determination of Validity of the October 1, 2019 Election Contest submitted by Tom Stroozas contesting the Residency of Storm Hansen-Cavasos

Mayor Castner recused Councilmember Hansen-Cavasos from participating and she left the chambers.

ADERHOLD/VENUTI MOVED TO SUSTAIN THE COUNCIL'S CERTIFICATION OF MS. HANSEN-CAVASOS' ELECTION.

Councilmember Aderhold commented in support of sustaining the certification based on the October 25th letter to Council and the information provided from the investigation. She noted Councilmember Hansen-Cavasos met the 30 day requirement to be registered to vote per city code. She also acknowledged the preponderance of evidence standard and based on the information provided, agrees that more likely than not, that she was a resident of the City of Homer for the relevant time period of September 30, 2018 to September 30, 2019.

Mayor Castner followed up confirming that the Council understands that the standard of proof is the preponderance of evidence, the 50/50 deal.

Councilmember Smith disagreed in that there is information that indicates the contrary in Ms. Hansen-Cavasos' PFD filing and voter registration as late as April of last year at the Rolling Meadows address. He understands life is dynamic and changing, but noted the statement in the report that reads "a change of residence is made only by the act of removal joined with the intent." He doesn't know that there was ever a removal, so it's hard for him to say it's more likely than not that she had changed her residence because she did nothing officially to indicate that was the case.

Councilmember Evensen shared his perspective that a person's intent is difficult to define for someone else, an individual gets the right to define their intent for themselves. He acknowledged the comments about the PFD application but she's a long time resident and he added that he changed his voter's registration not far before the time Ms. Hansen-Cavasos changed hers. Oftentimes we wait until the last minute to get these things done and he doesn't feel there is an issue with her residency. He expressed his concern with a point in the report that read "Mr. Stroozas did not submit a written statement himself and stated during his oral testimony he had no first-hand knowledge of Ms. Hansen-Cavasos' residency".

Councilmember Lord concurs with Councilmember Evensen regarding intent. In terms of preponderance of evidence, she acknowledged the assertions under oath from Ms. Hansen-Cavasos, her mother, and others confirming where she was residing. What resonated with her in the investigation report was reference to the terms of the higher standards for post-election challenges, because an election has been held, the voter registration is appropriate, and the residence is declared to be within the city limits in the timeframe, per city code; and we have affidavits that is true and accurate.

Councilmember Venuti supports the motion. She believes her intent was to be in the city. She's here now and ready to serve, and was elected by the people.

Councilmember Smith noted reference to the Lake and Peninsula Borough court case, one section addresses that “the court weighed not only each voters testimony as to intent, but substantial objective evidence as well. The court considered whether each voters statement was supported by sufficient indicia of residency or contradicted by objective indicia of fraud, or unreasonableness, or implausibly”. This isn’t an easy place to be in because we’re calling one side or the other liars, because that’s what it comes down to. He said the only facts we have, and apparently unwilling to hold people to, is that they know what they do when they sign their name to a piece of paper. He feels there are a number of things missing from the investigation that address the facts.

Councilmember Aderhold explained she isn’t calling anyone a liar, she believes the members who brought this forward did so with all intent and honesty in wanting to bring forward a concern they had based on their observations. She doesn’t believe anything Councilmember Hansen-Cavasos said actually refutes anything anyone has said, other than did she consider that location her residence. In her mind it comes down to what does Ms. Hansen-Cavasos consider her residence and where does she spend the preponderance of her time. She believes that for the last year, Ms. Hansen-Cavasos was spending the preponderance of her time on Mission Road until she moved to Rangeview.

Councilmember Lord agrees that no one intending to lie on any side, and that is a challenge when we look at the post-election component of this and the paperwork. Council can look at making changes to the code, but have to work with current code. In looking at the evidence, and it’s based on presumption and social media when there are differing sides to the story, it’s hard for her to go down a path and argue with someone’s sworn intent.

VOTE: YES: VENUTI, ADERHOLD, LORD, EVENSEN
NO: SMITH

Motion carried.

COMMENTS OF THE AUDIENCE

David Lewis, city resident, supports the Council’s decision this evening, he thinks they did the right thing. Going back to their last meeting, he reminded them the City Attorney works for the whole council, not any one individual.

Gretchen McCullough, non-resident, questioned an affidavit that was posted on the website the day after the October 21st deadline, and why her employer wasn’t subpoenaed.

Adam Hykes, city resident, commented there is questionable evidence whether or not she was a city resident. Courts prove intent a lot, and one of the best ways is money and where their

money is, referring to continued rent payments at the Rolling Meadows address. He echoed the question about the affidavit.

Tom Stroozas, city resident, commented this body has just demonstrated lawlessness by negating Alaska Statutes, specifically 15.05.020. He strongly suggested they learn it because it's the law and they broke it. He read the citation into the record, argued she was a resident in Rolling Meadows and Fritz Creek, and asserted that repercussions may come before them from this.

Ron Keffer, city resident, appreciated they took time to consider the evidence and consider the investigators report. The report was clear on all the points. He's pleased they took this seriously and used proper procedures. He appreciated how they clarified how they reached their conclusions.

Jill Hockema, non-resident, said she believes she's being called a liar along with others who live in the neighborhood. She doesn't appreciate being it, she knows what she saw and she knows where she lived. She cited evidence provided and asked how they could refute it.

Howard Reed, non-resident, he is a business owner in Homer for 27 years. He expressed his frustration with a lot of things that happen at the council level that irritate him and his inability to vote in the City's elections.

Matt Hockema, non-resident, commented regarding the need for more proof regarding residency. She lied on something. Show one utility bill from inside city limits, anything. We got nothing.

Roxy Lawver, city resident, commented all the way back to the sanctuary city debacle the disingenuous comments, trying to make it about intent. She agrees more proof is necessary. They aren't using the evidence provided. They're trying to stack the Council here and she wants balance.

Cassie Lawver, non-resident, commented that Tom Stroozas helped with an effort she and Jill had already started. He said he'd help move it up the chain quicker. It's nothing personal, it goes back to the integrity of the election.

Kathryn Carsow, city resident, commented she's pleased with the decision of the Council and appreciates their consideration of the evidence. Her fear in listening to the testimony of those who are angry with the decision, is how this will dissuade other people who may want to run in the future.

Nona Saffra, non-resident, appreciates Councilmember's willingness to serve. She thinks this perspective of intent will open the door for a lot of people. It's scary to her.

Ralph Crane, non-resident, commented it's hurtful to see someone who wants to serve and have to go through what Storm Hansen-Cavasos is going through right now. He feels it shouldn't have happened and proof should be provided by every candidate who runs; and he addressed challenges with considering intent.

ADJOURN

There being no further business to come before the Council Mayor Castner adjourned the meeting at 3:51 p.m. The next Regular Meeting is Monday, November 25, 2019 at 6:00 p.m., Committee of the Whole at 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

Melissa Jacobsen, MMC, City Clerk

Approved: _____

Session 19-32 a Regular Meeting of the Homer City Council was called to order on October 28, 2019 by Mayor Ken Castner at 6:00 p.m. at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska, and opened with the Pledge of Allegiance.

ADERHOLD/VENUTI MOVED TO ALLOW COUNCILMEMBER LORD TO PARTICIPATE TELEPHONICALLY.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

PRESENT: COUNCILMEMBERS: ADERHOLD, EVENSEN, HANSEN-CAVASOS, LORD (telephonic), SMITH, VENUTI

STAFF: CITY MANAGER KOESTER
CITY CLERK JACOBSEN

AGENDA APPROVAL (Addition of items to or removing items from the agenda will be by unanimous consent of the Council. HCC 2.08.040.)

The following changes were made: **Visitors** Robert Archibald with Prince William Sound RCAC Report (10 minutes) **Ordinances** Emergency Ordinance 19-52, An Ordinance of the City Council of Homer, Alaska Amending the FY 2019 Capital Budget to Fund Emergency Repairs to the Homer Fire Hall Appropriating \$100,000 and Authorizing a Sole Source Contract for Phase 1, Mitigation. City Manager and Memorandum 19-144 from City Manager as backup **Pending Business** Ordinance 19-48, An Ordinance Of The City Council of Homer, Alaska Amending the FY 2019 Capital Budget by Re-Appropriating \$35,000 from Homer Education and Recreation Center (HERC) Demolishment Study Approved in Ordinance 19-35(A)(S) to Contract with Grow Economy to Write and Apply for a United States Economic Development Administration Planning Grant for the Demolition of The Homer Education and Recreation Complex (HERC) and the Development of a Regional Innovation Plaza at the HERC, Provide Matching Funds to the Grant, and Authorizing the City Manager to Execute the Appropriate Documents. Smith/Stroozas. Notice of withdrawal of HERC proposal

VENUTI/ADERHOLD MOVED TO APPROVE THE AGENDA AS AMENDED.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

MAYORAL PROCLAMATIONS AND RECOGNITIONS

Mayor Castner expressed his sincere appreciation for the Police and Fire Department personnel and every volunteer who looked for Duffy over the weekend and into the week, those who went up the road posting flyers, and the media for their coverage. Duffy Murnane went missing and she's a person at risk.

PUBLIC COMMENT ON MATTERS ALREADY ON THE AGENDA

Roberta Highland, city resident, commented in support of Resolution 19-078 and the inclusion of climate adaptation and mitigation measures in the Kenai Peninsula Borough's 2019 Comprehensive Plan.

RECONSIDERATION

CONSENT AGENDA (Items listed below will be enacted by one motion. If a separate discussion is desired on an item, that item may be removed from the Consent Agenda and placed on the Regular Meeting Agenda at the request of a Councilmember.)

- a. Memorandum 19-139 from Deputy City Clerk Re: Liquor License Renewal for Grog Shop East End. Recommend Approval.
- b. Ordinance 19-51, An Ordinance of the Homer City Council Appropriating Funds for the Calendar Years 2020 and 2021 for the General Fund, the Water Fund, the Sewer Fund, the Port/Harbor Fund, and Internal Service Funds. City Manager. Recommended dates Introduction October 28, 2019, Public Hearing November 25 and December 9, 2019 and Second Reading December 9, 2019.
- c. Resolution 19-076, A Resolution of the City Council of Homer, Alaska Supporting Full Funding (\$12,145,312) for the State of Alaska Municipal Harbor Facility Grant Program in the FY 2021 State Capital Budget. City Manager/Port Director. Recommend adoption.
- d. Resolution 19-077, A Resolution of the City Council of Homer Alaska Authorizing the City of Homer to Join the Alaska Remote Seller Sales Tax Commission for the Purpose of Developing, Implementing, and Enforcing a Room Seller Sales Tax Code and Designation the Commission Representative. City Manager. Recommend adoption.
- e. Resolution 19-078, A Resolution of the City of Homer Supporting the Inclusion of Climate Adaptation and Mitigation Measures in the Kenai Peninsula Borough's 2019 Comprehensive Plan. Lord. Recommend adoption.
- f. Resolution 19-080, A Resolution of the City Council of Homer, Alaska Amending the Homer Tariff No. 1 Under Rule 9-Anchoring, Rule 12-Vehicle Parking, Rule 13-Wharfage, Demurrage and Free Time, Rule 26-Fish Dock Rates, and Rule 27-Small Boat Harbor Rules and Regulations. City Manager/Port Director. Follows Ordinance 19-51.

- g. Resolution 19-081, A Resolution of the City Council of Homer, Alaska Amending the City Fee Schedule under Administrative Fees, City Clerk Fees, and Port and Harbor Fees. City Clerk. Follows Ordinance 19-52.

ADERHOLD/EVENSEN MOVED TO APPROVE THE RECOMMENDATIONS OF THE CONSENT AGENDA AS READ.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

VISITORS

- a. Robert Archibald with Prince William Sound RCAC Report (10 minutes)

Robert Archibald, President of the Prince William Sound RCAC, reported at their September meeting the Council discussed and acted on new buoys that collect weather data that is now available on line; establishing potential places of refuge for tankers in distress; long term environmental monitoring; invasive species monitoring; terminal contingency planning; and drills and exercises from 2018. Mr. Archibald also addressed concerns about issues regarding the purchase of BP's assets by Harvest Alaska. Harvest Alaska is a fully owned subsidiary of Hilcorp LLC. The sale is before the RCA with the public comment period ending November 15th. The PWSRCAC will be commenting on Docket P-19-017 on their concerns regarding insurance and that the integrity of the operation, maintenance, and environmental safety of the Valdez Marine Terminal is maintained. He encouraged the City to comment and Mayor Castner noted as the City's representative, it would be appropriate for Mr. Archibald to do so. Councilmembers Aderhold and Venuti expressed their willingness to work with Mr. Archibald on the comments to the RCA.

ANNOUNCEMENTS / PRESENTATIONS / REPORTS (5 Minute limit per report)

- a. Committee of the Whole Report

Councilmember Smith reported Council discussed the budget and he encouraged the public to review the document and provide comments during the public hearings.

- b. Special Meeting Report

City Manager Koester reported Council discussed the results of the investigation into the residency of Ms. Hansen-Cavasos. They deliberated for approximately 45 minutes and voted to sustain the certification of Ms. Hansen-Cavasos.

c. Mayor's Report

Mayor Castner commented regarding a request from the Chamber of Commerce for a Councilmember to join their Legislative and Economic Development Committee as an ex officio member. He reported that he, the City Manager, and the Chair of the Port and Harbor Advisory Commission met with Governor Dunleavy to discuss the harbor expansion for large vessels. Prior to that meeting the public had an opportunity to ask questions and posed questions concerning derelict vehicles at the airport, and Baycrest Subdivision and DOT's design of that drainage. Following that meeting, Carl High, AKDOT Maintenance Superintendent, called him and they spoke for about 45 minutes on the issues.

d. Borough Report

Assembly member Kelly Cooper commented she participates on the Chamber Legislative Committee and encouraged Councilmember participation. She reported the Assembly elected her to serve as Assembly President and Hal Smalley as Vice President for the year. At their next meeting there is an ordinance to appropriate \$100,000 to the Kenai Peninsula Tourism and Marketing Council, public hearing on the Borough Comprehensive Plan, and on an ordinance providing that service area board members be appointed instead of elected. She also reported they will be considering resolutions on the Alaska Remote Seller Sales Tax Commission, urging DOT to keep the Silvertip Maintenance Station open, and requesting an anadromous streams workgroup. On December 3rd there will be a public hearing on the ordinance regarding private streets and gated subdivisions. Lastly she reported they had a similar event during the Borough election regarding a candidate's residency. The issue was raised during the campaign period and they found their code was silent, so they are developing legislation to address what the Clerk's responsibility is for review of filings and investigating.

There was brief discussion about the importance of the Silvertip Maintenance Station to highway safety, especially in the winter.

e. Library Advisory Board

Marcia Kuzmaul, Library Advisory Board Chair, reported at their next meeting on November 5th the Board will be addressing the Library's Gift Policy, continued consideration of establishing a Library Endowment Fund, and an initiative brought forward by Student Representative Marina Greear about increasing library card registration for high school students. She reported on events over National Friends of the Library Week, and thanked Colin Tolman and Lakeshore Glass for their work on building selves for the Library's collection of rare books.

f. Planning Commission

Roberta Highland, Planning Commissioner, reported the Commission had a worksession with the Economic Development and Parks, Art, Recreation, and Culture Advisory Commissions to discuss the Wayfinding and Streetscapes proposal. The Commission also discussed a recommendation from the EDC on amending the sign code for large commercial buildings for multiple tenants.

g. Economic Development Advisory Commission

h. Parks Art Recreation and Culture Advisory Commission

Robert Archibald, Parks, Art, Recreation, and Culture Advisory Commissioner, reported they met with the Economic Development Advisory Commission to discuss Wayfinding and Streetscapes and believe it will be very beneficial, especially for people who aren't familiar with Homer. They visited the Hickerson Memorial Cemetery with Parks Maintenance Coordinator Steffy who shared that staff is working on a computer program that will allow people to easily find where their loved ones are located in the cemetery. The Commission also discussed the camping areas on the spit and impacts on revenue with the closure of one due to the large vessel haul out, and impacts of erosion on other areas. Lastly he noted they approved the purchase of a plaque to replace one that was taken from Ben Walters Park and mentioned the new playground equipment at Ben Walters Park.

i. Port and Harbor Advisory Commission

j. Americans with Disabilities Act Compliance Committee

PUBLIC HEARING(S)

- a. Ordinance 19-44, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating an FY2017 State Homeland Security Program Reallocation Award for an Amount no to Exceed \$53,324.58 to Replace Mobile Radios in the City's Radio Communication System and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Introduction October 14, 2019, Public Hearing and Second Reading October 28, 2019.

Memorandum 19-131 from Fire Chief as backup

Mayor Caster opened the public hearing. There were no comments and the public hearing was closed.

VENUTI/ADERHOLD MOVED TO ADOPT ORDINANCE 19-44 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- b. Ordinance 19-45, An Ordinance of the City Council of Homer, Alaska Accepting and Appropriating an FY2019 State Homeland Security Program Grant in the Amount of \$255,005 for a Back Generator at the Fire Hall and a Dispatch Console for the Police Department and Appropriating \$24,704 from the Police Station Reserve Account to Purchase a Computer Hardware Integrated Workstation to House the Dispatch Console. City Manager. Introduction October 14, 2019, Public Hearing and Second Reading October 28, 2019.

Memorandum 19-132 from Police Chief as backup

Mayor Castner opened the public hearing. There were no comments and the public hearing was closed.

HANSEN-CAVASOS/ADERHOLD MOVED TO ADOPT ORDINANCE 19-45 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

There was brief discussion confirming the location of new generator will be at the Fire Hall, and the current backup generator, which is oversized for the Fire Hall, will go to the new Police Station as will the dispatch console.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- c. Ordinance 19-46, An Ordinance of the City Council of Homer, Alaska Amending Homer City Code Chapter 2.60, Parks, Art, Recreation, and Culture Advisory Commission, Section 2.60.010(A) Created-Membership, to Reduce the Number of Members from Nine to Seven. Aderhold. Introduction October 14, 2019, Public Hearing and Second Reading October 28, 2019.

Mayor Castner opened the public hearing. There were no comments and the public hearing was closed.

EVENSEN/ADERHOLD MOVED TO ADOPT ORDINANCE 19-46 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

In response to question about the background of this ordinance Councilmember Aderhold explained this was requested by the Commission to help address quorum issues and stabilize membership. Mayor Castner added a few years back the Parks and Recreation Advisory

Commission merged with the Public Arts Committee and brought a few of the committee members on board to work with the Commission.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

ORDINANCE(S)

- a. Ordinance 19-50, An Ordinance of the City Council of Homer, Alaska Amending Homer City Code 21.30 Marine Industrial Zoning District Section 21.30.020 Permitted Uses and Structures, to add Boat Sales, Rentals, Service, Repair and Storage, and Boat Manufacturing as Permitted Uses and Section 21.30.050 Conditional Uses and Structures to Remove Boat Sales, Rentals, Service, Repair and Storage, and Boat Manufacturing as Conditional Uses. Planning Commission. Recommended dates Introduction October 28, 2019 Public Hearing and Second Reading November 25, 2019.

Memorandum 19-140 from City Planner as backup

ADERHOLD/VENUTI MOVED TO INTRODUCE ORDINANCE 19-50 BY READING OF TITLE ONLY.

Mayor Castner expressed his appreciation to the Planning Commission for bringing this forward. He hopes the city is able to do less through CUP's and redefine the focus of the districts. This cleans up a lot of process.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- b. Emergency Ordinance 19-52, An Ordinance of the City Council of Homer, Alaska Amending the FY 2019 Capital Budget to Fund Emergency Repairs to the Homer Fire Hall Appropriating \$100,000 and Authorizing a Sole Source Contract for Phase 1, Mitigation. City Manager.

Memorandum 19-144 from City Manager as backup

ADERHOLD/EVENSEN MOVED TO ADOPT ORDINANCE 19-52 BY READING OF TITLE ONLY.

City Manager Koester explained the \$100,000 is the deductible with AMLJIA, hopefully it will be less than that and won't trigger any insurance charges. There was a malfunctioning sprinkler head at the Fire Hall that caused significant water damage upstairs and soaked through the ceiling and into various electronics of the ambulance bay. They are discovering places that can't be dried out and will have to be demoed and reconstructed. She clarified that per city code an emergency ordinance can be adopted with one reading and is only in effect for 60 days.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

CITY MANAGER'S REPORT

a. City Manager's Report

City Manager Koester commented she will be setting up facility tours with the new councilmembers. If other members would like to attend, please let her know. She will also be setting up a meeting with Altman and Roberts, the firm that is reviewing the HAWSP fund, so Councilmembers can have their questions addressed.

PENDING BUSINESS

- a. Ordinance 19-48, An Ordinance Of The City Council of Homer, Alaska Amending the FY 2019 Capital Budget by Re-Appropriating \$35,000 from Homer Education and Recreation Center (HERC) Demolishment Study Approved in Ordinance 19-35(A)(S) to Contract with Grow Economy to Write and Apply for a United States Economic Development Administration Planning Grant for the Demolition of The Homer Education and Recreation Complex (HERC) and the Development of a Regional Innovation Plaza at the HERC, Provide Matching Funds to the Grant, and Authorizing the City Manager to Execute the Appropriate Documents. Smith/Stroozas. Introduction October 14, 2019, Postponed to October 28, 2019.

Mayor Castner recognized the motion on the floor from October 14th to introduce Ordinance 19-48 by reading of title only, and opened the floor for discussion.

Councilmember Smith explained the Riley's have withdrawn their proposal and recommended voting the motion down.

VOTE: NO: ADERHOLD, HANSEN-CAVASOS, LORD, VENUTI, SMITH, EVENSEN

Motion failed.

NEW BUSINESS

- a. Memorandum 19-141 from City Clerk Re: Selection of Mayor-Pro Tempore

Mayor Castner opened the floor to nominations for Mayor Pro Tempore.

Councilmember Aderhold nominated Councilmember Lord, and there were no other nominations.

Councilmember Lord's appointment as Mayor Pro Tempore was approved by consensus of council.

Councilmembers took turns selecting their seats at the dais for the year.

- b. Memorandum 19-142 from City Clerk Re: Memorandum to Kenai Peninsula Borough Mayor Pierce and the Borough Assembly regarding KPB Ordinance 2019-24

ADERHOLD/VENUTI MOVED TO APPROVE THE RECOMMENDATION TO FORWARD THE MEMO REGARDING KPB ORDINANCE 2019-24 TO MAYOR PIERCE AND THE BOROUGH ASSEMBLY.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- c. Memorandum 19-143 from City Clerk Re: Purple Heart Trail/Highway Letter of Support

SMITH/ADERHOLD MOVED TO APPROVE THE RECOMMENDATION FOR THE MAYOR TO PROVIDE A LETTER OF SUPPORT TO THE MILITARY ORDER OF THE PURPLE HEART IN SUPPORT OF THEIR EFFORTS IN DESIGNATING A PURPLE HEART HIGHWAY BETWEEN FAIRBANKS AND HOMER.

There was brief discussion about the information provided in the request.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

RESOLUTIONS

- a. Resolution 19-075, A Resolution of the City Council of Homer, Alaska Designating Signatories of City Accounts and Superseding any Previous Resolutions so Designating City Manager.

ADERHOLD/VENUTI MOVED TO ADOPT RESOLUTION 19-075 BY READING OF TITLE ONLY.

ADERHOLD/VENUTI MOVED TO AMEND TO ADD RACHEL LORD AS MAYOR PRO TEMPORE.

There was no discussion on the motion to amend.

VOTE (amendment): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

There was no further discussion on the main motion as amended.

VOTE (main motion): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- b. Resolution 19-079, A Resolution of the City Council of Homer, Alaska Considering Unacceptable the Reductions to Funding for the Alaska Marine Highway System in FY20 and Changes to the Winter Ferry Schedule, Opposing any Further Reductions to the System's Budget, and Supporting Reform that is Sustainable and Responsive to the Needs of Coastal Communities. Aderhold.

EVENSEN/VENUTI MOVED TO ADOPT RESOLUTION 19-079 BY READING OF TITLE ONLY.

There were brief comments in support of the resolution.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

COMMENTS OF THE AUDIENCE

Dotti Harness-Foster, city resident and former city employee, commented in support of Ordinance 19-47 to disband the Economic Development Advisory Commission and considering at task force, and in support of the Public Works staff. As a city employee she got to know of all the hard working men and women at Public Works and their efforts to provide timely and efficient service to the community throughout all the seasons.

COMMENTS OF THE CITY ATTORNEY

COMMENTS OF THE CITY CLERK

City Clerk Jacobsen clarified a mistake she read in the title of Resolution 19-077, that it is the Remote Seller Sales Tax Code.

COMMENTS OF THE CITY MANAGER

City Manager Koester had no comments.

COMMENTS OF THE MAYOR

Mayor Castner had no comments.

COMMENTS OF THE CITY COUNCIL

Councilmember Hansen-Cavasos thanked everyone for their patience and for having her on the council.

Councilmember Evensen shared a reminder that we are a unicameral body, not one that serves based on political affiliation. We are a body set up to serve the City of Homer and he joined with that in mind. He announced the Empty Bowles event at the Methodist Church coming up a week from Friday

Councilmember Venuti said she missed having Councilmember Lord here tonight and hopes she's enjoying her travels. She thanked all who helped look for Duffy, she echoes the Mayor's earlier comments. It reminds us all that we have to be vigilant in taking care of our vulnerable citizens. She met with the Library Board Chair and Library Director regarding the endowment plan for donations, she got to see the new rare book shelf while she was there. She attended the showing of The Public and said there was good discussion following the movie. Lt. Browning from HPD represented the City well in that discussion. She thanked Dotti for reminding us about the fine Public Works employees. She welcomed the new Councilmembers.

Councilmember Lord appreciated the opportunity to participate telephonically tonight, she's enjoyed visiting family and looks forward to getting home. She welcomed the new Councilmembers and looks forward to working with them.

Councilmember Aderhold commented she participated in a preliminary webinar by the Kachemak Bay Research Reserve on working with ground water, and there were a lot of ideas that could be useful to the City. She hopes to have conversations about that and see how we might be able to use some of the modeling they're doing related to ground water around the City.

Councilmember Smith commented a few months ago a friend's brother, who his friend cares for, went missing and was gone for some time. They were able to find him in Soldotna, but the reality is there are some people out there who don't have good intentions, and they were able to track the brother down through credit card charges. As good neighbors we can keep an eye out, be vigilant and lend a hand. He reflected on community members who passed away recently, Roberta Harris and Glen Bowden.

ADJOURN

There being no further business to come before the Council Mayor Castner adjourned the meeting at 7:38 p.m. The next Regular Meeting is Monday, November 25, 2019 at 6:00 p.m., Committee of the Whole at 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

Melissa Jacobsen, MMC

Approved: _____



City of Homer

www.cityofhomer-ak.gov

Office of the City Clerk

491 East Pioneer Avenue
Homer, Alaska 99603

clerk@cityofhomer-ak.gov

(p) 907-235-3130

(f) 907-235-3143

Memorandum 19-145

TO: MAYOR CASTNER AND HOMER CITY COUNCIL

FROM: RENEE KRAUSE, MMC, DEPUTY CITY CLERK

DATE: NOVEMBER 7, 2019

SUBJECT: LIQUOR LICENSE RENEWAL APPLICATION FOR HARBOR GRILL AND LIQUOR
LICENSE TRANSFER FOR LITTLE MERMAID

The City Clerk's Office has been notified by the Alcohol and Marijuana Control Office of a Liquor License Renewal Application for Harbor Grill and Liquor License Transfer for Little Mermaid within the City of Homer:

License Type: Beverage Dispensary - Seasonal
License #: 3174
DBA Name: Harbor Grill
Service Location: 4262 Homer Spit Road, Homer, AK 99603
Licensee: Don Jose's LLC
Contact Person: Lisa Fink, (678)382-9654

License Type: Restaurant/Eating Place
License #: 3210
DBA Name: Little Mermaid
Service Location: 162 W. Pioneer Avenue, Homer, AK 99603
Licensee: Volgco, LLC
Contact Person: Mary Vogl

RECOMMENDATION

Voice non-objection and approval for the liquor license renewal and liquor license transfer.

Fiscal Note: Revenues



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Memorandum

TO: RENEK KRAUSE, MMC, DEPUTY CITY CLERK

FROM: MARK ROBL, POLICE CHIEF

CC: LISA LINEGAR, COMMUNICATIONS SUPERVISOR

DATE: NOVEMBER 7, 2019

SUBJECT: LIQUOR LICENSE RENEWAL APPLICATION FOR HARBOR GRILL

The Homer Police Department has no objection to the Liquor License Renewal Application within the City of Homer for the following business:

License Type: Beverage Dispensary – Seasonal
License #: 3174
DBA Name: Harbor Grill
Service Location: 4262 Homer Spit Road, Homer, AK 99603
Licensee: Don Jose's, LLC
Contact Person: Lisa Fink, 678-382-9654



City of Homer

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Memorandum

TO: RENEE KRAUSE, MMC, DEPUTY CITY CLERK

FROM: MARK ROBL, POLICE CHIEF

CC: LISA LINEGAR, COMMUNICATIONS SUPERVISOR

DATE: NOVEMBER 7, 2019

SUBJECT: LIQUOR LICENSE TRANSFER FROM CAFÉ CUPS TO LITTLE MERMAID

The Homer Police Department has no objection to the Liquor License Transfer Application within the City of Homer for the following business:

Type: Transfer Ownership/Restaurant Eating Place Designation Permit
License #: 3210
DBA Name: Little Mermaid
Service Location: 162 W Pioneer Avenue, Homer, AK 99603
Owner: Voglco, LLC
Mailing Address: P.O. Box 3350 Homer, AK 99603



October 29, 2019

City of Homer

Kenai Peninsula Borough

Via Email: clerk@cityofhomer-ak.gov ; jblankenship@kpb.us ; Dhenry@kpb.us ; JRodgers@kpb.us ;
joanne@borough.kenai.ak.us ; tshassetz@kpb.us

Re: Notice of 2020/2021 Liquor License Renewal Application

License Type:	Beverage Dispensary- Seasonal	License Number:	3174
Licensee:	Don Jose's LLC		
Doing Business As:	Harbor Grill		

We have received a completed renewal application for the above listed license (see attached application documents) within your jurisdiction. This is the notice required under AS 04.11.480.

A local governing body may protest the approval of an application(s) pursuant to AS 04.11.480 by furnishing the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of receipt of this notice, and by allowing the applicant a reasonable opportunity to defend the application before a meeting of the local governing body, as required by 3 AAC 304.145(d). If a protest is filed, the board will deny the application unless the board finds that the protest is arbitrary, capricious, and unreasonable.

To protest the application referenced above, please submit your written protest within 60 days, and show proof of service upon the applicant and proof that the applicant has had a reasonable opportunity to defend the application before a meeting of the local governing body.

Sincerely,

Erika McConnell, Director
amco.localgovernmentonly@alaska.gov



Alaska Alcoholic Beverage Control Board

Form AB-17: 2020/2021 Renewal License Application

What is this form?

This renewal license application form is required for all individuals or entities seeking to apply for renewal of an existing liquor license that are is due to renew by December 31, 2019. All fields of this form must be complete and correct, or the application will be returned to you in the manner in which it was received, per AS 04.11.270 and 3 AAC 304.105. The Community Council field only should be verified/completed by licensees whose establishments are located within the Municipality of Anchorage or outside of city limits within the Matanuska-Susitna Borough.

This form must be completed and submitted to AMCO's main office before any license renewal application will be reviewed. Receipt and/or processing of renewal payments by AMCO staff neither indicates nor guarantees that an application will be considered complete, or that a license will be renewed.

Section 1 – Establishment and Contact Information

Enter information for the business seeking to have its license renewed. If any populated information is incorrect, please contact AMCO.

Licensee:	Don Jose's, LLC	License #:	3174
License Type:	Beverage Dispensary - Seasonal		
Doing Business As:	Harbor Grill		
Premises Address:	4262 Homer Spit Road		
Local Governing Body:	City of Homer (Kenai Peninsula Borough)		
Community Council:	None		
Mailing Address:	127 Pioneer Ave		
City:	Homer	State:	AK
		ZIP:	99603

Enter information for the individual who will be designated as the primary point of contact regarding this application. This individual **must be a licensee** who is required to be listed in and authorized to sign this application.

Contact Licensee:	Jose Ramos	Contact Phone:	907-229-7196
Contact Email:	Salmonalaska@yahoo.com		

Optional: If you wish for AMCO staff to communicate with an individual who is not a licensee named on this form (eg: legal counsel) about this application and other matters pertaining to the license, please provide that person's contact information in the fields below.

Name of Contact:	LISA Fink	Contact Phone:	678-382-9654
Contact Email:	Finklisa89@gmail.com		



Form AB-17: 2020/2021 Renewal License Application

Section 2 – Entity or Community Ownership Information

Licenses who directly hold a license as an individual or individuals should skip to Section 3. General partnerships and local governments should skip to the second half of this page. All licensees that are **corporations** or **LLCs** must complete this section. Corporations and LLCs are required to be in good standing with the Alaska Division of Corporations, Business & Professional Licensing (CBPL). The CBPL Entity # below is **neither** your EIN/tax ID number, **nor** your business license number. **You may view your entity's status or find your CBPL entity number by vising the following site: <https://www.commerce.alaska.gov/cbp/main/search/entities>**

Alaska CBPL Entity #:	56813D
-----------------------	--------

You must ensure that you are able to certify the following statement before signing your initials in the box to the right: Initials

I certify that this entity is in good standing with CBPL and that all current entity officials and stakeholders (listed below) are also currently and accurately listed with CBPL.

This subsection must be completed by any **community** or **entity**, including a corporation, limited liability company, partnership, or limited partnership, that is applying for renewal. If more space is needed, please attach additional completed copies of this page.

- If the applicant is a **corporation**, the following information must be completed for each **shareholder who owns 10% or more** of the stock in the corporation, and for each **president, vice-president, secretary, and managing officer**.
- If the applicant is a **limited liability organization**, the following information must be completed for each **member with an ownership interest of 10% or more**, and for each **manager**.
- If the applicant is a **partnership**, including a limited partnership, the following information must be completed for each **partner with an interest of 10% or more**, and for each **general partner**.

Important Note: The information provided in the below fields (including spelling of names, specific titles, and percentages held) must match that which is listed with CBPL. If one individual holds multiple titles mentioned in the bullets above, all titles must be listed for that individual on this application and with CBPL. Failure to list all required titles constitutes an incomplete application. **You must list ALL of your qualifying officials, additional copies of this page or a separate sheet of paper may be submitted if necessary.**

Name of Official:	Jose Ramos				
Title(s):	member	Phone:	907-229-7196	% Owned:	51.00%
Mailing Address:	127 W. Pioneer Ave				
City:	Homer	State:	AK	ZIP:	99603

Name of Official:	Maria C Ramos				
Title(s):	member	Phone:	907-947-5360	% Owned:	49%
Mailing Address:	127 W. Pioneer Ave				
City:	Homer	State:	AK	ZIP:	99603

Name of Official:					
Title(s):		Phone:		% Owned:	
Mailing Address:					
City:		State:		ZIP:	



Form AB-17: 2020/2021 Renewal License Application

Section 3 – Sole Proprietor Ownership Information

Entities, such as corporations or LLCs, should skip this section. This section must be completed by any licensee who directly holds the license as an **individual or multiple individuals** and is applying for license renewal. If more space is needed, please attach a separate sheet that includes all of the required information.

The following information must be completed for each licensee and each affiliate.

This individual is an: applicant affiliate

Name:				Contact Phone:	
Mailing Address:					
City:		State:		ZIP:	
Email:					

This individual is an: applicant affiliate

Name:				Contact Phone:	
Mailing Address:					
City:		State:		ZIP:	
Email:					

Section 4 – Alcohol Server Education

This section must be completed only by the holder of a **beverage dispensary, club, or pub** license or **conditional contractor's permit**. The holders of all other license types should skip to Section 5.

Read the line below, and then sign your initials in the box to the right of the statement:

Initials

I certify that all licensees, agents, and employees who sell or serve alcoholic beverages or check identification of a patron have completed an alcohol server education course approved by the ABC Board and keep current, valid copies of their course completion cards on the licensed premises during all working hours, as set forth in AS 04.21.025 and 3 AAC 304.465.

Section 5 – License Operation

Check a **single box** for each calendar year that best describes how this liquor license was operated:

2018 2019

The license was regularly operated continuously throughout each year.

The license was regularly operated during a specific season each year.

The license was only operated to meet the minimum requirement of 240 total hours each calendar year.

If this box is checked, a complete copy of Form AB-30: Proof of Minimum Operation Checklist, and all necessary documentation must be provided with this application.

The license was not operated at all or was not operated for at least the minimum requirement of 240 total hours each year, during one or both of the calendar years.

If this box is checked, a complete copy of Form AB-29: Waiver of Operation Application and corresponding fees must be submitted with this application for each calendar year during which the license was not operated for at least the minimum requirement, unless a complete copy of the form (including fees) has already been submitted for that year.



Form AB-17: 2020/2021 Renewal License Application

Section 6 – Violations and Convictions

Applicant violations and convictions in calendar years 2018 and 2019: Yes No

Have any notices of violation (NOVs) been issued for this license in the calendar years 2018 or 2019? Yes No

Has any person or entity named in this application been convicted of a violation of Title 04, of 3 AAC 304, or a local ordinance adopted under AS 04.21.010 in the calendar years 2018 or 2019? Yes No

If "Yes" to either of the previous two questions, attach a separate page to this application listing all NOVs and/or convictions.

Section 7 – Certifications

Read each line below, and then sign your initials in the box to the right of each statement: Initials

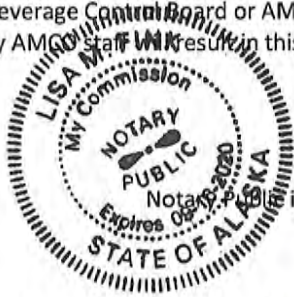
I certify that all current licensees (as defined in AS 04.11.260) and affiliates have been listed on this application, and that in accordance with AS 04.11.450, no one other than the licensee(s) has a direct or indirect financial interest in the licensed business. Yes No

I certify that I have not altered the functional floor plan or reduced or expanded the area of the licensed premises, and I have not changed the business name or the ownership (including officers, managers, general partners, or stakeholders) from what is currently approved and on file with the Alcoholic Beverage Control Board. Yes No

I certify on behalf of myself or of the organized entity that I understand that providing a false statement on this form or any other form provided by AMCO is grounds for rejection or denial of this application or revocation of any license issued. Yes No

As an applicant for a liquor license renewal, I declare under penalty of perjury that I have read and am familiar with AS 04 and 3 AAC 304, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Alcoholic Beverage Control Board or AMCO staff in support of this application and understand that failure to do so by any deadline given to me by AMCO staff results in this application being returned to me as incomplete.

[Signature]
Signature of licensee
Lose Remas
Printed name of licensee



[Signature]
Signature of Notary Public
in and for the State of Alaska
My commission expires: 9/16/20

Subscribed and sworn to before me this 19th day of October, 2020.

Seasonal License? Yes No
If "Yes", write your six-month operating period: 4/15 - 10/15

License Fee:	\$ 1250.00	Application Fee:	\$ 300.00	TOTAL:	\$ 1550.00
Miscellaneous Fees:					
GRAND TOTAL (if different than TOTAL):					1550.00



THE STATE
of **ALASKA**
GOVERNOR MICHAEL J. DUNLEAVY

**Department of Commerce, Community,
and Economic Development**
ALCOHOL & MARIJUANA CONTROL OFFICE
550 West 7th Avenue, Suite 1600
Anchorage, AK 99501
Main: 907.269.0350

October 28, 2019

City of Homer
Attn: Melissa Jacobsen
VIA Email: clerk@cityofhomer-ak.gov

License Type:	Restaurant/Eating Place	License Number:	3210
Licensee:	Volgco LLC		
Doing Business As:	Little Mermaid		
Premises Address:	162 West Pioneer Avenue		

- New Application
 Transfer of Location Application
 Transfer of Ownership Application
 Transfer of Controlling Interest Application

We have received a completed application for the above listed license (see attached application documents) within your jurisdiction. This is the notice required under AS 04.11.480.

A local governing body may protest the approval of an application(s) pursuant to AS 04.11.480 by furnishing the director and the applicant with a clear and concise written statement of reasons for the protest within 60 days of receipt of this notice, and by allowing the applicant a reasonable opportunity to defend the application before a meeting of the local governing body, as required by 3 AAC 304.145(d). If a protest is filed, the board will deny the application unless the board finds that the protest is arbitrary, capricious, and unreasonable. To protest the application referenced above, please submit your protest within 60 days and show proof of service upon the applicant.

AS 04.11.491 – AS 04.11.509 provide that the board will deny a license application if the board finds that the license is prohibited under as a result of an election conducted under AS 04.11.507.

AS 04.11.420 provides that the board will not issue a license when a local governing body protests an application on the grounds that the applicant’s proposed licensed premises are located in a place within the local government where a local zoning ordinance prohibits the alcohol establishment, unless the local government has approved a variance from the local ordinance.

Sincerely,

Erika McConnell, Director
amco.localgovernmentonly@alaska.gov



Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

What is this form?

This transfer license application form is required for all individuals or entities seeking to apply for the transfer of ownership and/or location of an existing liquor license. Applicants should review Title 04 of Alaska Statutes and Chapter 304 of the Alaska Administrative Code. All fields of this form must be completed, per AS 04.11.260, AS 04.11.280, AS 04.11.290, and 3 AAC 304.105.

This form must be completed and submitted to AMCO's main office, along with all other required forms and documents, before any license application will be considered complete.

Section 1 - Transferor Information

Enter information for the *current* licensee and licensed establishment.

Licensee:	Bivalves Inc.		License #:	3210	
License Type:	Restaurant / eating place		Statutory Reference:	AS 04.11.100	
Doing Business As:	Cafe Cups				
Premises Address:	162 W. Pioneer Ave				
City:	Homer	State:	AK	ZIP:	99603
Local Governing Body:	City of Homer				

Transfer Type:

- Regular transfer
- Transfer with security interest
- Involuntary retransfer

OFFICE USE ONLY

Complete Date:	10/25/19	Transaction #:	1156154
Board Meeting Date:	11/12/19	License Years:	19/20
Issue Date:		BRE:	CDC



Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

Section 2 – Transferee Information

Enter information for the *new* applicant and/or location seeking to be licensed.

Licensee:	Vogico LLC				
Doing Business As:	Little Mermaid				
Premises Address:	162 W. Pioneer Ave				
City:	Homer	State:	AK	ZIP:	99603
Community Council:	N/A				

Mailing Address:	P.O. Box 3350				
City:	Homer	State:	AK	ZIP:	99603

Designated Licensee:	Mary Vogl				
Contact Phone:	907-435-7142	Business Phone:	907-399-9900		
Contact Email:	Kathyvogl@yahoo.com				

Seasonal License? Yes No If "Yes", write your six-month operating period: _____

Section 3 – Premises Information

Premises to be licensed is:

an existing facility a new building a proposed building

The next two questions must be completed by beverage dispensary (including tourism) and package store applicants only:

What is the distance of the shortest pedestrian route from the public entrance of the building of your proposed premises to the outer boundaries of the nearest school grounds? Include the unit of measurement in your answer.

What is the distance of the shortest pedestrian route from the public entrance of the building of your proposed premises to the public entrance of the nearest church building? Include the unit of measurement in your answer.



Alaska Alcoholic Beverage Control Board
Form AB-01: Transfer License Application

Section 4 – Sole Proprietor Ownership Information

This section must be completed by any sole proprietor who is applying for a license. Entities should skip to Section 5.
 If more space is needed, please attach a separate sheet with the required information.
 The following information must be completed for each licensee and each affiliate (spouse).

This individual is an: applicant affiliate

Name:					
Address:					
City:		State:		ZIP:	

This individual is an: applicant affiliate

Name:					
Address:					
City:		State:		ZIP:	

Section 5 – Entity Ownership Information

This section must be completed by any entity, including a corporation, limited liability company (LLC), partnership, or limited partnership, that is applying for a license. Sole proprietors should skip to Section 6.

If more space is needed, please attach a separate sheet with the required information.

- If the applicant is a corporation, the following information must be completed for each *stockholder who owns 10% or more* of the stock in the corporation, and for each *president, vice-president, secretary, and managing officer*.
- If the applicant is a limited liability organization, the following information must be completed for each *member with an ownership interest of 10% or more*, and for each *manager*.
- If the applicant is a partnership, including a limited partnership, the following information must be completed for each *partner with an interest of 10% or more*, and for each *general partner*.

Entity Official:	Mary Vogt				
Title(s):	Member	Phone:	907-435-7142	% Owned:	50
Address:	65065 Iliamna Dr.				
City:	Homer,	State:	AK	ZIP:	99603



Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

Entity Official:	Evan Vogt				
Title(s):	Member	Phone:	907-435-7142	% Owned:	50
Address:	65065 Elianna Dr.				
City:	Homer	State:	AK	ZIP:	99603

Entity Official:					
Title(s):		Phone:		% Owned:	
Address:					
City:		State:		ZIP:	

Entity Official:					
Title(s):		Phone:		% Owned:	
Address:					
City:		State:		ZIP:	

This subsection must be completed by any applicant that is a corporation or LLC. Corporations and LLCs are required to be in good standing with the Alaska Division of Corporations (DOC) and have a registered agent who is an individual resident of the state of Alaska.

DOC Entity #:	10112776	AK Formed Date:	8/29/2019	Home State:	AK
Registered Agent:	Mary Vogt	Agent's Phone:			
Agent's Mailing Address:	P.O. Box 3350				
City:	Homer	State:	AK	ZIP:	99603

Residency of Agent: Yes No

Is your corporation or LLC's registered agent an individual resident of the state of Alaska?



Alaska Alcoholic Beverage Control Board Form AB-01: Transfer License Application

Section 6 - Other Licenses

Ownership and financial interest in other alcoholic beverage businesses:

Yes No

Does any representative or owner named as a transferee in this application have any direct or indirect financial interest in any other alcoholic beverage business that does business in or is licensed in Alaska?

If "Yes", disclose which individual(s) has the financial interest, what the type of business is, and if licensed in Alaska, which license number(s) and license type(s):

Mary+Evan Vogt are owners of Little Mermaid in Homer.
Little mermaid has a Seasonal Beer & Wine Public Convenience
License # 5256. Little Mermaid is a Seasonal Restaurant.

Section 7 - Authorization

Communication with AMCO staff:

Yes No

Does any person other than a licensee named in this application have authority to discuss this license with AMCO staff?

If "Yes", disclose the name of the individual and the reason for this authorization:

[Empty box for disclosure]



Alcohol and Marijuana Control Office
 550 W 7th Avenue, Suite 1600
 Anchorage, AK 99501
alcohol.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
 Phone: 907.269.0350

Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

Section 8 - Transferor Certifications

Additional copies of this page may be attached, as needed, for the controlling interest of the current licensee to be represented.

I declare under penalty of perjury that the undersigned represents a **controlling interest** of the current licensee. I additionally certify that I, as the current licensee (either the sole proprietor or the controlling interest of the currently licensed entity) have examined this application, approve of the transfer of this license, and find the information on this application to be true, correct, and complete.

[Handwritten Signature]

Signature of transferor

JENNIFER A OYEN

Printed name of transferor

Subscribed and sworn to before me this 20 day of SEPT, 2019.



Brittany M. Williams
 Signature of Notary Public

Notary Public in and for the State of Alaska

My commission expires: 08/04/2020

[Handwritten Signature]

Signature of transferor

DAVID K OLSEN

Printed name of transferor

Subscribed and sworn to before me this 21 day of SEPT, 2019.



Tary W. Youngblood
 Signature of Notary Public

Notary Public in and for the State of Alaska

My commission expires: 8/10/22



Alaska Alcoholic Beverage Control Board Form AB-01: Transfer License Application

Section 9 – Transferee Certifications

Read each line below, and then sign your initials in the box to the right of each statement:

Initials

I certify that all proposed licensees (as defined in AS 04.11.260) and affiliates have been listed on this application.

MKV

I certify that all proposed licensees have been listed with the Division of Corporations.

MKV

I certify that I understand that providing a false statement on this form or any other form provided by AMCO is grounds for rejection or denial of this application or revocation of any license issued.

MKV

I certify that all licensees, agents, and employees who sell or serve alcoholic beverages or check the identification of a patron will complete an approved alcohol server education course, if required by AS 04.21.025, and, while selling or serving alcoholic beverages, will carry or have available to show a current course card or a photocopy of the card certifying completion of approved alcohol server education course, if required by 3 AAC 304.465.

MKV

I agree to provide all information required by the Alcoholic Beverage Control Board in support of this application.

MKV

As an applicant for a liquor license, I declare under penalty of perjury that I have read and am familiar with AS 04 and 3 AAC 304, and that this application, including all accompanying schedules and statements, is true, correct, and complete.

MKVogel

Signature of transferee

Mary Kathryn Vogel

Printed name

Subscribed and sworn to before me this 23rd day of September, 2019.



[Signature]

Signature of Notary Public

Notary Public in and for the State of Alaska

My commission expires: 5/12/2021



Alaska Alcoholic Beverage Control Board Form AB-02: Premises Diagram

What is this form?

A detailed diagram of the proposed licensed premises is required for all liquor license applications, per AS 04.11.260 and 3 AAC 304.185. Your diagram must include dimensions and must show all entrances and boundaries of the premises, walls, bars, fixtures, and areas of storage, service, consumption, and manufacturing. If your proposed premises is located within a building or building complex that contains multiple businesses and/or tenants, please provide an additional page that clearly shows the location of your proposed premises within the building or building complex, along with the addresses and/or suite numbers of the other businesses and/or tenants within the building or building complex.

The second page of this form is not required. Blueprints, CAD drawings, or other clearly drawn and marked diagrams may be submitted in lieu of the second page of this form. The first page must still be completed, attached to, and submitted with any supplemental diagrams. An AMCO employee may require you to complete the second page of this form if additional documentation for your premises diagram is needed.

This form must be completed and submitted to AMCO's main office before any license application will be considered complete.

Yes No

I have attached blueprints, CAD drawings, or other supporting documents in addition to, or in lieu of, the second page of this form.

Section 1 - Establishment Information

Enter information for the business seeking to be licensed, as identified on the license application.

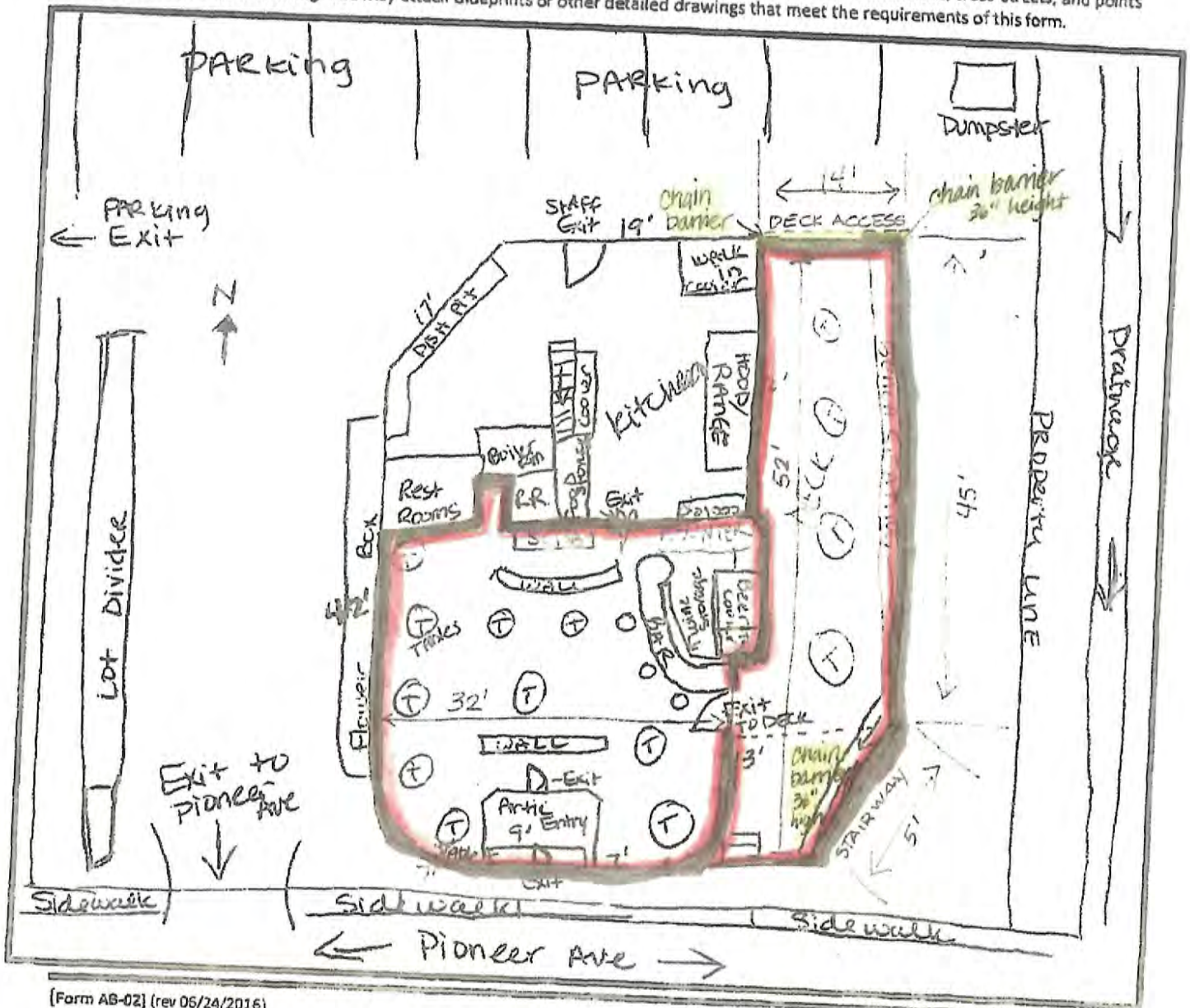
Licensee:	Vogelco LLC	License Number:	3201
License Type:	Restaurant/Eating Place		
Doing Business As:	Little Mermaid		
Premises Address:	162 W. Pioneer		
City:	Homer	State:	AK
		ZIP:	99603



Alaska Alcoholic Beverage Control Board
Form AB-02: Premises Diagram

Section 2 - Detailed Premises Diagram

Clearly indicate the boundaries of the premises and the proposed licensed area within that property. Clearly indicate the interior layout of any enclosed areas on the proposed premises. Clearly identify all entrances and exits, walls, bars, and fixtures, and outline in red the perimeter of the areas designated for alcohol storage, service, and consumption. Include dimensions, cross-streets, and points of reference in your drawing. You may attach blueprints or other detailed drawings that meet the requirements of this form.

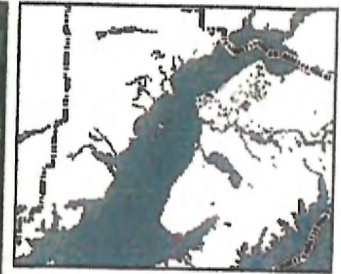


AB-02: Premise Diagram Security Plan.

All dining areas and all access points are always in full view of all staff. All outside dining access points have a chain barrier at 36" height with directional signage for guest entry through main doors and "No Alcohol Beyond the Point". Non-entry points have existing rail barriers.



162 W Pioneer Ave Homer, AK 99603



Legend

- Mileposts
- City Limits
- Highways
- Major Roads
- Roads**
 - Town Medium Volume
 - Town Low/Seasonal; Other
 - Proposed
- Parcels

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.



Coordinate System: NAD_1983_StatePlane_Alaska_4_FIPS_5004_Feet

THIS MAP IS NOT TO BE USED FOR NAVIGATION

Notes

Cafe Cups Restaurant

AMCO

OCT 08

MINUTE DEPENDENT 2025-254. Please for
 resolution disposal, that meet
 regulatory requirements are on file at the
 Department of Environmental
 Cooperation
 C. Jerry A. Anderson 3606-S 08/25/05

- STANDARD LEGEND**
- Found Brass Cap Iron L.S. - 3606, 1987
 - Found 1/2" rebar, source unknown
 - Found 5/8" rebar at Surveyor CS-3700
 - Set 1/2" Capact rebar this Survey

CERTIFICATE OF OWNERSHIP
 I hereby certify that I am the owner of the real property
 described hereon, and that I hereby state the
 rights of way and public utility easements as
 shown in the map shown.

OWNER: A. OLSEN
 P.O. Box 1793
 Homer Alaska 99603

DATE: 08/25/06

NOTARY'S ACKNOWLEDGMENT
 I, the undersigned, Notary Public for Alaska,
 do hereby certify that the foregoing map is
 a true and correct copy of the original map
 on file in my office.

Notary Public for Alaska
 Commission Expires:

SURVYOR'S CERTIFICATE
 I hereby certify that this survey was performed in
 accordance with the laws of the State of Alaska
 and that the same is a true and correct copy of
 the original map on file in my office.

08/25/06
 C.A.N.

PLAT APPROVAL
 This map is approved by the Alaska Planning
 Commission on 08/25/06.

08/25/06
 Alaska Planning Commission

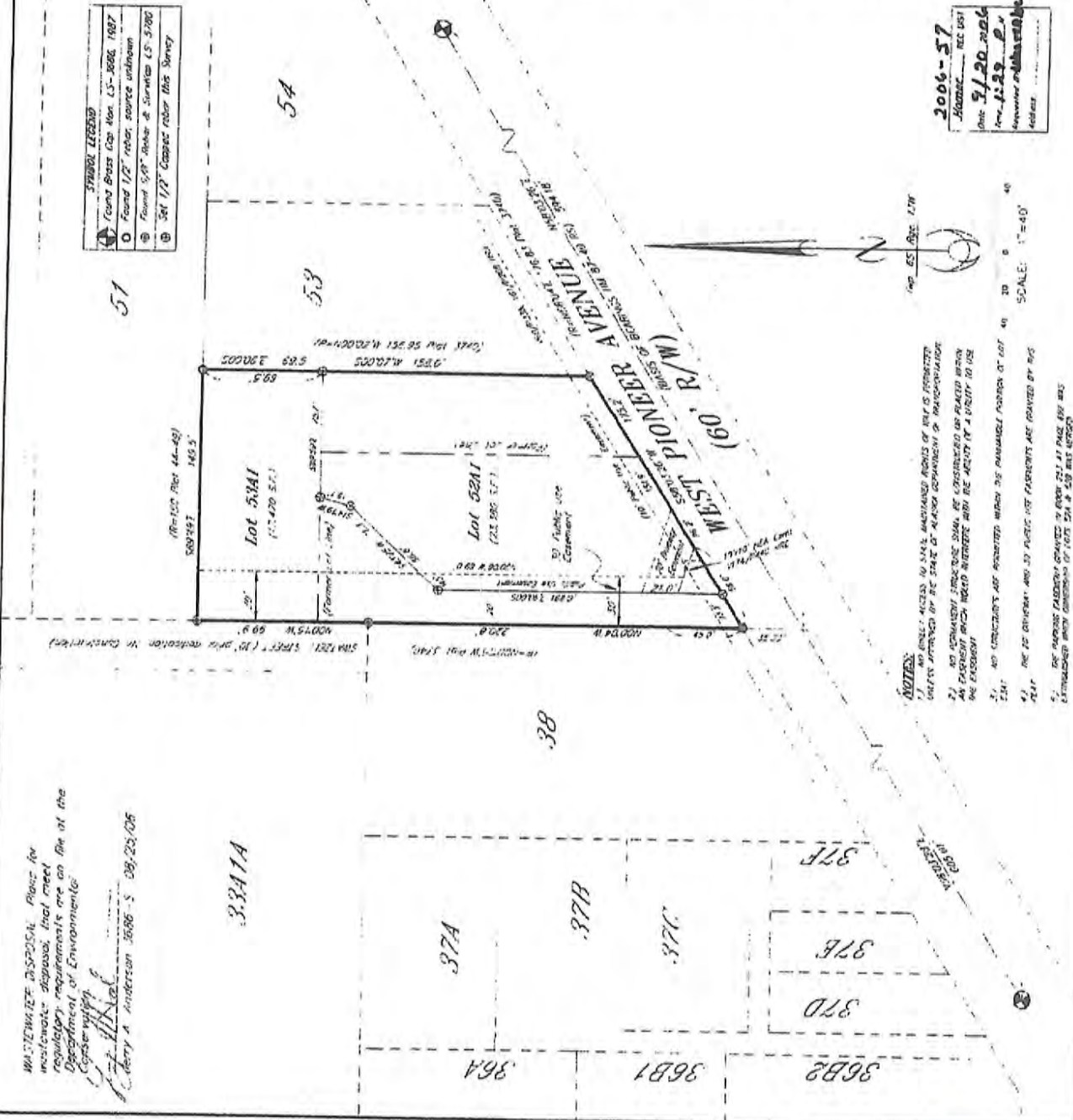
VICINITY MAP SCALE: 1" = 1000'



DATE: 08/25/06
 SCALE: 1" = 40'
 GRID No. 48-23
 FLD. BK. No. 371
 KPB FILE No. 488-119
 JOB No. 3035

"BUNNELL'S SUBDIVISION"
 (SUTTON'S CO. ADDITION)
 A COMBINATION OF LOTS 52A, 53B PLAT 169-470 AND A
 PORTION OF LOT 53 OF THE BUNNELL'S SUBDIVISION, ACCORDING
 TO PLAT 169-470, AS SHOWN ON THE ORIGINAL SURVEY
 MAP FILED IN THE OFFICE OF THE ALASKA
 COURTS AND RECORDS OFFICE
 CONTAINING 0.145 ACRES AND 100.1/100

APPROVED BY:
 SUPPLEMENTAL PLATING OFFICER
 JERRY ANDERSON, P.L.C.
 P.O. BOX 18
 HOMER, ALASKA 99603



2006-57
 HOMER, ALASKA
 DATE: 9/20/06
 TIME: 1:29 P.M.
 SIGNATURE: [Signature]

- NOTES:**
- 1) NO PUBLIC ACCESS TO STATE UNADVISED RIGHTS OF WAY IS FORGOTTEN
 - 2) NO ADJACENT PROPERTY SHALL BE CONSIDERED OR PLACED WITHIN
 AN EASEMENT WHICH WOULD INTERFERE WITH THE EXERCISE OF THE
 EASEMENT
 - 3) NO CONCURRENCE OR DISTURBANCE WITH THE NEIGHBORING PARCEL AT LOT 40
 - 4) THE 25' EASEMENT AND 33' PUBLIC USE EASEMENTS ARE GRANTED BY THIS
 PLAT
 - 5) THE PARCELS THEREON SHOWN TO BE OWNED BY JERRY A. ANDERSON ARE
 ESTABLISHED BY COMBINATION OF LOTS 52A & 53B PLAT 169-470
- SCALE: 1" = 40'

RESURVEY & SUBDIVISION LOT 52
 BUNNELL'S SUBDIVISION
 LOCATED IN E 1/2 NE 1/4 SEC. 19 T6S R13W S.M.

234

This plat purports to show a closed survey of Lot 52 of Bunnell Subdivision, based on physical evidence of corners as originally surveyed by Fred Speck. No overlaps or encroachments have resulted by this new survey. Small inconsistencies with plat of Bunnell Subdivision are due to errors of closure on said plat.

No. 3790

Hennery H Johnson

FILED FOR RECORDING

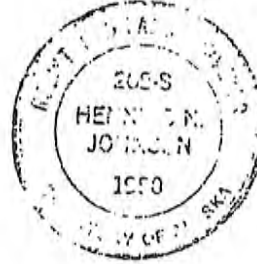
May, 1957 at 2:40 PM

Vol. 12 Page 234

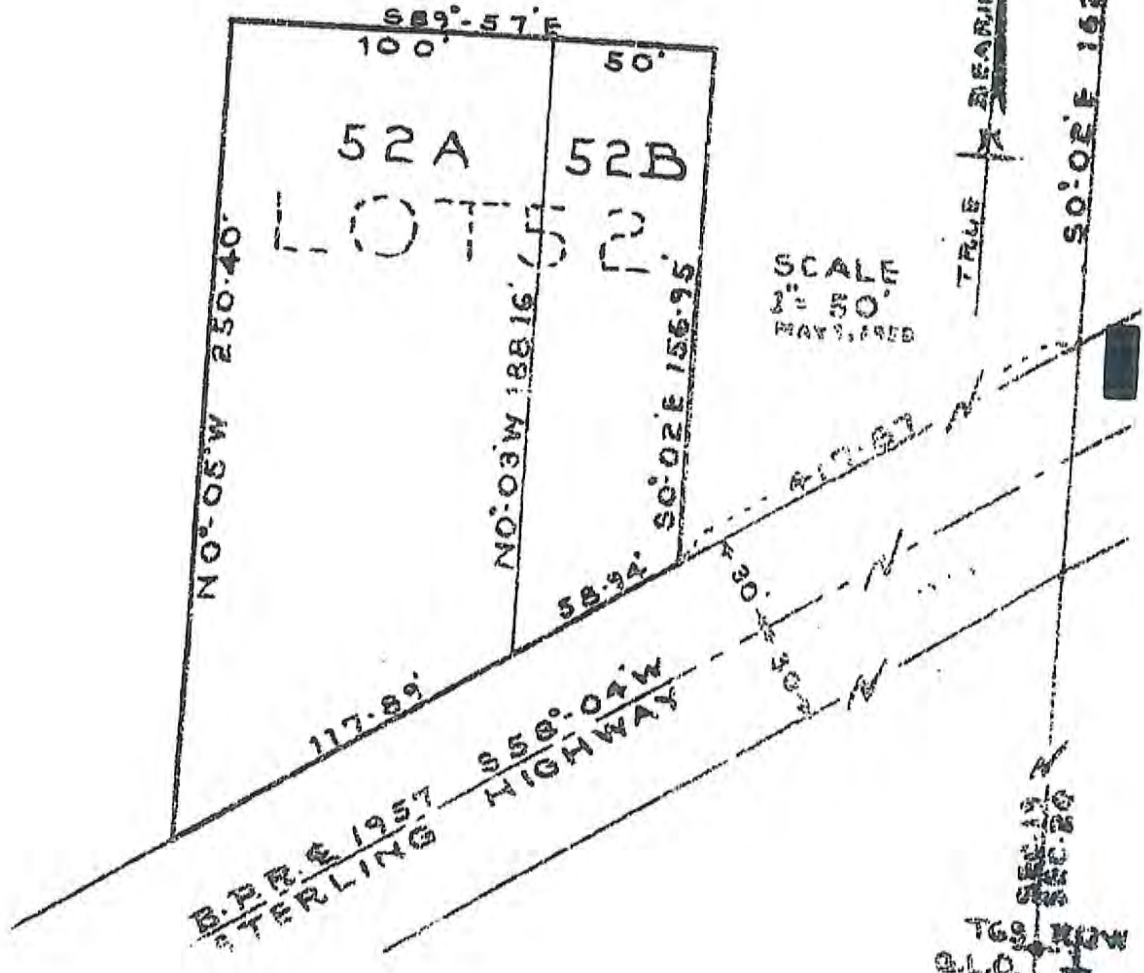
Homer Recording Precinct

Terr. of Alaska

At the Request of C.H. Marshall



1/16
 GRANITE STONE



SEC 19
 SEC 20
 T6S R13W
 S.M.

AMCC
 OCT 08 2019



Alaska Alcoholic Beverage Control Board

Form AB-03: Restaurant Designation Permit Application

What is this form?

A restaurant designation permit application is required for a licensee desiring designation under 3 AAC 304.715 – 3 AAC 304.795 as a bona fide restaurant, hotel, or eating place for purposes of AS 04.16.010(c) or AS 04.16.049. Designation will be granted only to a holder of a beverage dispensary, club, recreational site, golf course, or restaurant or eating place license, and only if the requirements of 3 AAC 304.305, 3 AAC 304.725, and 3 AAC 304.745, as applicable, are met. A menu or expected menu listing the meals, including entrees prepared onsite and offered to patrons, and copy of the DEC Food Service Permit (or corresponding DHHS documentation for licenses located in the Municipality of Anchorage) must accompany this form. Applicants should review AS 04.16.049 – AS 04.16.052 and 3 AAC 304.715 – 3 AAC 304.795. All fields of this form must be completed. The required \$50 permit fee may be made by credit card, check, or money order.

Section 1 – Establishment Information

Enter information for licensed establishment.

Licensee:	Vogler LLC				
License Type:	Restaurant / Eating Place	License Number:	3210		
Doing Business As:	Little Mermaid.				
Premises Address:	162 W. Pioneer Ave				
City:	Homer	State:	AK	ZIP:	99603
Contact Name:	Mary Vogl	Contact Phone:	907-435-7142		

Section 2 – Type of Designation Requested

This application is for the request of designation as a bona fide restaurant, hotel, or eating place for purposes of AS 04.16.010(c) or AS 04.16.049, and for the request of the following designation(s) (check all that apply):

- Dining after standard closing hours: AS 04.16.010(c)
- Dining by persons 16 – 20 years of age: AS 04.16.049(a)(2)
- Dining by persons under the age of 16 years, accompanied by a person over the age of 21: AS 04.16.049(a)(3)
- Employment for persons 16 or 17 years of age: AS 04.16.049(c)

NOTE: Under AS 04.16.049(d), this permit is not required to employ a person 18 - 20 years of age.

OFFICE USE ONLY			
Transaction #:		Initials:	CDC



Alaska Alcoholic Beverage Control Board

Form AB-03: Restaurant Designation Permit Application

Section 3 – Minor Access

Review AS 04.16.049(a)(2); AS 04.16.049(a)(3); AS 04.16.049(c)

List where within the premises minors are anticipated to have access in the course of either dining or employment as designated in Section 2. (Example: Minors will only be allowed in the dining area. OR Minors will only be employed and present in the kitchen.)

Minors will only be allowed in designated dining areas.
 Hiring policies are that all dining staff shall be TAP trained and legal serving age. Minors shall only be employed in the kitchen areas and shall not be allowed access to dining areas.

Describe the policies, practices and procedures that will be in place to ensure that minors do not gain access to alcohol while dining or employed at your premises.

All dining areas and all access points are always in full view of all staff. All outside dining access points have chain barriers at 36 " height with directional signage for guest entry through main doors and " No Alcohol Beyond this Point " . Non-entry points have existing rail barriers.

 House policies include mandatory TAP training for all dining area staff.

Is an owner, manager, or assistant manager who is 21 years of age or older always present on the premises during business hours?

Yes No

Section 4 – DEC Food Service Permit

Per 3 AAC 304.910 for an establishment to qualify as a Bona Fide Restaurant, a Food Service Permit or (for licenses within the Municipality of Anchorage) corresponding Department of Health and Human Services documentation is required.

Please follow this link to the DEC Food Safety Website: <http://dec.alaska.gov/eh/fss/food/>

Please follow this link to the Municipality Food Safety Website:

<http://www.muni.org/Departments/health/Admin/environment/FSS/Pages/fssfood.aspx>

IF you are unable to certify the below statement, please discuss the matter with the AMCO office:

Initials

I have attached a copy of the current food service permit for this premises OR the plan review approval.

MKN

**Please note, if a plan review approval is submitted, a final permit will be required before finalization of any permit or license application.*

AMCO
 OCT 08 2019



Alaska Alcoholic Beverage Control Board

Form AB-03: Restaurant Designation Permit Application

Section 5 - Hours of Operation

Review AS 04.16.010(c).

Enter all hours that your establishment intends to be open. Include variances in weekend/weekday hours, and indicate am/pm:

7 days a week 11am - 10pm
Possible 9am opening on Saturdays & Sundays

Section 6 - Entertainment & Service

Review AS 04.11.100(g)(2)

Are any forms of entertainment offered or available within the licensed business or within the proposed licensed premises?

Yes No

If "Yes", describe the entertainment offered or available and the hours in which the entertainment may occur:

[Empty box for describing entertainment]

Food and beverage service offered or anticipated is:

table service buffet service counter service other

If "other", describe the manner of food and beverage service offered or anticipated:

[Empty box for describing other food and beverage service]



Alaska Alcoholic Beverage Control Board

Form AB-03: Restaurant Designation Permit Application

Section 7 - Certifications and Approvals

Read each line below, and then sign your initials in the box to the right of each statement:

Initials

There are tables or counters at my establishment for consuming food in a dining area on the premises.

mkv

I have included with this form a menu, or an expected menu, listing the meals to be offered to patrons. This menu includes entrees that are regularly sold and prepared by the licensee at the licensed premises.

mkv

I certify that the license for which I am requesting designation is either a beverage dispensary, club, recreational site, golf course, or restaurant or eating place license.

mkv

I have included with this application a copy of the most recent AB-02 or AB-14 for the premises to be permitted. (AB-03 applications that accompany a new or transfer license application will not be required to submit an additional copy of their premises diagram.)

mkv

I declare under penalty of perjury that this form, including all attachments and accompanying schedules and statements, is true, correct, and complete.

mkv
Signature of licensee

Linda J. Mishler
Signature of Notary Public

Mary K Vogt
Printed name of licensee

Notary Public in and for the State of Alaska

My commission expires: 3/21/2020



Subscribed and sworn to before me this 4 day of October, 2019.

Local Government Review (to be completed by an appropriate local government official):

Approved Denied

Signature of local government official

Date

Printed name of local government official

Title

LITTLE MERMAID

evening menu

STARTERS

STUFFED DATES

Medjool Dates, stuffed with Goat Cheese, wrapped in bacon and seared
With grilled onions and Balsamic Syrup \$12.00

CHEESY GARLIC BREAD

House bread, mozzarella with Mermaid sauce (yogurt/herb dip) \$12.00

MEATBALLS IN RED SAUCE WITH GARLIC CHEESE BREAD

Homemade, simmering in red sauce, paired with house cheese bread \$16.00

KACHEMAK BAY OYSTERS

Chef's Preparation market price

FISH TACOS (2)

Grilled Local Rockfish, shredded cabbage, Mermaid sauce, tomato, pickled onion,
Mexican hot sauce, flour tortilla \$12.00
Tempura \$13.00

AHI POKE

Sashimi Ahi Tuna seasoned with sesame oil, green onion, soy sauce, and Sriracha. Served with Wakame
Seaweed salad and Jasmine Rice \$20.00

OCTOPUS POKE

Cook Inlet Octopus, cooked and incredibly tender, sauced with sesame oil, green onion, soy sauce and Sriracha
Served with Wakame Seaweed salad and Jasmine Rice \$20.00

SEARED AHI

Encrusted in Sesame seeds, seared to rare. Served with Wakame Seaweed Salad and Jasmine Rice \$21.00

POUTINE

"Skin on" hand cut fries, topped with brown gravy and Vintage White Cheddar spread \$11.00

ALASKAN FISH CHOWDER

Made with local fish, Yukon Gold potatoes. Creamy and gluten free. House bread on the side \$9.00

BREAD AND BUTTER SERVICE \$7.00

HAND CUT FRIES \$7.00

Consuming raw or undercooked meats, poultry, seafood, shellfish or eggs may increase your risk of food borne illness.

www.littlemermaidplover.com

AMCC
OCT 08 20

LITTLE MERMAID

LUNCH MENU

available until 4pm

Sandwiches

add hand cut french fries or house cole slaw \$2.50

AK BEEF SLIDER

Mini burger on Brioche bun with Vintage White Cheddar spread and grilled onions \$2.50

LOCAL ROCKFISH

Served on Ciabatta bread with fresh greens and house tartar sauce, Seared \$13.00
Tempura \$14.00

BBQ PULLED PORK

Southern style with a twist, topped with cole slaw on Ciabatta roll \$12.00

SALMON BURGER

Hand Crafted with Copper River Reds, chopped vegetables and herbs, served on a Ciabatta roll with house tartar on the side
THE BEST IN TOWN! \$13.00

CHICKEN BREAST

All natural, grilled, served on Ciabatta roll with Mermaid sauce [house ranch] on the side \$12.00
Tempura \$13.00

HEBREW

NATIONAL DOG

1/4 pound Kosher hot dog with pickles, pickled onions on a pretzel roll \$6.00

FALAFEL PLATE

Traditional Middle Eastern fritters made with chickpeas, garlic, and herbs. Fresh and pickled vegetables, house flat bread, Goddess & Tzatziki sauces. Not really a sandwich... \$16.00

Local Favorites

FISH & CHIPS

Local Rockfish \$22.00
Local Fresh Halibut \$31.00

RICE BOWL

Jasmine Rice with grilled vegetables and Wakame Seaweed salad. Choose...
Grilled Chicken \$17.00 Wild Prawns \$22.00
Local Rockfish \$21.00 Vegetable \$18.00
House Seasoned or Peanut Satay or Teriyaki

AHI POKE

Sashimi Ahi Tuna marinated in sesame oil, green onion, soy sauce, Sriracha. Served with Wakame Seaweed salad and Jasmine Rice \$20.00

OCTOPUS POKE

Cook Inlet Octopus, cooked and incredibly tender, sauced with sesame oil, green onion, soy sauce, Sriracha. Served with Wakame Seaweed salad and Jasmine Rice \$20.00

SEARED AHI TUNA

Encrusted in Sesame Seeds, seared to rare. Served with Wakame Seaweed Salad and Jasmine Rice \$21.00

FISH TACOS (2)

Grilled local Rockfish served on flour tortillas, cabbage, Mermaid sauce, tomato, Mexican hot sauce \$12.00
Tempura \$13.00

ALASKAN FISH CHOWDER

Made with local fin fish, Yukon Gold potatoes, creamy and gluten free.
Served with House bread [lots of gluten there] \$9.00

POUTINE

"Skin on" hand cut fries topped with house brown gravy and white cheddar cheese spread \$11.00

HAND CUT FRIES

Heaping cone full \$7.00

Consuming raw or undercooked meats, poultry, seafood, shellfish, or eggs may increase your risk of food borne illness.

OUR MISSION

Thank you for joining us. We are committed to our community. We use local ingredients and strive to make as much as we can fresh, in house and from scratch. We offer professional and consistent service and quality, however, items may change with a surprise truckload of a farmer's bumper crop or some really cool fish in season that we get excited to use. As we bring a certain passion to your table, know that you're also supporting a chain of local producers and businesses who bring that same passion to their farm, brewery, coffee roasting, fishing boats, and hydroponics.

MAINS

Dinners, unless specified, are served with sautéed vegetables, local as soon as they come into harvest and Aligot, a French preparation of blending Yukon Gold Potatoes, butter, garlic, and Mozzarella (a truly decadent experience)

DAILY CATCH

Chef's Preparation market price
Dinner

STONE BOWL

So popular we had to put it on the menu
Daily preparation utilizing mostly local fish and produce \$40.00
Dinner

BUTCHER'S CUT

From our local butcher. Daily Preparation market price
Dinner

KODIAK SCALLOPS

Chef's Preparation \$40.00
Dinner

WILD PRAWNS

Seared and topped with our house made Peanut Satay sauce
Wild caught, never farmed \$34.00
Dinner

ROCKFISH

Local. Chef's Preparation \$32.00
Dinner

CHICKEN TERIYAKI

Natural chicken breast, grilled or tempura topped with our house made teriyaki sauce \$28.00
Dinner

FISH & CHIPS

Local Rockfish, tempura battered and fried,
served with grilled vegetables and hand cut french fries \$28.00
Dinner

MELANZANO

Roasted eggplant pate whipped with roasted garlic, lemon, herbs, and cream cheese
Paired with fresh and pickled vegetables and freshly baked bread \$16.00
Share or Dinner

FALAFEL PLATE

Traditional Middle Eastern fritters made with chickpeas, garlic, and herbs Fresh and pickled
vegetables, flat bread, Goddess and Tzatziki sauces. \$16.00
Share or Dinner

ALASKAN BEEF SLIDERS

4 mini burgers on Brioche with Vintage White Cheddar spread and sauteed onions
"Skin on" hand cut spuds too. \$12.50
Share or Dinner

OUR MISSION

Thank you for joining us. We are committed to our community. We use local ingredients and strive to make as much as we can fresh, in house and from scratch. We offer professional and consistent service and quality, however, items may change with a surprise truckload of a farmer's bumper crop or some really cool fish that we get excited to use. As we bring a certain passion to your table, know that you're also supporting a chain of local producers and businesses who bring that same passion to their farm, brewery, coffee roasting, fishing, and hydroponics.

AMCC

OCT 08 2019

SALADS

regular \$9.00 / large \$16.00

We make a huge effort to use only local greens as they become available to us.

CAESAR

Fresh mix of greens tossed in our Garlic Caesar dressing, house croutons, Parmesan
How would you like it dressed?
light / medium / heavy

GORG

Fresh greens, aged Gorgonzola, roasted almonds, house croutons, Balsamic Vinaigrette

ROASTED BEET & CHEVRE

Fresh greens, roasted beets,
(local beets as they come into harvest)
Chevre cheese, Balsamic Vinaigrette

CITRUS

Fresh greens, sprouts, citrus segments,
crispy noodles Soy Lime Vinaigrette

ADD PROTEIN TO ANY SALAD:

Grilled Chicken \$8.00 Local Rockfish \$10.00
Wild Prawns \$10.00 Kodiak Scallops \$12.00
Daily Catch (usually Halibut) \$14.00

EXTRAS

SIDE OF SAUTÉED VEGETABLES \$7.00

BREAD & BUTTER SERVICE \$7.00

SIDE OF JASMINE RICE \$4.00

SIDE OF ALIGOT POTATOES
available only after 5pm \$7.00

ROUND OF BEERS FOR THE KITCHEN \$12.00

FOLLOW US ON FB & INSTAGR

AMCC
OCT 08 2014



**Alaska Food Code
2020 Establishment Permit**

Division of Environmental Health
Food Safety & Sanitation Program

Permit Number: 10498
Issued to: **VOGLCO LLC**
For: **Little Mermaid**
For Operation of: **FF-1 Food Service**
Located at: **162 W Pioneer AVE Homer, AK 99603**

This permit, issued under the provisions of 18 AAC 31, is valid until the noted expiration date or unless suspended or revoked by the department.

This permit is not transferable for change of ownership, facility location, or type of operation. It must be posted in plain view in the establishment and is the property of the State of Alaska.

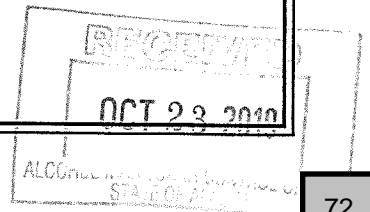
Expiration Date:
December 31, 2020

Program Manager:

**If you have questions or concerns regarding
safe food handling practices call toll free:**

1-87-SAFE-FOOD

(in Anchorage call 334-2560)



ORDINANCE REFERENCE SHEET
2019 ORDINANCE
ORDINANCE 19-53

An Ordinance of the City Council of Homer, Alaska Amending Homer City Code 1.16.040 Fine Schedule and Chapter 5.42 Single-Use Plastic Carryout Bags, Section 5.42.020 Definitions and 5.42.04. Exceptions.

Sponsor: Venuti

1. City Council Regular Meeting November 25, 2019 Introduction

Memorandum 19-147 from Special Projects and Communications Coordinator as backup

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

Venuti

3
4 **ORDINANCE 19-53**

5
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
7 AMENDING HOMER CITY CODE 1.16.040 FINE SCHEDULE AND
8 CHAPTER 5.42 SINGLE-USE PLASTIC CARRYOUT BAGS, SECTIONS
9 5.42.020 DEFINITIONS AND 5.42.040 EXCEPTIONS.
10

11 WHEREAS, Ordinance 18-43(S) was adopted on October 23, 2018 that addressed
12 submitting a question to the voters to prohibit sellers from providing single-use plastic
13 carryout bags; and
14

15 WHEREAS, Proposition A read “Shall the City of Homer Amend Homer City Code to add
16 Chapter 5.42 Single Use Plastic Carryout Bags the Purpose of which is to Prohibit A Seller from
17 Providing a Buyer a Single Use Plastic Carry Out Bag under 2.5 Mils Thick?”; and
18

19 WHEREAS, Proposition A passed at the October 1, 2019 City of Homer Regular Election;
20 and
21

22 WHEREAS, In the process of implementing the code amendments adopted in Ordinance
23 18-43(S) discrepancies were identified and this ordinance corrects those items.
24

25 NOW, THEREFORE, The City of Homer Ordains:
26

27 Section 1: Homer City Code Section 1.16.040 is amended to add the following line to
28 the fine schedule:

CODE SECTION	DESCRIPTION OF OFFENSE	FINE
HCC 5.42.030	<u>Single-use plastic carryout bags prohibited</u>	<u>\$50.00 per day</u>

29
30
31 Section 2: Homer City Code Chapter 5.42 Single-Use Plastic Carryout Bags, is hereby
32 enacted to read as follows:
33

34 Chapter 5.42
35 SINGLE-USE PLASTIC CARRYOUT BAGS
36

37 5.42.010 Purpose.

38 5.42.020 Definitions.

39 5.42.030 Prohibition on use of single-use plastic carryout bags.

40 5.42.040 Exceptions.

41 5.42.050 Penalty.

42

43 5.42.010 Purpose. The purpose of this chapter is to reduce the generation of waste from
44 single-use plastic carryout bags.

45

46 5.42.020 Definitions. In this chapter:

47

48 a. "Buyer" means a person who is a buyer under Kenai Peninsula Borough Code
49 5.18.900.

50

51 b. "Single-use plastic carryout bag" means a bag made from plastic that is neither
52 intended nor suitable for continuous reuse and that is less than ~~2.25~~ **2.5** mils thick, designed
53 to carry customer purchases from the seller's premises, except for: bags used by customers
54 inside stores to package bulk items such as fruit, vegetables, nuts, grains, candy, or small
55 hardware items, such as nails and bolts; bags used to contain dampness or leaks from items
56 such as frozen foods, meat or fish, flowers or potted plants; bags used to protect prepared
57 foods or bakery goods; bags provided by pharmacists to contain prescription drugs;
58 newspaper bags, laundry or dry cleaning bags; or bags sold for consumer use off the seller's
59 premises for such purposes as the collection and disposal of garbage, pet waste, or yard waste;
60 bags made of any material labeled as "biodegradable" or "compostable".

61

62 c. "Seller" means a person who is a seller under Kenai Peninsula Borough Code 5.18.900.

63

64 5.42.030 Prohibition on use of single-use carry out bags. No seller may provide to a
65 buyer, any single-use plastic carryout bag for the purpose of carrying a buyer's purchased
66 goods from the seller's premises.

67

68 5.42.040 Exceptions. Inventories of single-use plastic carryout bags purchased before
69 the ~~enactment~~ **effective date** of this ordinance may continue to be used by sellers and
70 provided to customers after January 1, ~~2019~~ **2020** until all such inventories of single-use plastic
71 carryout bags are completely used in the course of regular business operations, **or February**
72 **14, 2020 whichever comes first.** Sellers providing single-use plastic carryout bags under this
73 exception between January 1, ~~2019~~ **2020 and February 14, 2020** must be willing and able to
74 provide documentation that such bags were purchased on or before the date of enactment of
75 this ordinance.

76

77 5.42.050 Violation - Penalty. The penalty for an offense in this chapter is the fine listed
78 in the fine schedule in HCC 1.16.040. If no fine is listed for the offense in HCC 1.16.040, then the
79 defendant must appear in court and, if convicted, is subject to the general penalty as provided
80 in HCC 1.16.010 unless another penalty is specifically provided.

81

82 Section 3. This ordinance is of a permanent and general character and shall be included
83 in Homer City Code.

84
85 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ___ day of _____,
86 2019.

87
88
89
90

CITY OF HOMER

91
92
93
94

KEN CASTNER, MAYOR

95 ATTEST:

96
97

MELISSA JACOBSEN, MMC, CITY CLERK

99

100 YES:

101 NO:

102 ABSTAIN:

103 ABSENT:

104

105 First Reading:

106 Public Hearing:

107 Second Reading:

108 Effective Date:

109

110 Reviewed and approved as to form.

111

Katie Koester, City Manager

114

115 Date:_____

Michael Gatti, City Attorney

Date:_____



City of Homer

www.cityofhomer-ak.gov

Administration

491 East Pioneer Avenue
Homer, Alaska 99603

(p) 907-235-8121 x2222

(f) 907-235-3148

Memorandum 19-147

TO: Mayor Ken Castner and Homer City Council
THROUGH: Katie Koester, City Manager
FROM: Jenny Carroll, Special Projects and Communications Coordinator
DATE: November 20, 2019
SUBJECT: Ordinance to Correct the Plastic Bag Ban Ordinance 18-43(S)

After Proposition A passed at the October 1, 2019 City of Homer Regular Election and staff began creating educational materials about the newly adopted code amendments, discrepancies in Ordinance 18-43(S) were identified.

The proposed Ordinance corrects incorrectly forecasted year dates, a typo in bag thickness and helps clarify implementation. Strikethroughs indicate words to be removed; bolded words will be inserted. None of the corrections change what voters adopted in ballot Proposition A.

Recommendation: Adopt the Plastic Bag Ban correction Ordinance.

**CITY OF HOMER
HOMER, ALASKA**

Venuti

ORDINANCE 18-43(S)

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
SUBMITTING A BALLOT QUESTION TO THE VOTERS AT THE
OCTOBER 1, 2019 REGULAR MUNICIPAL ELECTION INQUIRING
WHETHER TO AMEND CITY CODE TO PROHIBIT SELLERS FROM
PROVIDING BUYERS SINGLE-USE PLASTIC CARRY OUT BAGS.

WHEREAS, The use of single-use plastic carryout bags by retail establishments has been recognized by many communities nation-wide as detrimental to the environment; and

WHEREAS, The use of single-use plastic carryout bags by consumers at retail establishments is detrimental to the environment; and

WHEREAS, The manufacture and distribution of single-use plastic carry out bags requires utilization of natural resources and results in the generation of greenhouse gas emissions; and

WHEREAS, Single-use plastic carryout bags contribute to environmental problems, litter in drainage ditches, rivers and the ocean; and

WHEREAS, Single-use plastic carryout bags impose unseen costs on consumers, local governments, the state and taxpayers and constitute a public nuisance; and

WHEREAS, It is in the best interest of the City of Homer to restrict the use of single-use plastic carryout bags.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1: The Homer City Council finds that it is in the best interest of the community to ask the voters to authorize amendments to Homer City Code to prohibit the sellers from providing buyers with single use carry out bags.

Section 2: The City shall submit the following proposition to the qualified voters of the City at the October 1, 2019 regular election. The proposition must receive an affirmative vote from a majority of the qualified voters voting on the question to be approved.

PROPOSITION NO. 1

33 AMEND HOMER CITY CODE TO ADD CHAPTER 5.42 SINGLE USE PLASTIC CARRYOUT
34 BAGS THE PURPOSE OF WHICH IS TO PROHIBIT A SELLER FROM PROVIDING A BUYER A
35 SINGLE USE PLASTIC CARRY OUT BAG UNDER 2.5 MILS THICK

36 Section 3: Section 4 and Section 5 of this Ordinance are of permanent and general
37 character and shall be included in the City Code with the passage of Ballot Proposition 1 at the
38 regularly scheduled October 1, 2019 municipal election.

39 Section 4: Homer City Code Section 1.16.040 is amended to add the following line to the
40 fine schedule:

<u>CODE SECTION</u>	<u>DESCRIPTION OF OFFENSE</u>	<u>FINE</u>
<u>HCC 5.42.030</u>	<u>Single-use plastic carryout bags prohibited</u>	<u>\$50.00</u>

41 Section 5: Homer City Code Chapter 5.42 Single-Use Plastic Carryout Bags, is hereby
42 enacted to read as follows:

43 Chapter 5.42
44 SINGLE-USE PLASTIC CARRYOUT BAGS

45 5.42.010 Purpose.

46 5.42.020 Definitions.

47 5.42.030 Prohibition on use of single-use plastic carryout bags.

48 5.42.040 Exceptions.

49 5.42.050 Penalty.

50 5.42.010 Purpose. The purpose of this chapter is to reduce the generation of waste from
51 single-use plastic carryout bags.

52 5.42.020 Definitions. In this chapter:

53 a. "Buyer" means a person who is a buyer under Kenai Peninsula Borough Code
54 5.18.900.

55 b. "Single-use plastic carryout bag" means a bag made from plastic that is neither
56 intended nor suitable for continuous reuse and that is less than 2.25 mils thick, designed to
57 carry customer purchases from the seller's premises, except for: bags used by customers inside
58 stores to package bulk items such as fruit, vegetables, nuts, grains, candy, or small hardware
59 items, such as nails and bolts; bags used to contain dampness or leaks from items such as
60 frozen foods, meat or fish, flowers or potted plants; bags used to protect prepared foods or
61 bakery goods; bags provided by pharmacists to contain prescription drugs; newspaper bags,

62 laundry or dry cleaning bags; or bags sold for consumer use off the seller's premises for such
63 purposes as the collection and disposal of garbage, pet waste, or yard waste; bags made of any
64 material labeled as "biodegradable" or "compostable".

65 c. "Seller" means a person who is a seller under Kenai Peninsula Borough Code 5.18.900.

66 5.42.030 Prohibition on use of single-use carry out bags. No seller may provide to a
67 buyer, any single-use plastic carryout bag for the purpose of carrying a buyer's purchased
68 goods from the seller's premises.

69 5.42.040 Exceptions. Inventories of single-use plastic carryout bags purchased before
70 the date of enactment of this ordinance may continue to be used by sellers and provided to
71 customers after January 1, 2019 until all such inventories of single-use plastic carryout bags
72 are completely used in the course of regular business operations. Sellers providing single-use
73 plastic carryout bags under this exception after January 1, 2019 must be willing and able to
74 provide documentation that such bags were purchased on or before the date of enactment of
75 this ordinance.

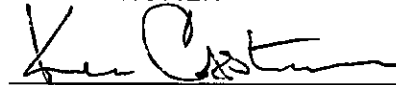
76 5.42.050 Violation - Penalty. The penalty for an offense in this chapter is the fine listed
77 in the fine schedule in HCC 1.16.040. If no fine is listed for the offense in HCC 1.16.040, then the
78 defendant must appear in court and, if convicted, is subject to the general penalty as provided
79 in HCC 1.16.010 unless another penalty is specifically provided.

80 Section 6: If Ballot Proposition 1 passes at the regularly scheduled October 1, 2019
81 municipal election, this ordinance shall take effect January 1, 2020.

82 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 22nd day of October, 2018

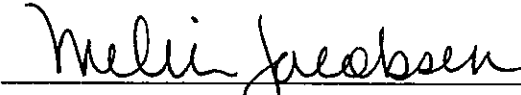
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CITY OF HOMER



KEN CASTNER, MAYOR

89 ATTEST:

90 

91 MELISSA JACOBSEN, MMC, CITY CLERK

92

93
94 YES: 4

95 NO: 2

96 ABSTAIN: 0

97 ABSENT: 0

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First Reading: 0.24.18
Public Hearing: 10.8.18, 10.22.18
Second Reading: 10.22.18
Effective Date: 10.23.18

Reviewed and Approved as to form and content:



Katie Koester, City Manager



Holly Wells, City Attorney

Date: 10.26.18

Date: 11.6.18

ORDINANCE REFERENCE SHEET
2019 ORDINANCE
ORDINANCE 19-54

An Ordinance of the City Council of Homer, Alaska Amending the 2019 Operating Budget to Appropriate an Amount not to Exceed \$50,000 from the HART Fund for the Purpose of Developing a Wayfinding-Streetscape Plan for the City of Homer, Authorizing the City Manager to Prepare an RFP for Consultant Services and Authorizing the Establishment of a Wayfinding and Streetscape Task Force with the Consultant.

Sponsor: Venuti/Smith

1. City Council Regular Meeting November 25, 2019 Introduction

Memorandum 19-148 from Special Projects and Communications Coordinator as backup

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

Venuti/Smith

3
4 **ORDINANCE 19-54**

5
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
7 AMENDING THE 2019 OPERATING BUDGET TO APPROPRIATE AN
8 AMOUNT NOT TO EXCEED \$50,000 FROM THE HART FUND FOR
9 THE PURPOSE OF DEVELOPING A WAYFINDING-STREETScape
10 PLAN FOR THE CITY OF HOMER, AUTHORIZING THE CITY
11 MANAGER TO PREPARE AN RFP FOR CONSULTANT SERVICES AND
12 AUTHORIZING THE ESTABLISHMENT OF A WAYFINDING-
13 STREETScape TASK FORCE TO WORK WITH THE CONSULTANT.
14

15 WHEREAS, The Homer City Council established the Economic Development Advisory
16 Commission (EDC) to advise City Council on ways to improve the local business climate; and
17

18 WHEREAS, The EDC completed a Business Retention & Expansion (BR&E) Survey with
19 the goal of identifying areas where the EDC can work to help improve the local business
20 climate; and
21

22 WHEREAS, Improved walkability, greenspace and initiatives that showcase Homer's
23 beauty (particularly in the Pioneer Avenue/Central Business District) were the most frequently
24 mentioned ideas for improving Homer's business climate and quality of life; and
25

26 WHEREAS, While a range of factors are important to business success, knowledge of
27 Homer's various commercial districts, ease of navigation, quality of the street environment
28 and pedestrian experience are critical to attracting business investment and encouraging
29 consumer engagement in Homer's commercial districts; and
30

31 WHEREAS, The EDC has determined that a wayfinding-streetscape plan (a plan and
32 design standards to guide City improvements and enhancements such as wayfinding signage,
33 landscaping, benches, trash receptacles, pocket parks, etc.) will support BR&E business
34 climate goals and be a catalyst for economic activity; and
35

36 WHEREAS, Establishing a wayfinding-streetscape (WF-SS) system is consistent with
37 goals in the City of Homer Comprehensive Plan, the Non-Motorized Transportation & Trail Plan
38 and the Homer Spit Comprehensive Plan; and
39

40 WHEREAS, A WF-SS plan builds upon citizen interest in Pioneer Avenue through the
41 Pioneer Avenue Revitalization Task Force’s efforts to make a more attractive, vibrant Pioneer
42 Avenue business district; and

43
44 WHEREAS, The scope and objectives for a WF-SS plan have been proposed by the EDC
45 and have been endorsed by the Homer Planning Commission, Park Arts, Recreation and
46 Culture Advisory Commission and by community organizations and businesses; and

47
48 WHEREAS, Best practices for WF-SS plan development would utilize input from a broad-
49 based local steering committee and the design and outreach expertise of a professional
50 consultant to work with the public, the City and State agencies responsible for managing
51 public right-of-ways.

52
53 NOW THEREFORE, The City of Homer supports the Wayfinding-Streetscape Plan
54 proposal and Ordains:

55
56 Section 1. The FY2019 Operating budget is hereby amended by appropriating no more
57 than \$50,000 from the HART Fund to secure the services of a professional consultant to
58 facilitate the development of a WF-SS Plan through a competitive bidding process, as follows:

59

Account No.	Description:	Amount:
xxx-xxxx	Professional Services	\$50,000

62

63 Section 2. City Council authorizes the City Manager to prepare a Request for Proposals
64 to secure these consultant services.

65
66 Section 3. City Council further authorizes formation of a WF-SS Task Force to work with
67 the consultant as needed on the WF-SS Plan development.

68
69 Section 4. This is a budget amendment ordinance is temporary in nature, and shall not
70 be codified.

71
72 CITY OF HOMER
73
74 _____
75 KEN CASTNER, MAYOR

76 ATTEST:
77
78 _____
79 MELISSA JACOBSEN, MMC, CITY CLERK
80

81 YES:

82 NO:

83 ABSTAIN:

84 ABSENT:

85

86 First Reading:

87 Public Hearing:

88 Second Reading:

89 Effective Date:

90

91

92 Reviewed and approved as to form:

93

94

95

96 _____
Katie Koester, City Manager

97

98 Date: _____

Michael Gatti, City Attorney

Date: _____



Memorandum

TO: City Council and Mayor Castner

THROUGH: Katie Koester, City Manager

FROM: Economic Development Advisory Commission

DATE: November 18, 2019

SUBJECT: Advisory Commission support for the Wayfinding-Streetscape Plan Ordinance
Authorizing funds for developing a Wayfinding-Streetscape Plan for the City of Homer

After working on the Wayfinding-Streetscape Plan proposal for 18 months, the Economic Development Commission held a joint worksession on October 16, 2019 to review and discuss the proposal with the Planning Commission and the Park, Arts, Recreation and Culture Advisory Commission.

After the worksession, each commission addressed the Ordinance at their regularly scheduled business meetings and each voted unanimously in support of the draft ordinance for adoption by the City Council. Excerpts from the meeting minutes are attached for your reference.

Economic Development Commission

Recommendation: Adopt Ordinance authorizing the development of a wayfinding-streetscape plan for the City of Homer.

The purpose of the Task Force was also discussed at the worksession. Consensus was that the Task Force could be set up after creation of the RFP and selection of the consultant to serve as a stakeholder group capable of collecting data and gathering public input under direction of the consultant to inform the planning process. The Task Force would also provide organizational support for and promote community participation in any public meetings, plan open houses, charrette events, etc. scheduled by the consultant.

Proposed Project Scope

The EDC recommends a **Wayfinding-Streetscape Plan** with an emphasis on:

- 1) Pedestrian experience with continuity with vehicle signage, particularly at Homer's gateways;
- 2) Design that is cohesive, but not necessarily identical and that enhances and reflects the distinctive commercial districts and creative character of Homer;
- 3) Using all aspects of technological and physical wayfinding signage and tools.

Wayfinding Scope

- 1) Assist pedestrians navigating Pioneer Avenue and to points of interest in the Central Business District;
- 2) Orientation wayfinding at Homer's gateways;
- 3) Making connections between Homer's destination areas (i.e. Old Town, the Spit, Farmer's Market, and others as identified and agreed upon.)

Streetscape Scope

- 1) Propose realistic streetscape and public space improvement options along Pioneer Avenue and to points of interest within the Central Business District
- 2) A strategic approach for implementation of any combination of the following elements:
 - Accessibility • Banners • Trash cans
 - Landscaping (plant lists, use of gardens)
 - Pedestrian rest stops and street furniture:

F. Wayfinding, Next Steps

Chair Lewis introduced the item by reading of the title and requested a motion.

HARRALD/ARCHIBALD MOVED TO RECOMMEND TO CITY COUNCIL TO ADOPT ORDINANCE 19-XX TO FUND UP TO \$50,000 FROM THE HART FUND FOR THE PURPOSE OF DEVELOPING A WAYFINDING AND STREETScape PLAN.

Per questions from Commissioner Archibald, Deputy City Planner Engebretsen clarified that likely the funding for the plan would come from a split of road and trail funds, which will be up to City Council to decide. Further discussion ensued on the reasons in support of having a Wayfinding-Streetscape Plan and ensuring that PARCAC has a voice during the creation of the plan.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

**PLANNING COMMISSION
REGULAR MEETING
OCTOBER 16, 2019**

NEW BUSINESS

Memorandum from Jenny Carroll re: Wayfinding, Next Steps

Chair Venuti introduced the item by reading the title into the record.

Deputy City Planner Engebretsen requested a motion of support from the Commission to forward to City Council.

BENTZ/BOS MOVED TO RECOMMEND THE PLANNING COMMISSION SUPPORTS THE INITIATIVE TO CREATE WAYFINDING AND STREETScape PLAN AND FORWARD TO CITY COUNCIL.

Commissioner Bentz provided a recap of the joint worksession between members of the Economic Development Advisory Commission, Parks Art Recreation & Cultures Advisory Commission and the Planning Commission. She noted the following was discussed and reviewed:

- Work product on the initiative
- Draft ordinance and outline of work efforts
- Timeline
- Consultant to develop wayfinding and streetscape plan
- Possibility of Updated map of the city
- Interest in working together to achieve multiple goals such as marketing , non-motorized transportation

Further comments from the Commission on the goals of the plan, interest from business owners, not getting bogged down in the color palette and not addressing technical design, meshing with current plans and that it will be more of a technical planning document.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 Aderhold

4 **RESOLUTION 19-082**

5
6 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
7 URGING THE ALASKA DEPARTMENT OF TRANSPORTATION &
8 PUBLIC FACILITIES TO KEEP THE SILVERTIP MAINTENANCE
9 STATION OPEN.

10
11 WHEREAS, On September 4, 2019, the Alaska Department of Transportation & Public
12 Facilities (DOT&PF) issued a press release announcing its decision to close the Silvertip
13 Maintenance Station located near the junction of the Seward and Hope Highways, and to
14 have the Crown Point and Girdwood maintenance stations provide services to the Silvertip
15 region originally from 4 a.m. to 8 p.m. but extended those hours on October 24, 2019 from 4
16 a.m. to 10 p.m.; and

17
18 WHEREAS, The Silvertip Station is in the midst of the Kenai Mountains, enabling
19 DOT&PF to provide prompt road maintenance services in the heart of this elevated area of
20 steep slopes and frequent curves along the Seward Highway through Turnagain Pass; and

21
22 WHEREAS, The Seward Highway is the sole roadway connection to the Kenai
23 Peninsula Borough, home to approximately 58,522 people, and is relied on daily for travel for
24 many purposes including access to medical services, the delivery of mail, goods and services,
25 other business travel, and many other important purposes; and

26
27 WHEREAS, According to DOT&PF five positions were cut as a result of less than
28 expected revenue from the Motor Fuel Tax which supports DOT&PF's maintenance workers
29 and stations; and

30
31 WHEREAS, The Silvertip Station is about 25 road miles from the Girdwood Station and
32 about 32.5 miles from the Crown Point Station, which leaves a large additional expanse to be
33 covered by these stations, and is expected to result in substantially delayed and reduced
34 road maintenance services in the area previously covered by the Silvertip Station; and

35
36 WHEREAS, This is also expected to result in increased road closures, depending upon
37 weather and road conditions, on this important arterial highway; and

38
39 WHEREAS, The traffic between 10 p.m. and 4 a.m. normally consists of heavy semi-
40 trucking including doubles and carrying heavier than normal loads in order to travel at a time
41 when most of the public is not on the road; and

42
43 WHEREAS, The Kenai Peninsula Borough has established the Eastern Peninsula
44 Highway Emergency Service Area which coordinates the provision of volunteer emergency

45 services along the Seward Highway and eastern portions of the Sterling Highway which under
46 current conditions requires volunteers to put in long hours to respond to accidents and
47 deliver injured people to medical services when needed; and

48
49 WHEREAS, This severe reduction in road maintenance will also detrimentally impact
50 road safety by delaying the ability of emergency personnel to respond to vehicle accidents
51 occurring within the Seward Highway corridor and then deliver injured people to the health
52 care services they may require; and

53
54 WHEREAS, The lack of maintenance during these hours will likely increase the volume
55 of heavier commercial vehicles travelling at the same times most smaller vehicles travel,
56 further increasing safety risks.

57
58 NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, strongly
59 urges the Alaska Department of Transportation and Public Facilities to keep the Silvertip
60 Maintenance Station open during the upcoming winter months with personnel needed to
61 properly maintain that section of the highway.

62
63 BE IT FURTHER RESOLVED that copies of this resolution shall be sent to Governor
64 Michael R. Dunleavy, John McKinnon, Commissioner DOT&PF; Wolfgang Junge, Director,
65 Central Region, DOT&PF; Mike Lesmann, Legislative Liaison, DOT&PF; Senator Peter Micciche;
66 Senator Gary Stevens, Representative Ben Carpenter, Representative Sarah Vance;
67 Representative Gary Knopp; Kenai Peninsula Borough; City of Seward; City of Kenai; City of
68 Soldotna; and the Municipality of Anchorage.

69
70 PASSED AND ADOPTED by the Homer City Council this 25th day of November, 2019.

71
72 CITY OF HOMER

73
74
75
76 _____
77 KEN CASTNER, MAYOR

78 ATTEST:

79
80 _____
81 MELISSA JACOBSEN, MMC, CITY CLERK

82
83 Fiscal Note: N/A

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

Aderhold

3
4 **RESOLUTION 19-083**

5
6 A RESOLUTION OF THE CITY COUNCIL OF HOMER ALASKA
7 STRONGLY DISCOURAGING ANY LEGISLATIVE OR REGULATORY
8 CHANGES THAT ERODE OIL SPILL PREVENTION AND RESPONSE
9 STANDARDS; STATING THAT IF THE SYSTEM CREATED AFTER
10 THE 1989 OIL SPILL IS WEAKENED, ALASKANS WILL LIKELY FACE
11 AN INCREASED RISK OF RELIVING ANOTHER MAJOR OIL SPILL;
12 AND ASKING THE STATE OF ALASKA TO HALT THE DEPARTMENT
13 OF ENVIRONMENTAL CONSERVATION'S PUBLIC SCOPING
14 PROCESS UNTIL DETAILED INFORMATION IS PROVIDED TO THE
15 PUBLIC AS TO THE DRIVING FACTORS THAT LED TO THIS
16 REGULATORY AND STATUTORY REFORM INITIATIVE
17

18 WHEREAS, The Alaska Department of Environmental Conservation (ADEC) is seeking
19 input from the public on oil discharge prevention and contingency plan regulations under 18
20 AAC 75 Article 4 and is accepting comments on its statutory authorities relevant to
21 contingency planning under AS 46.04; and
22

23 WHEREAS, Based on the input ADEC receives, a formal regulation drafting and review
24 process may be initiated that would be subject to public review and comment; and
25

26 WHEREAS, ADEC's mission statement is "Conserving, improving, and protecting
27 Alaska's natural resources and environment to enhance the health, safety, economic, and
28 social well-being of Alaskans"; and
29

30 WHEREAS, Residents of the City of Homer were instrumental in the Alaska Legislature
31 passing legislation in 1976 to buyback oil and gas leases in the waters of Kachemak Bay
32 because of concerns for the impact oil and gas exploration and development could have on
33 the marine ecology of the bay, the livelihood and economy of Homer, and human health; and
34

35 WHEREAS, The concerns of Homer area residents about the impact of an oil spill were
36 realized when the M/V Exxon Valdez ran aground in Prince William Sound in March 1989; and
37

38 WHEREAS, the City of Homer and the citizens of Homer were among the many
39 communities directly affected by the Exxon Valdez oil spill; and
40

41 WHEREAS, Congress enacted the Oil Pollution Act of 1990 that included, among other
42 things, the creation of citizen advisory councils for Cook Inlet and Prince William Sound; and

43 WHEREAS, The City of Homer has representatives on both regional citizen advisory
44 councils and relies on them to promote environmentally safe marine transportation and oil
45 facility operations; and

46
47 WHEREAS, After the Exxon Valdez oil spill, Alaska citizens and the Alaska Legislature
48 worked together to protect the state from major oil spills by enacting comprehensive laws
49 and regulations dealing with prevention, response, contingency planning, financial
50 responsibility, oversight, monitoring, and other subjects related to the safe handling and
51 transportation of oil and other hazardous substances; and

52
53 WHEREAS, These laws and regulations were based on real world experiences and the
54 painful lessons of the Exxon Valdez oil spill and were crafted in coordination with State
55 government and oil industry partners, requiring extensive compromise in the determined
56 Response Planning Standards; and

57
58 WHEREAS, Oil spill prevention and response contingency planning regulations were
59 adopted by the State of Alaska in 1992, and the regulations have been revised on nine
60 occasions to clarify the requirements, streamline the review process, and make the process
61 of drafting contingency plans less onerous and the review of those plans more predictable
62 and expeditious; and

63
64 WHEREAS, As a result of post-Exxon Valdez oil spill laws and regulations, Alaska has
65 world-class oil spill prevention and response requirements to protect its people and its
66 environment, as well as commercial and sport fishing, aquaculture, recreation, tourism,
67 subsistence, and cultural interests; and

68
69 WHEREAS, As part of the current scoping process the ADEC Commissioner stated he
70 has “heard from many Alaskans that contingency plans are unnecessarily burdensome while
71 lacking corresponding environmental benefits,” and that ADEC has identified regulations that
72 can be eliminated or significantly reformed; and

73
74 WHEREAS, Despite repeated requests by the regional citizens advisory councils, ADEC
75 has yet to identify companies, organizations, or Alaskans that have said the existing system is
76 too burdensome, or identify specific regulations or statutes they believe can be eliminated or
77 significantly reformed; and

78
79 WHEREAS, It is unreasonable for ADEC to claim now, after 30 profitable years of
80 industry compliance with laws under AS 46.04 and regulations under 18 AAC 75 Article 4, that
81 they are too burdensome, and this claim disregards the hard work of hundreds of Alaskans
82 who worked tirelessly after the Exxon Valdez oil spill to create oil spill prevention and
83 response standards to ensure the State of Alaska would never again suffer an environmental
84 disaster like the Exxon Valdez oil spill; and

85 WHEREAS, Reducing the burden on industry by rolling back or eliminating proven oil
86 spill prevention and response requirements transfers the risk and burden of another oil spill
87 to the communities, citizens, and environment; and
88

89 WHEREAS, Over the past 30 years, Alaska’s Congressional Delegation has steadfastly
90 supported prudent and sensible actions to help lessen the risks, trauma, and injury to Alaska
91 and its citizens from another major oil spill.
92

93 NOW THEREFORE BE IT RESOLVED, that the City Council of Homer, Alaska strongly
94 discourages any legislative or regulatory changes that erode oil spill prevention and response
95 standards, increase the risk of a catastrophic spill, or demonstrate a return to complacency
96 on the part of the oil industry and regulators that Congress determined to be a primary cause
97 of the Exxon Valdez oil spill; and
98

99 BE IT FURTHER RESOLVED, that the Homer City Council believes that if the system
100 created after the 1989 oil spill is weakened, Alaskans will likely face an increased risk of
101 reliving another major oil spill that could damage human health; Alaska’s commercial, sport,
102 and subsistence fishing; sport and subsistence hunting; other businesses; fish; wildlife; the
103 environment; and the culture and quality of life of the people; and
104

105 BE IT FURTHER RESOLVED, that the Homer City Council asks the State of Alaska to halt
106 ADEC’s public scoping process until detailed information is provided to the public as to the
107 driving factors that led to this regulatory and statutory reform initiative, identifying the
108 Alaskan companies and organizations that have contacted them with claims that the existing
109 regulations are too burdensome, and providing information on the statutes and regulations
110 ADEC claims can be eliminated or significantly reformed.
111

112 PASSED AND ADOPTED by the Homer City Council this 25th day of November, 2019.
113

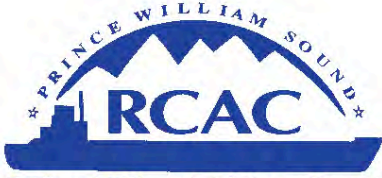
114 CITY OF HOMER
115
116

117 _____
118 KEN CASTNER, MAYOR
119

120 ATTEST:
121
122

123 _____
124 MELISSA JACOBSEN, MMC, CITY CLERK
125

126 Fiscal note: N/A



Regional Citizens' Advisory Council / "Citizens promoting environmentally safe operation of the Alyeska terminal and associated tankers."

In Anchorage: 3709 Spenard Road / Suite 100 / Anchorage, Alaska 99503 / (907) 277-7222 / FAX (907) 277-4523
In Valdez: P.O. Box 3089 / 130 South Meals / Suite 202 / Valdez, Alaska 99686 / (907) 834-5000 / FAX (907) 835-5926

MEMBERS

**Resolution 19-03
Safeguarding Alaska's Oil Spill Prevention and Response Standards**

Alaska State
Chamber of Commerce

WHEREAS, after the 1989 *Exxon Valdez* oil spill, Congress found that complacency on the part of industry and regulators played a role in the spill, the public trust was broken, and one way to combat this complacency and rebuild trust was to involve the public, those with the most to lose in the event of a large spill, in decisions that affect the safe transportation of oil;

Chugach Alaska
Corporation

City of Cordova

WHEREAS, Congress enacted the Oil Pollution Act of 1990 that included, among other things, the creation of citizen advisory councils for Cook Inlet and Prince William Sound;

City of Homer

City of Kodiak

WHEREAS, after the *Exxon Valdez* oil spill, Alaska citizens and the Alaska Legislature worked together to protect the state from major oil spills by enacting comprehensive laws and regulations dealing with prevention, response, contingency planning, financial responsibility, oversight, monitoring, and other subjects related to the safe handling and transportation of oil and other hazardous substances;

City of Seldovia

City of Seward

City of Valdez

WHEREAS, these laws and regulations were based on real world experiences and the painful lessons of the *Exxon Valdez* oil spill and were crafted in coordination with State government and oil industry partners, requiring extensive compromise in the determined Response Planning Standards¹;

City of Whittier

Community of
Chenega

WHEREAS, oil spill prevention and response contingency planning regulations were adopted by the State of Alaska in 1992, and the regulations have been revised on nine occasions to clarify the requirements, streamline the review process, and make the process of drafting contingency plans less onerous and the review of those plans more predictable and expeditious;

Community of
Tatitlek

Cordova District
Fishermen United

Kenai Peninsula
Borough

WHEREAS, as a result of post-*Exxon Valdez* oil spill laws and regulations, Alaska has world-class oil spill prevention and response requirements to protect its people and its environment, as well as commercial and sport fishing, aquaculture, recreation, tourism, subsistence, and cultural interests;

Kodiak Island
Borough

Kodiak Village Mayors
Association

WHEREAS, on October 15, 2019, the State of Alaska's Department of Environmental Conservation Commissioner issued a public scoping notice seeking input on existing regulations and statutes because he has "heard from many Alaskans that contingency plans are unnecessarily burdensome while lacking corresponding environmental benefits," and that his Department has identified regulations that can be eliminated or significantly reformed;

Oil Spill Region
Environmental
Coalition

Port Graham
Corporation

WHEREAS, despite repeated requests, the Alaska Department of Environmental Conservation has yet to identify the companies, organizations, or Alaskans that

Prince William Sound
Aquaculture
Corporation

¹ To find out more about the history and legislative intent of Alaska's strong Response Planning Standards, read the Council's August 2018 report [Alaska's Oil Spill Response Planning Standard - History and Legislative Intent](#).

have said the existing system is too burdensome, or identify the regulations or statutes they believe can be eliminated or significantly reformed;

WHEREAS, it is unreasonable for the Department of Environmental Conservation to claim now, after 30 profitable years of industry compliance with the laws and regulations, that they are too burdensome, and this claim disregards the hard work of hundreds of Alaskans who worked tirelessly after the *Exxon Valdez* oil spill to create oil spill prevention and response standards, to ensure that the State of Alaska would never again suffer an environmental disaster like the *Exxon Valdez* oil spill;

WHEREAS, reducing the burden on industry by rolling back or eliminating proven oil spill prevention and response requirements transfers the risk and burden of another oil spill to the communities, citizens, and environment; and

WHEREAS, Alaska's Congressional Delegation has steadfastly supported over the past thirty years prudent and sensible actions to help lessen the risks, trauma, and injury to Alaska from another major oil spill.

NOW THEREFORE BE IT RESOLVED, that, in its statutory advisory role, the Prince William Sound Regional Citizens' Advisory Council strongly advises against any legislative or regulatory changes that erode oil spill prevention and response standards, increase the risk of a catastrophic spill, or demonstrate a return of the complacency on the part of oil the industry and regulators that Congress determined to be a primary cause of the *Exxon Valdez* oil spill;

BE IT FURTHER RESOLVED, that the Prince William Sound Regional Citizens' Advisory Council believes that, if the system created after the 1989 spill is weakened, Alaskans will likely face an increased risk of reliving another major oil spill that could damage Alaska's commercial, sport and subsistence fishing, sport and subsistence hunting, other businesses, fish, wildlife, environment, and the culture and quality of life of the people;

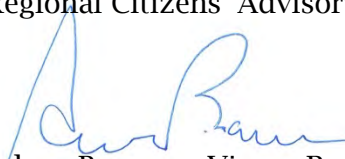
BE IT FURTHER RESOLVED, that the Prince William Sound Regional Citizens' Advisory Council advises that the State of Alaska halt this Public Scoping process until detailed information is provided to the public as to the driving factors that led to this regulatory and statutory reform initiative, identifying the Alaskans, including individuals, companies and organizations, who have contacted them with claims that the existing regulations are too burdensome, and by providing information on the statutes and regulations the Department claims can be eliminated or significantly reformed; and

BE IT FURTHER RESOLVED, that the Prince William Sound Regional Citizens' Advisory Council strongly recommends that Alaskans interested in maintaining safety standards designed to protect the state's environment, people, and economy from catastrophic oil spills contact the Alaska Department of Environmental Conservation to register their views regarding any weakening of existing safeguards.

PASSED and APPROVED by the Prince William Sound Regional Citizens' Advisory Council Board of Directors on this 29th day of October, 2019.



Robert Archibald, President of PWSRCAC and Executive Committee Member, Representative from the City of Homer



Amanda Bauer, Vice President of PWSRCAC and Executive Committee Member, Representative from the City of Valdez

Wayne Donaldson

Wayne Donaldson, Treasurer of PWSRCAC and Executive Committee Member, Representative from the City of Kodiak

[Signature]
Thane Miller, Executive Committee Member-at-Large, Representative from the Prince William Sound Aquaculture Corporation

Unavailable for Signature

Rebecca Skinner, Executive Committee Member-at-Large, Representative from the Kodiak Island Borough

Luke Hasenbank

Luke Hasenbank, Representative from the Alaska State Chamber of Commerce

[Signature]

Conrad Peterson, Representative from the Kodiak Village Mayors Assn.

Roy Totemoff

Roy Totemoff, Representative from Tatitlek Corporation and Tatitlek IRA Council

Dorothy M. Moore

Dorothy Moore, Representative from the City of Valdez

Robert Beedle

Robert Beedle, Representative from the City of Cordova

Bob Shavelson

Bob Shavelson, Secretary of PWSRCAC and Executive Committee Member, Representative from the Oil Spill Region Environmental Coalition

Peter E. Andersen

Peter Andersen, Executive Committee Member-at-Large, Representative from the Chugach Alaska Corporation

Patience Andersen Faulkner

Patience Andersen Faulkner, Representative from Cordova District Fishermen United

Michael Bender

Michael Bender, Representative from the City of Whittier

Rob Chadwell

Rob Chadwell, Representative from the City of Seward

[Signature]

Michael Vigil, Representation from Chenega Corporation and Chenega IRA Council

Mako Haggerty

Mako Haggerty, Representative from the Kenai Peninsula Borough

Kirk Zinck

Kirk Zinck, Representative from the City of Seldovia

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 City Manager

4 **RESOLUTION 19-084**

5
6 A RESOLUTION OF THE HOMER CITY COUNCIL APPROVING AN
7 OPERATING AGREEMENT BETWEEN THE KENAI PENINSULA
8 BOROUGH AND SOUTH PENINSULA HOSPITAL INC. DATED
9 JANUARY 1, 2020 AND ALSO APPROVING THE KENAI PENINSULA
10 BOROUGH AND SOUTH PENINSULA HOSPITAL INC.'S REQUEST
11 TO SUBLEASE A PORTION OF THE HOSPITAL TO THE US
12 DEPARTMENT OF VETERANS AFFAIRS ON THE CITY LEASED
13 PROPERTY TRACT A-2, SOUTH PENINSULA HOSPITAL
14 SUBDIVISION 2008 ADDITION, FILED AS PLAT NO. 2008-92.

15
16 WHEREAS, The Kenai Peninsula Borough currently has a lease for the City property
17 known as Tract A-2, South Peninsula Hospital Subdivision 2008 Addition, filed as Plat No. 2008-
18 92, until June 30, 2105 in the amount of \$10 for the purpose of running a hospital facility; and
19

20 WHEREAS, According to the lease, all subleases or lease assignments must obtain the
21 written consent of the City, which the City will not unreasonably withhold; and
22

23 WHEREAS, Homer City Council approved of the sublease and operating agreement
24 between the Kenai Peninsula Borough and South Peninsula Hospital Inc. Board of Directors
25 dated August 28, 2013 through the passage of Resolution 13-103 for the purpose of managing
26 the hospital facility known as South Peninsula Hospital; and
27

28 WHEREAS, The August 28, 2013 sublease terminates December 31, 2019; and
29

30 WHEREAS, The Kenai Peninsula Borough and South Peninsula Hospital Inc. Board of
31 Directors wish to renew the Operating Agreement with the new term of January 1, 2020 until
32 December 31, 2029; and
33

34 WHEREAS, The City Council reviewed the Operating Agreement dated January 1, 2020
35 at its regular meeting on November 25, 2019; and
36

37 WHEREAS, The Kenai Peninsula Borough and South Peninsula Hospital Inc. Board of
38 Directors also request the City's retroactive consent to sublease exam rooms 2115 and 2116,
39 waiting room 2019, and the telecom closet to the US Department of Veterans Affairs starting
40 October 1, 2019 until September 30, 2022 at no cost from the City; and
41

42 WHEREAS, The three year sublease with the US Department of Veterans Affairs will be
43 exempt from HCC 18.08.140 (c) and (d); and

44 WHEREAS, The City supports the Kenai Peninsula Borough and South Peninsula
45 Hospital Inc.'s efforts to provide local access to quality health care for the greater Homer area.

46
47 NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby approves the
48 Operating Agreement between the Kenai Peninsula Borough and South Peninsula Hospital Inc.
49 dated January 1, 2020 in which the Kenai Peninsula Borough subleases the following-
50 described property to South Peninsula Hospital, Inc., and also approves the sublease between
51 the Kenai Peninsula Borough and the US Department of Veterans Affairs for the use of exam
52 rooms 2115 and 2116, waiting room 2019, and the telecom closet on the City property also
53 known as Tract A-2, South Peninsula Hospital Subdivision 2008 Addition, Filed as Plat No. 2008-
54 92, Homer Recording District, Third Judicial District, State of Alaska.

55
56 PASSED AND ADOPTED by the Homer City Council this 25th day of November 2019.

57
58 CITY OF HOMER

59
60
61
62 _____
63 KEN CASTNER, MAYOR

64 ATTEST:

65
66
67 _____
68 MELISSA JACOBSEN, MMC, CITY CLERK

69
70 Fiscal note: \$0 for both subleases

OPERATING
AGREEMENT

FOR

SOUTH PENINSULA
HOSPITAL

Effective January 1, 2020

Approved by Kenai Peninsula Borough Assembly

December __, 2019 in Ordinance 2019-_____

Approved by South Peninsula Hospital, Inc. Board of Directors

_____, 2019

**SOUTH PENINSULA HOSPITAL, INC.
OPERATING AGREEMENT**

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ATTACHMENTS

Exhibit A. Description of Medical Facilities

Exhibit B. Example of Operating Statistics

Exhibit C. Memorandum of Agreement dated _____

OPERATING AGREEMENT

THIS OPERATING AGREEMENT (“Agreement”) is made and entered into on this ___ day of _____, 2019, between the Kenai Peninsula Borough, an Alaska municipal corporation, hereinafter referred to as “Borough,” “KPB” or “Owner,” 144 N. Binkley Street, Soldotna, Alaska 99669, and South Peninsula Hospital, Inc., an Alaska nonprofit corporation, hereinafter referred to as “SPHI or “Operator,” 4300 Bartlett Street, Homer, Alaska 99603.

WHEREAS, the Borough established and the voters approved the South Kenai Peninsula Hospital Service Area, hereinafter referred to as the “Service Area,” to assure residents that hospital services would be provided within its boundaries; and

WHEREAS, through tax levies and revenues generated within that service area the Borough has leased, constructed and acquired healthcare facilities located in Homer, Alaska to meet the needs of the residents; and

WHEREAS, the Borough provides for the operation of South Peninsula Hospital and other facilities, hereinafter referred to as the “Medical Facilities,” through the authority granted by the voters of the South Kenai Peninsula Hospital Service Area; and

WHEREAS, the Medical Facilities have been administered by SPHI under a series of lease and operating agreements between the Borough and SPHI, the last of which expires on December 31, 2019; and

WHEREAS, the Borough and SPHI desire to enter into a new agreement for the management and operation of the Medical Facilities and for SPHI, operating as a non-profit corporation, to operate the Medical Facilities for nonprofit hospital purposes to ensure continued availability of health care services and facilities for Service Area residents and visitors, as authorized by KPB Ordinance 2019-____ (approving execution and delivery of this Agreement); and

WHEREAS, the parties agree that SPHI shall endeavor to operate the Medical Facilities on a self-supporting basis while preserving the same or a better level of service as was previously provided to the residents of the Service Area; and

WHEREAS, the parties agree that the Borough shall retain all powers incident to ownership of the Medical Facilities;

NOW THEREFORE, in consideration of mutual covenants contained herein the parties agree as follows:

1. **PRIOR AGREEMENTS SUPERSEDED.** This Operating Agreement (“Agreement”) supersedes and replaces the existing Sublease and Operating Agreement with an effective date of January 1, 2014, and all other prior agreements concerning the use of the real property and improvements thereon described in this Agreement or the operation and management of any or all of the Medical Facilities, except for the Sublease Agreements described in paragraph 2.b and all amendments to those Agreements. In addition to compliance with this Agreement, SPHI covenants to continue to comply with those Agreements, which are integrated into this Agreement.

2. **AGREEMENT TO OPERATE AND MANAGE MEDICAL FACILITIES; AUTHORIZATION TO CONTINUE OTHER AGREEMENTS; LEASED FACILITIES.**

a. Agreement to Operate and Manage Medical Facilities. The Borough hereby contracts with SPHI to operate and manage the property described in attached Exhibit A, including all fixtures and appurtenances thereto (hereinafter referred to collectively as the “Medical Facilities”) for the term of this Agreement and any extension thereof for the Borough consistent with the terms and conditions of this Agreement.

b. Authorization to Continue Agreements for Certain Facilities. SPHI is hereby authorized to continue subleasing, managing and operating facilities under the following agreement subject to approval by the City of Homer:

Sublease Agreement between SPHI and Veteran’s Administration originally dated October 1, 2009 and amended September 27, 2019.

c. Leased Facilities. The Borough leases the property described in attached Exhibit A to SPHI for the term of this Agreement and any extension thereof. SPHI shall pay the Borough a lease payment in the sum of one dollar (\$1.00) per year to lease the property described in this Agreement. Such payment shall be due in full on or before the 1st day of January 2020 for the first 10-year period. If the contract is extended, the payment for the extended term shall be due and payable on January 1st of the first year of the new term.

The Borough warrants that it has good and marketable title to the Medical Facilities it owns free and clear and leases to SPHI as described in Exhibit A, paragraph a, subject only to encumbrances of record prior to the effective date of this Agreement.

The Parties further acknowledge that the sublease of the portion of property owned by the City of Homer, described in Exhibit A at paragraph a, to SPHI is subject to consent by the City of Homer, which consent may not be unreasonably withheld. The parties agree to cooperate in seeking such consent upon execution of this Agreement.

3. PROVISION OF SERVICES. SPHI agrees to operate and manage for the benefit of the Borough the Medical Facilities described in this Agreement. SPHI agrees that so long as this Agreement is in effect it will continuously operate and manage the Medical Facilities as a duly licensed hospital, skilled nursing facility, or health care facilities, as applicable, under Alaska licensing laws and in accordance with all applicable state and federal laws, regulations and rules governing hospitals, skilled nursing and other facilities as applicable, and in accordance with the terms and conditions of this Agreement. In addition, SPHI may provide any other health service and operate any other health facility for the Service Area, to the extent that such services and/or operations of other health facilities are authorized or otherwise approved as provided in paragraph 24.d of this Agreement.

All services provided by SPHI under the terms of this Agreement, excepting other SPHI business activities described in paragraph 24.d. of this Agreement, shall be limited in scope to the services that the Borough is legally authorized to provide through the Service Area.

If authorized, by the Borough and by law, these services may be provided either directly or by contract, and shall be provided in accordance with this Agreement and all applicable state and federal laws, regulations and rules governing such health services or health facilities. If SPHI enters into a contract with an independent contractor to be the exclusive provider of any program or service, then the contractor shall be required to comply with all applicable terms and conditions of this Agreement.

4. TERM. This Agreement shall be in effect from January 1, 2020, to and including December 31, 2029, unless terminated earlier in accordance with the provisions of this Agreement. By mutual agreement of the parties this Agreement may be extended for an additional period, not to exceed five years. If no notice of termination has been given or no agreement to extend has been signed before December 31, 2028, then a five-year extension of this term shall be deemed to have been agreed upon. The terms of the Agreement for the additional five-year extension period shall be the same as this Agreement, with all amendments, unless the parties negotiate new terms before the effective date of the extension, January 1, 2030, and document those new terms in writing.

5. NOTICES. All notices, reports or documents or other communications required or authorized to be given by one party to the other party to this Agreement shall be in writing and delivered personally or by depositing the same in the United States mail, postage prepaid, certified, return receipt requested, and addressed to the parties as hereinafter provided, or by either email or facsimile transmission (“fax”) with advance telephonic notice and a hard copy sent by first class mail:

FOR THE BOROUGH:
Mayor
Kenai Peninsula Borough
144 N. Binkley Street
Soldotna, AK 99669
Email: cpierce@kpb.us
Fax # (907) 714-2377

FOR SPHI
President, Board of Directors
SPHI
4300 Bartlett Street
Homer, AK 99603
Email: dgroesbeck@sphosp.org
Fax # (907) 235-0253

Notice shall be effective upon the date of personal delivery or, if mailed, upon the date of delivery as shown by certified receipt or, if sent via fax or email, upon the date of receipt of the fax or email. The Borough Mayor shall be responsible for forwarding any such notice, report or document to the South Kenai Peninsula Hospital Service Area Board (“SAB”), other interested Borough boards, Borough departments, or any other appropriate individual or agency for consideration or action. The President of SPHI shall be responsible for forwarding any such notice, report or document to the SPHI Board members, chief executive officer, or any other appropriate individual or agency for consideration or action.

6. COMMUNICATIONS WITH BOROUGH. SPHI shall provide the following information and reports to the Borough Contract Administrator, the SAB Chair and the Borough Finance Director:

a. A written monthly financial report which shall include a balance sheet, a statement of cash flow, an income statement, and operating statistics substantially in the form attached hereto as Exhibit B;

b. A written quarterly activity report, which shall include all the items as set forth in the monthly financial report, plus a statement of activities, issues and events, which shall in addition be orally presented by a representative of SPHI to the SAB and then to the Borough Assembly;

c. An Annual List complying with reporting requirements set forth in paragraph 10 of this Agreement; and

d. All other notifications in accordance with this Agreement.

In the event that SPHI is no longer required by the IRS to complete a publicly available Form 990, SPHI shall notify the borough in writing at the time of the change. The borough may then require additional reporting of relevant information previously available on Form 990. SPHI shall clearly identify all such information it considers to be proprietary or privileged or confidential. To the extent allowed by law, the Borough shall treat such information as proprietary, privileged or confidential.

Unless otherwise provided herein, (i) monthly reports shall be delivered within 60 days after the end of the month; (ii) quarterly reports shall be delivered within 60 days after the end of the quarter; and (iii) annual lists shall be delivered on or before March 1st of each year. Additionally, SPHI's representatives shall make reasonable efforts to meet at least quarterly with the Borough Contract Administrator to discuss any concerns by either party, the current status of ongoing projects and upcoming plans for the Medical Facilities. The parties recognize that such meetings are subject to the protections for records and information of SPHI's business plans as provided in this Agreement.

7. UTILITIES. SPHI shall be responsible for and ensure the payment of all the utilities necessary to operate the Medical Facilities, including, but not limited to: electricity, heat, water, sewer service, garbage collection, snow removal and sanding, and telephone/internet service.

8. TAXES; COOPERATION ON BOND FINANCING; TAX-EXEMPT STATUS; SAFE HARBOR COMPLIANCE.

a. Taxes. SPHI shall be responsible for and shall ensure payment before delinquency all governmental taxes, assessments, charges or liens assessed during the term of this Agreement against any leasehold interest or property of any kind or income or sales of any kind by SPHI related to this Agreement.

b. Cooperation on Bond Financing. SPHI acknowledges that the Borough has issued, and may issue bonds during the term of this Agreement (together, the "Municipal Bonds"), the proceeds of which have been, or may be, used to finance component parts of the Medical Facilities. The Borough has, and may in the future, determined to issue such Municipal Bonds on a tax-exempt basis pursuant to the Internal Revenue Code of 1986, as amended from time to time (the "Code"). As a means to ensure Municipal Bonds issued by the Borough on a tax-exempt basis remain tax exempt under the Code, SPHI agrees to cooperate with the Borough to ensure compliance with all rules and regulations applicable to such Municipal Bonds, including the Code, Treasury Regulations, revenue procedures and or other written rulings of the Internal Revenue Service and relating to permitted management contracts, including Rev. Proc. 2017-13 (if applicable), as the same may be modified, amplified, superseded, and interpreted by the courts and Internal Revenue Service. Such cooperation by SPHI may include certifications and opinions related to the management and operation of bond-financed component parts of the Medical Facilities.

c. Tax-Exempt Status. SPHI shall not take any action which would endanger its ability to obtain and maintain its status as an organization exempt from Federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or any successor or similar provision. SPHI covenants that it will not operate

the Medical Facilities in any way or engage in any activity that might reasonably be expected to cause any of the Borough bonds to lose their tax-exempt status, both existing Municipal Bonds and Municipal Bonds that may later be issued during the term of this Agreement.

d. Safe Harbor Compliance. The parties intend this Agreement be construed as a management contract for federal income tax purposes generally, and specifically in relation to any Municipal Bonds issued on a tax-exempt basis under the Code. The parties intend that this Agreement comply, and that in its performance of this Agreement SPHI comply, with all safe harbor conditions established by the Code, Treasury Regulations, revenue procedures or other written rulings of the Internal Revenue Service, including in Rev. Proc. 2017-13 (as applicable), as such conditions now exist or may hereafter be amended, under which an arrangement for services for management and operation of Medical Facilities owned by the Borough is characterized as a management contract for federal income tax purposes. The parties intend that this Agreement, and SPHI's performance under the terms of this Agreement, do not result in private business use of property financed with governmental tax-exempt bonds under § 141(b) of the Internal Revenue Code or cause the modified private business use test for property financed with qualified 501(c)(3) bonds under § 145(a)(2)(B) to be met. The parties agree that this Agreement shall be interpreted and construed in a manner consistent, and comply, with all safe harbor conditions relating to tax-exempt Municipal Bonds issued or to be issued, including Rev. Proc. 2017-13 (as applicable), as such conditions now exist or may hereafter be amended, and the parties agree to take such actions as are necessary to construe and administer this Agreement consistent with such compliance. In the event any federal court or the U.S. Department of the Treasury, Internal Revenue Service determines that any portion of this Agreement is not in compliance with such safe harbor condition or conditions, then the parties immediately agree to take any such actions as are necessary to ensure compliance with the applicable safe harbor condition or conditions. If the parties are unable to reach an agreement on the manner of compliance within thirty (30) days, then such compliance, and the manner of such compliance, shall be in the sole discretion of the Borough.

9. SUPPLIES, MATERIALS AND INVENTORY.

a. Use of Existing Supplies, Materials and Inventory. During the term of this Agreement, all supplies, materials, and inventory located in or on the Medical Facilities shall be subject to the control, consumption, disposition and replacement by SPHI for use solely for services provided under this Agreement.

b. Repair or Replacement. Supplies, materials and inventory that need to be repaired or replaced will be repaired or replaced by SPHI if necessary for the operation and management of the Medical Facilities. At the termination of this

Agreement, replacement supplies, materials, and inventory shall remain the sole property of the Borough or its successors or assigns, if any.

c. Purchasing Procedures. All purchases made by SPHI shall be done in accordance with SPHI corporate and operational policies related to purchasing and in coordination with the Borough Purchasing and Contracting Director pursuant to paragraph 9(d). These policies shall establish and follow competitive procedures for purchases above a threshold set by the SPHI board, and these policies shall be available to the public. SPHI shall provide copies of updated policies annually, in accordance with reporting requirements set forth in paragraph 10 of this Agreement.

d. Coordination with Borough Purchasing and Contracting. SPHI shall coordinate its purchases with other borough entities and organizations by communicating regularly with the Borough Purchasing and Contracting Department to develop compatible and standardized supplies and equipment and to save expenses through bulk purchases. Additionally, it shall coordinate with emergency service providers to ensure compatible equipment is acquired to the extent feasible.

e. Group Purchasing Organizations. SPHI is specifically authorized to purchase supplies, materials, equipment and inventory from group purchasing organizations (“GPOs”) such as Intalere, or other GPOs, their successors or assigns, provided such purchases are otherwise authorized by this Agreement. It is understood and agreed that exclusive health care service providers hired or contracted with by SPHI pursuant to this Agreement are not required to comply with this provision unless otherwise stated in the contract between SPHI and the provider. Finally, SPHI, per the existing business practice, agrees to communicate and cooperate with the Borough Purchasing and Contracting Director on all purchases made that will require Borough Assembly approval.

f. Disposal. Disposal of any supplies, materials, inventory, and equipment that are owned by the Borough and that are surplus to the needs of the Medical Facilities shall be made in accordance with the Borough Code requirements for disposal of surplus property. Net proceeds from the sale of surplus property shall be used by SPHI to pay for costs of operating and maintaining the Medical Facilities. Nothing in this provision shall be construed to confer ownership of such assets or funds upon SPHI. All disposals of hazardous substances shall be in accordance with applicable local, state, and federal laws and regulations. Proceeds from the sale of items funded with gifts or grants shall be distributed in accordance with the donor’s intent or grant requirements, as applicable. If the intent of a donor cannot be determined, then proceeds shall be used by SPHI for the operation and maintenance of the Medical Facilities.

10. ANNUAL LIST REPORTING REQUIREMENTS.

a. Annual Report Deadline. On or before March 1 of each year, SPHI shall provide an updated *Hospital Assets Schedule, Annual Projects List, Property Lease List, Purchasing Policies List, the Risk Management Report, and the Changes in Services* to the Borough Contract Administrator and the Borough Purchasing and Contracting Director.

b. Hospital Assets Schedule. The updated *Hospital Assets Schedule* shall include reportable Capital Infrastructure Assets and reportable Major Moveable Equipment Assets as defined in sections 11.a.i and 12.a.i of this Agreement. At a minimum, the updated *Hospital Assets Schedule* shall list the reportable assets, and include the location, and remaining useful life of each asset.

c. Annual Project List. The *Annual Project List* shall include reportable proposed Maintenance Projects, Major Moveable Equipment Purchases, and Capital Improvements as defined in paragraphs 11.a.ii, 12.a.ii, and 13.a.i of this Agreement. At a minimum the *Annual Projects List* shall include a description of each project, the project schedule, and the estimated cost. All projects must be categorized by property and/or building location.

In the event that reportable projects that are not included in the *Annual Projects List* are identified and approved by SPHI's board of directors, SPHI shall provide written notification to the Borough Contract Administrator and the Borough Purchasing and Contracting Director upon SPHI board approval.

d. Property Lease List. The *Property Lease List* shall include a list of all real property leases, regardless of term length or cost, and of all other operating and capital leases with terms greater than one year. This shall apply to all leases entered into by SPHI as lessee or lessor. At a minimum, the list must identify the leased property (including the address or legal property description), lessor/lessee, term, and cost. SPHI shall provide copies of any leases related to the services provided under the terms of this Agreement upon request by the Borough Contract Administrator.

e. Purchasing Policies List. The *Purchasing Policies List* shall include a list of all corporate and operational policies related to purchasing, and shall include copies of all such updated policies.

f. Risk Management Report. SPHI shall provide annual reports to the Borough Administrator and Human Resources Director describing SPHI's Risk Management program as described in paragraph 22.

g. Change in Services. Any change in the level or type of services provided shall be included in the Annual List and as a part of the quarterly report of such changes as required in paragraph 24.b.

11. MAINTENANCE AND REPAIR. SPHI shall perform all work necessary within its authority, and shall advise the Borough Contract Administrator and the Borough Purchasing and Contracting Director as soon as reasonably possible of other projects it deems necessary, to maintain the Medical Facilities in reasonably safe condition and in good repair and operating condition throughout the term of this Agreement, in accordance with the requirements of this paragraph. SPHI shall be responsible for all maintenance and repair of the Medical Facilities, including the upkeep and maintenance of the Medical Facilities and the walkways, roads and grounds of the Medical Facilities subject to the following terms and conditions in this Agreement. For the purposes of identifying and evaluating capital infrastructure assets covered under this Agreement, SPHI shall use the guidelines in the American Hospital Association (“AHA”), Estimated Useful Lives of Depreciable Hospital Assets, Revised 2018 Edition (“AHA Estimated Useful Lives”).

a. Minor and Major Maintenance Reporting and Communication

- i. For the purposes of this Agreement, reportable capital infrastructure assets are defined as all capital infrastructure assets located in the Medical Facilities that are included in Part 1 of the AHA Estimated Useful Lives with a projected useful life in excess of eight (8) years. All such assets must be included on the annual *Hospital Assets Schedule*. The Borough Contract Administrator may choose to waive reporting requirements for any asset or allow identification of reportable components as a composite asset.
- ii. For the purposes of this Agreement, reportable maintenance projects are defined as Minor Maintenance Projects with a cost in excess of \$100,000 and all major maintenance projects.
- iii. Major maintenance is defined as the renovation or replacement of any capital infrastructure asset on the *Hospital Assets Schedule*. Minor Maintenance is defined as the renovation or replacement of assets listed under Part 1 of the AHA Estimated Useful Lives with a projected useful life of eight (8) years or less. Reportable maintenance projects must be included on the *Annual Projects List*.
- iv. SPHI shall notify the Borough Contract Administrator and the Purchasing and Contracting Director in writing prior to commencing any work on any reportable maintenance project, as defined in paragraph 11.a.ii of this Agreement, which is managed by the SPHI.

- b. Minor and Major Maintenance Approval and Management
- i. SPHI must follow all reporting and notification requirements before commencing with a minor or major maintenance project. In the event that maintenance needs are identified and not included on the Annual Project List, any reportable projects as defined in paragraph 11.a.ii of this Agreement must be reported to the Borough Contract Administrator, and SPHI may not commence Major Maintenance Project work unless authorized to do so in writing by the Contract Administrator. The Borough will provide a response to SPHI's requests for approval of Major Maintenance Projects within 14 calendar days of submittal of the Annual Project List or submittal of projects that are identified after the submittal of such list.
 - ii. The Borough may in its sole discretion manage any Major Maintenance Projects or may give written authorization to SPHI to do so. The Borough reserves the right to require SPHI to provide written submittals for approval by the Borough Purchasing and Contracting Department on components, equipment, and material to be used in any Major Maintenance Project. Reportable Minor Maintenance Projects included in the Maintenance Projects List do not require Borough approval.
 - iii. The Borough may require, within one year of notification to SPHI to undertake major maintenance as it deems necessary and appropriate to maintain the Medical Facilities in good condition, subject to the availability and, if necessary, appropriation of funds to finance such major maintenance.

12. MAJOR MOVABLE EQUIPMENT PURCHASES

- a. Major Movable Equipment Reporting and Communication
- i. For the purpose of this Agreement reportable Major Movable Equipment Assets include all equipment identified in the AHA Estimated Useful Lives, under Table 8, Diagnostic and Treatment Departments, and exceeding \$250,000 in value. All such assets shall be included on the annual *Hospital Assets Schedule*.
 - ii. For the purpose of this Agreement, reportable Major Movable Equipment Purchases include purchases of all equipment identified in the AHA Estimated Useful Lives, under Table 8, Diagnostic and Treatment Departments, and exceed \$250,000 in value. All such purchases, and associated capital improvement requirements, shall be included on the *Annual Projects List*.

- iii. SPHI shall promptly notify the Borough Contract Administrator and Borough Purchasing and Contracting Director in writing when any reportable Major Movable Equipment is purchased.

b. Major Movable Equipment Approval and Management

All Major Movable Equipment purchases including associated capital improvement requirements expected to cost in excess of \$500,000 or requiring an Alaska Certificate of Need (CON) must be approved by the Borough Assembly by ordinance. Major Movable Equipment purchases that do not require appropriation and costing less than or equal to \$500,000 do not require Borough Assembly approval. Purchases requiring Borough Assembly approval may be approved during the annual Borough budgeting process or on an individual basis. The Borough Assembly or Borough Contract Administrator may decline to consider any project during the budgeting process and instead may review it separately as an individual approval.

13. CAPITAL IMPROVEMENT PROJECTS. To the extent approved by the Borough Assembly and the appropriation and availability of funds, the Borough may finance capital improvements for the Medical Facilities as necessary for the provision of services and functions to meet the needs of the residents of the Service Area.

a. Capital Improvement Projects Reporting, Planning, and Communication

- i. DEFINITIONS. For the purposes of this Agreement, Capital Improvement Projects include all such projects not identified in this Agreement as Minor or Major Maintenance (Paragraph 11), Major Movable Equipment (Paragraph 12), or Real Property Acquisitions (Paragraph 14).

All projects expected to cost over \$250,000, or requiring a permit through any Authority Having Jurisdiction (“AHJ”) as defined in the International Building Code, such as the 2015 IBC section 105, impacting Life Safety Requirements, and/or decommissioning any asset or part of assets identified on the *Hospital Assets Schedule*, shall be included on the *Annual Projects List*.

- ii. PLANNING. For all Capital Improvement Projects expected to cost in excess of \$1,000,000 or expected to require authorization under paragraph 13.b.ii, whether or not included on the *Annual Projects List*, SPHI will notify the Borough Contract Administrator

and Borough Purchasing and Contracting Director in writing prior to any design, engineering or procurement efforts or grant application submission. Included with this notification shall be a description of the project concept and the specific needs that justify the project. To the extent allowed by law, the notice, including the description and other information contained in or submitted with the notice, is confidential and privileged information regarding SPHI's business plans that is protected as provided in this Agreement. Prior written notice is not required for preliminary conceptual designs, diagrams, or schematics, costing less than \$25,000.

The Borough Purchasing and Contracting Department shall be involved in all aspects of the analysis and planning of these projects, unless the Borough notifies SPHI in writing that it will not be involved. Such notice will not preclude the Borough from requiring involvement in the planning process at a later point. The Borough Contract Administrator will notify SPHI's Contract Administrator in writing of the Borough's change of the Borough's decision on involvement. In the case that the Borough is not involved in the planning of a project, SPHI shall immediately notify in writing the Borough Contract Administrator and Purchasing and Contracting Director if a change during planning increases the estimated total project cost by \$100,000 or more.

- iii. **PROJECT START AND ONGOING REPORTING.** SPHI shall maintain clear and consistent communication with the Borough Contract Administrator and the Borough Purchasing and Contracting Director regarding ongoing and potential capital projects.

SPHI shall notify the Borough Contract Administrator and Borough Purchasing and Contracting Director in writing at the start of any Capital Improvement Project managed by SPHI.

During the project period, the Borough Contract Administrator or Borough Purchasing and Contracting Director may require periodic project reports from SPHI, which shall provide all requested information as soon as reasonably possible.

Upon the completion of any project managed by SPHI, SPHI shall provide to the Borough Contract Administrator and the Borough Purchasing and Contracting Director a final project report

providing details of the final project scope, expenses incurred, as-builts, site surveys, project plans, occupancy permits, AHJ inspection reports, conditional-use permits, utility service agreements, and any further information required by the Borough.

b. Capital Improvement Projects Approval and Management

- i. All Capital Improvement Projects expected to cost in excess of \$1,000,000 must be approved as well as appropriated by the Borough Assembly by ordinance. Unless requiring appropriation or Borough Contract Administrator approval under paragraphs 13.b.ii or 13.b.iii of this Agreement, Capital Improvement Projects costing between \$500,000 and \$1,000,000 must be approved and appropriated by the assembly by ordinance unless the funds have previously been appropriated for that project. If the funds for such projects have been previously appropriated they do not require Borough Assembly approval but must be approved by the Purchasing and Contracting Director. Projects requiring Borough Assembly approval may be approved during the annual Borough budgeting process or on an individual basis. The Borough Assembly or Borough Contract Administrator may decline to consider any project during the budgeting process and instead may review it separately as an individual approval.
- ii. Regardless of estimated cost, any Capital Improvement Project requiring a permit through any AHJ as defined in the International Building Code, such as the 2015 IBC section 105, impacting Life Safety Requirements, and/or decommissioning any asset or part of assets identified on the *Hospital Assets Schedule*, must receive Authorization to Proceed from the Borough Contract Administrator prior to the procurement of any equipment, materials, or services. The Borough will provide a response to SPHI within 14 calendar days of receiving the request.
- iii. Any leasehold improvements on properties not owned by the Borough and costing in excess of \$100,000 require prior approval by the Borough Contract Administrator.
- iv. The Borough may require SPHI to provide submittals for approval on components, equipment, and material to be used in any Capital Improvement Project.
- v. The Borough may in its sole discretion manage any Capital Improvement Project. The Borough shall manage all Capital Improvement Projects expected to cost in excess of \$1,000,000 unless the Borough Contract Administrator provides written authorization to SPHI to manage the project.

14. REAL PROPERTY ACQUISITIONS AND LEASES.

a. Real Property Acquisitions. For the purposes of this Agreement, a real property acquisition is defined as acquiring any interest in real property that may obligate the Borough in any way. The acquisition of any interest in real property may not occur without Borough Assembly approval. All such acquisitions shall be conducted by the Borough unless SPHI is given written authorization to do so by the Borough Contract Administrator.

Requests for acquisition of any real property interest shall be conveyed to the Borough Contract Administrator and the Borough Planning Director. SPHI is authorized to conduct operational assessments of a property's ability to meet operational needs, and this assessment may include acquisition of a competent property appraisal. However, SPHI may not initiate negotiations for the acquisition of any such interest unless it has been given written authorization to do so by the Borough Contract Administrator. In any event, all acquisitions of any interest in real property shall only be in furtherance of the purposes of this Agreement and within the authorized powers of the Service Area.

b. Leases in Which SPHI is the Lessee. Leases in the name of SPHI in which SPHI is the Lessee and no obligation whatsoever is imposed upon the Borough, either express or implied, are not subject to the requirements in subparagraph 14.a. of this agreement. Under no circumstances shall such leases obligate the Borough in any way whatsoever without advance Borough Assembly approval. All such leases shall contain a clause stating: "In the event that the Operating Agreement between SPHI and the Kenai Peninsula Borough is terminated and not renewed or extended, and the Kenai Peninsula Borough either assumes operation of the Medical Facilities or contracts with another entity to continue such operation, the continuation of this lease with the Borough or a subsequent operator is subject to Borough Assembly approval and the availability and appropriation of funds." In any event, written approval by the Borough Contract Administrator is required for all such leases costing \$100,000 or more annually. Total cumulative annual costs of such leases shall not exceed \$400,000. Increases to the cumulative annual limitation must be approved by the Borough Assembly by resolution.

15. SUBLEASES OF MEDICAL FACILITIES TO THIRD PARTIES. SPHI is hereby authorized to negotiate the sublease of those Medical Facilities leased to SPHI by the Borough under the following conditions:

(a) Any sublease of the property leased to the Borough by the City of Homer must first be approved by the City of Homer as required in the Consent to Sublease signed by the City of Homer and attached to this agreement;

(b) Such subleases shall be for fair market value and on such terms and conditions that are commercially reasonable in the medical industry;

(c) Such subleases shall be in furtherance of the purposes of this Agreement, in compliance with all applicable laws, within the authorized powers of the Service

Area, and comply with all requirements associated with tax-exempt bond financing when applicable;

(d) SPHI's written notices to the Borough Contract Administrator and Borough Finance Director shall include the location leased or proposed to be leased, the sublessee's name, lease terms, and purpose;

(e) The Borough Contract Administrator and Borough Finance Director shall be provided prior written notice of intent to execute each sublease agreement valued at less than \$250,000 per year at least seven (7) business days before execution of the lease; and

(f) All such sublease agreements valued at \$250,000 or more per year must be approved by the Contract Administrator on behalf of the Borough. The Borough Contract Administrator and Borough Finance Director shall be provided written notice of SPHI's intent to enter into such sublease agreement at least twenty-one (21) days prior to executing the lease. The Contract Administrator shall not unreasonably withhold his or her approval. If the Contract Administrator does not respond to SPHI within twenty-one (21) days of SPHI's written notice of intent to enter into such sublease, then the sublease agreement is deemed to be approved by the Contract Administrator provided that the notice to the Contract Administrator includes specific notice of this automatic approval provision.

16. FINANCES.

a. Operating Revenue. During the term of this Agreement, all revenue and cash collections from patients, third-party payers, including, but not limited to, Medicaid and Medicare, rents billed and collected by SPHI, and all other sources, arising out of or related to services rendered pursuant to this Agreement, or any renewal or extensions thereto, including but not limited to lease or rental revenues, shall be received and managed by SPHI for the Borough consistent with the terms and conditions of this Agreement. These funds shall first be used by SPHI to pay the usual, customary, and reasonable expenses of operating the Medical Facilities and programs operated by SPHI for the Service Area pursuant to this Agreement, and the reasonable expenses of compliance with the terms and conditions of this Agreement. SPHI shall maintain an operating reserve ("Operating Reserve") of not more than ninety (90) days cash on hand ("the operating reserve amount"). For purposes of the operating reserve amount, "cash on hand" is calculated based on the "days cash on hand ratio" used in the health care industry. On a quarterly basis, SPHI shall transfer all cash on hand in excess of the operating reserve amount to the Borough for deposit into the South Peninsula Hospital Plant Replacement and Expansion Fund ("PREF"), described in paragraph 16(b). If the cash on hand is less than ninety (90) days at any time, then SPHI may request that the Borough authorize the transfer of an amount from the PREF to its operating reserve to maintain the operating reserve amount, by SPHI Board action.

The PREF shall be invested with other Borough funds although the interest earned on that fund will be credited to the PREF. All Borough held funds, including amounts deposited into the PREF, must be appropriated by the Borough Assembly prior to obligation.

b. Plant Replacement and Expansion Fund. The PREF is a fund designated as a source of funding for major repairs and replacement of Medical Facilities; improvements, fixtures, and equipment for Medical Facilities; acquisition of property, improvements, fixtures and equipment related to operation of the Medical Facilities; and to replenish the operating reserves, as provided in paragraph 16.a. above. Amounts held in the PREF are funds of the Borough Service Area. Neither the Borough nor SPHI shall obligate or attempt to spend or transfer funds from the PREF without the prior approval and appropriation by the Borough Assembly. Any transfer into or out of this fund shall first be considered by the SPHI board and its recommendation shall be forwarded to the Assembly. An appropriation is not needed to transfer operating reserve funds into the PREF. Any transfer of funds out of the PREF shall also first be considered by the SPHI board whose recommendation shall be forwarded to the Assembly, which must appropriate the funds prior to any such transfer out of the PREF.

c. Cash Management. All cash reserves in excess of the ninety (90) days cash on hand described in paragraph 16.a. of this Agreement shall be deposited into the Borough's central investment pool within 45 days of the quarter end and managed pursuant to the parties' Memorandum of Agreement dated [REDACTED], 2019, or successor Agreement, a copy of which is attached hereto as Attachment C and incorporated herein by reference.

d. Financial Reporting. SPHI shall at all times meet all applicable financial reporting requirements and, unless otherwise agreed by the Borough Finance Director, promptly provide all documentation requested as needed to satisfy financial reporting requirements, concerns regarding financial performance, concerns regarding any SPHI receipts and expenditures, and other financial issues that may arise in SPHI's performance of this Agreement.

e. Capital Grants or Gifts. With the assistance of SPHI the Borough may apply to the State of Alaska, U.S. government, nonprofit foundations, or other entities for financial aid or grants to municipalities for hospitals, skilled nursing facilities, other health care facilities, or capital acquisitions for health care programs. Funds received through such application will be spent only for those purposes set forth in the application or a donor-written directive. SPHI agrees to comply with all terms and conditions required by the granting agency or donor directive. All applications for financial assistance or grants shall be subject to review and comment by SPHI before the submission thereof to a government, governmental agency, or other entity.

f. Service Area Revenues. Service Area revenues shall be used to support operations of the Service Area, including operational and capital support of the Medical Facilities and programs operated by SPHI for the Service Area, and other services and projects approved by the Borough Assembly, subject to the appropriation and availability of funds.

g. Medical Service Operating Grants, Gifts and Donations. On behalf of the Service Area, SPHI may apply to the State of Alaska, U.S. government, nonprofit foundations, or other entities for financial aid or grants to support the operation of the Medical Facilities and/or the provision of services or programs pursuant to this agreement. In the event that gifts or donations of money or other property are made to SPHI for the Medical Facilities or the provision of services or programs pursuant to this Agreement, SPHI may accept such gifts, on behalf of the Borough, only if their use is compatible with the operations of the Medical Facilities or the provision of services or programs pursuant to this Agreement. SPHI may accept, on behalf of the Service Area, donations of interest in real property only upon written borough approval, subject to the provisions of Borough Code. The expenditure of funds from such gifts or donations shall be subject to the same restrictions as apply to the expenditure of operating revenues in this Agreement. All gifts or charitable contributions received from South Peninsula Health Foundation are subject to this provision.

h. No Debt Authority. SPHI may not incur debt to finance the acquisition or expansion of the Medical Facilities, equipment, or major or minor maintenance projects without approval by the Borough Assembly.

i. Bonds. All requests for the issuance of bonds to finance the acquisition, expansion, or major or minor maintenance of the Medical Facilities, or the purchase of equipment must be approved by the Borough Assembly.

17. PERFORMANCE MEASUREMENT.

a. Performance Standards. SPHI performance under this Agreement shall be measured against objective standards established by one or more organizations such as The Advisory Board Company, The Center for Medicare and Medicaid Services, The Alaska State Hospital and Nursing Home Association, The Alaska Small Hospital Performance Improvement Network, or The American Hospital Association. The performance standards against which SPHI performance will be measured will be set forth in the SPHI Strategic Plan.

b. SPHI Performance. SPHI will:

i. Establish a Board Orientation and Continuing Education Program for all board members and provide an annual report to the

Contract Administrator on compliance with the requirements of the program.

ii. Ensure compliance with the Medicare and Medicaid Conditions of Participation as determined through the state's licensing and certification processes.

iii. Ensure that the Hospital complies with all quality measurement reporting requirements necessary to ensure full payment under all applicable Medicare and Medicaid programs.

iv. Establish goals for the Hospital's Performance Improvement Program and metrics to measure progress toward those goals. An annual report on the Performance Improvement Program will be provided to the Contract Administrator.

v. Conduct an annual review of the Hospital's Corporate Compliance Program and include the results of that review in the annual report to the Contract Administrator.

c. Strategic Plan. Within 12 months of the execution of this Agreement, SPHI shall prepare and present to the Borough Administration and SAB, for information purposes, a Strategic Plan containing, at a minimum, the following elements:

- An overview of the Service Area.
- Service area demographics.
- Hospital utilization and market share information and plans.
- Medical staff analysis.
- Hospital analysis.
- Financial results and trends.
- South Peninsula Hospital strategy map.
- South Peninsula Hospital planning calendar.
- Mission, vision, values and competitive position.
- Key strategies.
- Performance measurement.
- Orientation and Training Plan for SPHI Board.

All amendments to the Strategic Plan shall be provided to the SAB and Borough Administration within thirty days of their approval by the SPHI Board. It is agreed and understood that elements of the Strategic Plan may be confidential proprietary information, the public disclosure of which could cause competitive harm to the Medical Facilities. SPHI shall clearly mark all such information as confidential and proprietary. Disclosure of this information to the SAB and Borough Administration shall not be construed to require their disclosure to the general public.

d. Certification. SPHI shall maintain State of Alaska certification of its operation of the Medical Facilities. Due to the critical need for maximum participation in the Medicare/Medicaid programs and the reliance on these programs as a critical source of revenue, SPHI shall maintain Critical Access Hospital status and shall review this status on an annual basis to determine whether this status continues to provide the best revenue structure for the Hospital. SPHI shall notify the Borough Contract Administrator of any change to this status within 14 days of the decision to change. In addition, SPHI shall strive to attain Joint Commission on Accreditation of Healthcare Organizations (“Joint Commission”) or other similar accreditation status as part of its long-term strategic program, when it becomes financially feasible to do so.

e. Staffing. In order to help ensure fiscal responsibility and that the desired level of services is provided, SPHI shall diligently take all reasonable steps needed to ensure that it has adequate qualified management and staffing in place at all times to, at a minimum, successfully provide the level of services needed to operate a hospital of its capacity in accordance with industry standards. This staffing shall be consistent with the goals and objectives identified in the most recent Strategic Plan. Senior management staff shall consist of the Chief Executive Officer, Chief Financial Officer and Chief Nursing Officer, and SPHI shall notify the Borough within 14 days of any changes in these positions. SPHI shall diligently attempt to fill any vacancies in any of these positions with a regular replacement as soon as possible by using every reasonable process and mechanism available. SPHI shall prepare and maintain a Senior Management Succession Plan and provide a copy of the plan to the Contract Administrator. In the event that SPHI is not successful in recruiting and hiring an appropriately qualified CEO, CFO or Chief Nursing Officer replacement within a commercially reasonable time, SPHI may utilize the services of an interim CEO, CFO or Chief Nursing Officer until an appropriately qualified replacement can be hired. SPHI shall not employ one individual to perform the duties of more than one senior management position. If a vacant senior management position has not been filled within six months, and SPHI has not filled the position with an interim replacement, the Borough Contract Administrator may require that SPHI utilize the services of a management or recruiting company to hire or provide an interim replacement until a regular replacement is hired. SPHI will report to the Borough Contract Administrator, at least monthly, on its progress in recruiting and hiring senior management replacements.

f. Pension Plan Funding. At the time of entering this Agreement SPHI provides a Defined Contribution Pension Plan for its employees. It previously provided a Defined Benefit Pension Plan for its employees which is now only available to employees who are already enrolled. SPHI agrees to annually fund its obligations for the Defined Benefit Pension Plan at least in the amount determined by the Plan Actuary to be the required minimum contribution necessary to adequately fund the plan, including interest on net pension obligation, and to provide to the Borough Finance

Director, upon request, reasonable assurances that the Pension Plan is adequately funded and managed. SPHI shall maintain insurance coverage for the Plan through the Pension Benefit Guaranty Corporation. SPHI shall provide to the Borough Finance Director, on an annual basis, a copy of the IRS Form 5500 and associated schedules.

g. Sub-standard Performance. If the Borough Contract Administrator determines that any aspect of actual performance under this Agreement is consistently below standards established under this Agreement, within 60 days of notice from the Borough Contract Administrator the parties shall develop and SPHI shall implement a Specific Performance Improvement Plan approved by the Borough to correct the deficiency. The Specific Performance Improvement Plan shall specify the corrective action(s) to be taken and the time frame within which performance will be returned to established standards. In cases where the parties agree that the operating environment has changed to the point where a performance standard or standards are no longer appropriate, new or revised performance standards may be established. The parties may agree, in writing, to amend any provision of the Specific Performance Improvement Plan.

18. SERVICE AREA BUDGET.

a. SPHI Budget Proposal. SPHI shall prepare and submit a proposal to the SAB containing anticipated funding needs from service area funds for the operations and maintenance of the Medical Facilities and programs operated by SPHI for the Service Area. The Borough Contract Administrator will notify SPHI in advance of the dates when the SPHI budget must be submitted to the Service Area Board and the Administration.

b. Service Area Budget Proposal. The Service Area Board shall prepare and submit a proposal to the Borough administration for the annual Service Area budget, which may include debt service payment for outstanding bonds, property insurance, audit fees, and operating and maintenance expenses of the Medical Facilities. SPHI shall provide assistance in the process, or written documentation, at the request of the SAB or the Borough Assembly. The SAB budget shall give preference to anticipated funding needs for the Medical Facilities and programs operated by SPHI for the Service Area pursuant to this Agreement. This may include repairs, renovations or additions to those facilities. It is recognized by the parties that the Service Area budget proposal may not necessarily include all items recommended by SPHI.

c. Service Area Final Budget. The Borough Administration shall review the Service Area operating and capital budget proposals, and submit the administration's proposed Service Area budget to the Borough Assembly, designating

revenues available to fund Service Area capital expenditures and operations and the mill rate necessary to fund the Service Area's portion of the budget. SPHI shall assist, as requested by the Borough Contract Administrator, in presenting the budget to the Borough Assembly. Subject to assembly approval and the availability of funds, funding shall be provided by appropriation with preference for the operational and capital requirements of the Medical Facilities.

19. ACCOUNTING/AUDIT/REPORTING.

a. Accounting. SPHI shall account for all financial transactions involving Service Area funds and all other funds received from the operation of, or to operate, the Medical Facilities and programs operated by SPHI for the Service Area. Both parties shall maintain accounting records involving Service Area operations in a manner that complies with generally accepted accounting principles.

b. Investment of Funds. All cash held and investments of funds by SPHI must meet the requirements established by KPB 5.10, "Investment of Moneys," or other comparable requirements approved by the Borough's Finance Director, and any related policies of the Borough.

c. Audit. The Borough shall be responsible for compliance with any single-audit requirements of the Medical Facilities, or portions thereof. The independent auditing firm selected by the Borough to comply with any such audit requirements shall submit written annual audit reports and shall make verbal presentations to SPHI's board of directors, the SAB, and the Borough Assembly.

d. Chief Executive Officer or Management Contract. SPHI shall hire, for reasonable compensation, a chief executive officer, or shall enter into a contract for the management of the Medical Facilities; provided, however, the term of any such employment or management contract shall not exceed the term of this Agreement, unless the contract contains a clause which terminates the contract if this Agreement is terminated and not extended or renewed. The provisions of the contract concerning compensation upon severance of the employment relationship shall not exceed the reasonable and customary amount paid to similar positions by similar publicly owned hospitals in Alaska and the Pacific Northwest. A copy of the Management Contract or Employment Contract and copies of all contract renewals or amendments shall be provided to the Borough Contract Administrator immediately upon execution.

e. Hospital Executive Incentive Plan. SPHI agrees that no employee incentive plan shall take into account, or be contingent upon, either share of net profits of the Medical Facilities or share of both revenues and expenses of the Medical Facilities for any fiscal period. Incentive compensation plans implemented by SPHI may be based on performance in meeting one or more standards that measure quality of service,

performance or productivity, and that are reasonable for services rendered. SPHI agrees to provide, upon request, the Borough with any and all incentive plan agreements of any employees fitting the IRS definition of key employees, as defined in IRS Form 990 reporting requirements. To the extent allowed by law, such information shall be treated as privileged and confidential. It may be required for bond financing purposes and therefore may be disclosed to professionals associated with approving the issuance of such financing who require such disclosure.

20. RATES. SPHI shall have the exclusive right to establish rates, fees and charges for services provided at the Medical Facilities SPHI, operating as a nonprofit organization, will use its best efforts to ensure that the rates, fees and charges it has established are reasonable and will cover the operating and maintenance expenses of the Medical Facilities and SPHI's other obligations under this Agreement.

21. INSURANCE.

a. SPHI's Insurance. During the term of this Agreement SPHI, at all times, shall maintain industry-specific insurance coverage for the requested types and total limits approved by the Borough Contract Administrator, including but not limited to the following insurance coverage, in amounts approved by the Borough:

- i. Workers' compensation insurance coverage as required by Alaska law;
- ii. Comprehensive general liability insurance for the Medical Facilities and operations provided by SPHI pursuant to this Agreement;
- iii. Cyber liability coverage;
- iv. Auto liability coverage;
- v. Medical malpractice or errors and omissions by SPHI and its employees; and
- vi. Directors' and officers' liability coverage, with employment liability.

SPHI may purchase additional insurance coverage that it deems to be necessary and appropriate to insure the management and operation of the Medical Facilities and other services provided by SPHI pursuant to this Agreement, after receiving written approval from the Borough Contract Administrator, which approval shall not be unreasonably withheld.

Unless otherwise agreed or prohibited, the Borough shall be named as an additional insured on all policies. All coverages shall be written on a primary and non-contributory basis and must contain a waiver of subrogation in favor of the Borough,

unless a waiver of subrogation is not available in the market for the type of the required industry-specific insurance coverage.

b. Verification of Coverage. SPHI shall furnish the Borough Administrator with approved certificates of insurance and with certified copies of all endorsements affecting coverage upon request from the Borough Contract Administrator or when policies are amended or renewed. The certificates and endorsements for each insurance policy are to be on forms which meet industry standard. The Borough reserves the right to require complete, certified copies of all required insurance policies at any time.

In the event of subcontractors contracted with SPHI, SPHI shall ensure that separate certificates and endorsements are received for each subcontractor, including workers' compensation, to the extent required by state law, and other insurance SPHI deems appropriate.

c. Borough Insurance. During the term of this Agreement the Borough shall, at all times, maintain and provide fire and property damage insurance in amounts sufficient to replace the Medical Facilities, including personal property. It is the intent of the Borough to use proceeds received as a result of insurance claims to address the losses of covered facilities and property.

SPHI must provide an updated schedule of all Borough property and contents located in or on the Medical Facilities, upon request by the Borough.

d. Notice of Claims. Each party shall immediately notify the other party to this Agreement of any lawsuits or claims asserted against SPHI, any of the Medical Facilities or the Borough related to operations of SPHI under this Agreement or of any potential claims that may be asserted.

e. Extended Reporting Period or Tail Coverage. Except as otherwise provided below, SPHI shall obtain, carry and maintain tail or extended reporting period coverage for all types of insurance coverage obtained pursuant to paragraph 20.a. of this Agreement, effective as of the date of termination of this Agreement, in the same amounts as or more than existing coverage at the time of termination for the named insureds. SPHI is not required to obtain such tail or extended reporting period coverage for workers' compensation insurance or for other coverage obtained on a per occurrence basis. SPHI and all of its directors who served as directors during the term of this Agreement shall be named insureds.

22. **DEFENSE AND INDEMNIFICATION.** Except as otherwise provided in this paragraph, SPHI shall indemnify, defend, save and hold the Borough, its elected and appointed officers, board members and employees harmless for any and all losses, claims, damages, demands, suits or liability of any nature, kind or character including

costs, expenses and attorney's fees resulting from, arising out of, or in any way connected with SPHI's performance or failure to perform under the terms of this Agreement in any way whatsoever. If there is a claim of, or liability for, a joint negligent act or failure to act of SPHI, including its officers, board members and employees, and the Borough, including its elected and appointed officers, board members, and employees, the indemnification, defense and hold harmless obligation of this provision shall be apportioned on a comparative-fault basis between the Borough and SPHI, provided the borough's obligation is subject to the appropriation and availability of funds. Neither party shall be responsible for any claims arising from the sole negligence or willful misconduct of the other party for damage or loss that has been found to be attributed to an independent contractor directly responsible to the other party under separate written contract.

The defense and indemnification provisions in this paragraph shall only survive the termination of this Agreement to the extent that coverage is available for any claims made under applicable insurance policies.

Nothing in this Agreement may be construed to modify (1) the sovereign immunity afforded the borough in AS 09.65.070 as now enacted or may be hereinafter amended, or as otherwise provided by law, or (2) the limitations of liability for certain directors and officers provided in AS 09.65.170 as now enacted or may be hereinafter amended, or as otherwise provided by law.

23. RISK MANAGEMENT. SPHI shall administer a risk management program with the objective of managing all risks of accidental losses and/or claims. This must include the protection of Kenai Peninsula Borough assets through structured internal procedures and continuous assessment of exposures to losses and/or claims. It should also be an objective of the program, to the extent possible, to create in incident-free facility that fosters a safe and secure environment for SPHI's employees, physicians and other health care providers, contractors, borough personnel, as well as members of the public.

SPHI shall provide annual reports to the Borough Administrator and Human Resources Director describing SPHI's Risk Management program by March 1 of the following year. The report shall include total costs and numbers of all workers' compensation claims, including those classified as no treatment and minor medical, filed in the previous calendar year. SPHI will deliver a list of safety-related training classes provided to employees, and a report describing other efforts taken to develop and implement best practice risk management techniques.

24. EMERGENCY REPAIRS. In the event of damage to, or destruction of all or part of the Medical Facilities in which immediate repairs are necessary to keep the Medical Facilities or portions thereof, including equipment, operational, SPHI may

perform such needed repairs and replace equipment to the extent necessary to keep the Medical Facilities or portions thereof, including equipment, operational. In such event, SPHI shall have authority to suspend or reduce services it determines cannot be provided until such time, if any, building, repair or replacement of the Medical Facilities or portions thereof, including equipment, has been completed. SPHI must notify the Borough as soon as reasonably possible of the entire situation and its response thereto including providing any contracts for reconstruction, equipment or replacement in excess of \$250,000 and information regarding any suspension or reduction in services as a result of damage or destruction.

25. LEVEL OF SERVICES AND OTHER BUSINESS ACTIVITIES.

a. Existing Level of Services. SPHI represents that the existing scope and level of services at the Medical Facilities as of the effective date of this Agreement are within its charitable purpose under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended and are authorized under the terms of this Agreement.

b. Expansion of Services/New Services. The parties agree that SPHI may provide for expanded or new health services pursuant to this Agreement, subject to the provisions of this section and in accordance with powers authorized for the Service Area as described in the Borough's Code of Ordinances as now enacted or as may be amended, including but not limited to joint ventures or ownership participation or management participation in other health care services, and other business arrangements with other health care providers and businesses. All joint ventures or ownership participation or management participation in other health care services require prior approval by the Borough Assembly by ordinance. Prior notice of expansion of services or new services shall be provided in writing to the Borough Contract Administrator. To the extent allowed by law, such notice may be considered privileged or confidential information as defined in this Agreement. Borough Assembly approval shall be required to the extent it would otherwise be required in this Agreement, and for new services that have an expected total capital cost in excess of \$250,000.

Expansion of services or new services do not include changes in the method of delivering existing services or the use of new technology or techniques to provide those services even if this may involve additional personnel or training or enhancement of current capabilities to meet standards for proper patient care, or changes required to meet basic accreditation standards and licensing for the hospital. Any change in the level or type of services provided shall be included in the next quarterly report regardless of the cost as well as the annual report issued pursuant to paragraph 10.

c. Elimination of Services. SPHI may eliminate services or levels of care being provided at the Medical Facilities or otherwise pursuant to this Agreement, but only after 90 days' prior written notice to the Borough Assembly and Borough

Contract Administrator. Within that 90-day notice period, the Borough may then direct that SPHI continue to provide such services or level of care, if deemed in the best interest of the residents of the Service Area, even when not economically feasible. However, if the Borough decides to continue an economically unfeasible service or level of care, it shall consider providing an operating subsidy to SPHI equivalent to at least the loss associated with providing such service or level of care. If the Borough decides not to provide any such operating subsidy, then SPHI is not obligated to provide such services or level of care.

d. Disclosure of Other SPHI Business. In the event that SPHI engages in other business activities unrelated to the activities required or authorized by this Agreement, SPHI shall immediately notify the Borough Contract Administrator of the nature and extent of such other business activities, including upon request a disclosure of financial reports reflecting revenues and expenses, so that the Borough Contract Administrator may determine that such activities do not conflict with this Agreement, or otherwise impair either parties' rights or obligations under this Agreement. To the extent allowed by law, the parties agree that records of such other business activities are not public records. Disclosure to the Borough Contract Administrator of records under this provision shall not be deemed to convert such records to public records, to the extent allowed by law. In no case will the assets generated or provided through this Agreement be used to capitalize or otherwise fund any activities of SPHI conducted outside the scope of this Agreement.

26. **APPOINTMENTS TO THE MEDICAL STAFF.** SPHI shall establish written policies for granting privileges to practice in the Medical Facilities in cases in which application for privilege to practice is required. These written policies must prohibit discrimination against applicants on the basis of race, religion, color, national origin, age, sex, sexual orientation, gender identity, physical or mental disability, marital status, changes in marital status, pregnancy, or parenthood, or any other classification prohibited by law. The language in this paragraph does not prohibit SPHI from entering into an exclusive contract for the professional services of a specialist, or to require health care providers to be SPHI employees rather than independent contractors, if SPHI deems there to be business justification for the exclusive contract or employment model or relationship.

27. **NONDISCRIMINATION IN ADMISSIONS.** All persons in need of medical care shall be admitted to the appropriate Medical Facilities without regard to race, religion, color, national origin, age, sex, sexual orientation, gender identity, physical or mental disability, marital status, changes in marital status, pregnancy, parenthood, or the financial ability to pay for such medical care to the extent required by law.

28. **MEDICAL RECORDS.** During the term of this Agreement, SPHI shall have the full use and control of all medical records, and shall be responsible for complying with all applicable federal and state laws regarding the maintenance, security and privacy thereof. Medical records shall remain under the supervision and control of SPHI so long as provided for in this Agreement; provided, however, that SPHI may make arrangements for electronic storage and back-up of electronic records. If SPHI ceases at any time to be the Operator as provided for herein, the Borough shall reacquire the full use and control of such medical records, and shall be required to ensure they are preserved the same for such period of time as is required by Alaska or Federal laws, but, in any event, a minimum of five (5) years following the date on which SPHI ceases to be the Operator. After SPHI ceases to be the Operator and so long as such medical records are preserved by the Borough or its contractor as required above, to the extent allowed by law and for such purposes as are consistent with its prior duties and responsibilities as the Operator and in connection with any investigation or litigation in which SPHI may be involved or may become involved, SPHI shall at all times be provided free and complete access to such medical records and may copy all or any part of the same, and may maintain electronic records.

29. **OTHER GOVERNMENTAL ACCESS TO BOOKS AND RECORDS.** In order to ensure that any expense which might be incurred by or on behalf of the Medical Facilities or other authorized Service Area activity administered by SPHI pursuant to this Agreement is included to the extent appropriate in determining the reasonable costs reimbursed by Medicare and Medicaid programs, or other similar government programs, SPHI shall retain all records which are necessary to audit and certify the nature and extent of the services provided and the cost thereof, for at least the minimum period of time required by applicable state and federal law after the furnishing of such services as are described in this Agreement, and make available all such records upon request by the duly authorized representatives of a federal or state government agency with jurisdiction thereof. SPHI also agrees that if it subcontracts for any of the duties under this Agreement, to the extent required by federal or Alaska law, the subcontract shall contain a clause requiring that the subcontractor organization must also satisfy all applicable record retention and disclosure requirements which are necessary to an audit and certification of the nature and extent of the services provided and the cost thereof.

30. **PUBLIC ACCESS.** Recognizing that SPHI is operating publicly owned facilities under this Agreement, SPHI shall make all meetings of its board of directors open to the public, and copies of non-confidential board materials shall be made available to the public at or before the meeting, unless the subject matter under discussion involves privileged or confidential information as defined in this Agreement. Nothing in this section shall be construed as affecting the status of SPHI as a §501(c)(3) nonprofit, private corporation or bringing SPHI within the scope of the Alaska Open Meetings Act, AS 44.62.310-.312.

a. Privileged or Confidential Information. As used herein, the term “privileged or confidential information” means the following records or information in the possession of SPHI:

- i. Medical records, patient information and patient billing files, except patient information that may be disclosed without violating patient privacy rights;
- ii. Medical review organization information and records prepared and retained pursuant to AS 18.23.010 – 18.23.070;
- iii. Employee records and information including but not limited to background and reference checks, substance abuse tests, employee credit checks, employee grievances, employee disciplinary actions and workplace investigations;
- iv. Physician and other health-care provider records and information including but not limited to credentials and disciplinary files;
- v. Director records and information except the name, mailing address, and term of office of each director;
- vi. Records and information regarding pending or threatened litigation by or against SPHI or the Borough, the disclosure of which could adversely affect the finances or litigation strategy of SPHI, the Borough, or the Medical Facilities operated pursuant to this Agreement;
- vii. Records and information regarding the business plans of SPHI, the disclosure of which could be used by competitors or others to the detriment of SPHI, the Borough, or the Medical Facilities;
- viii. Information and records that pertain exclusively to SPHI and not to activities performed pursuant to this Agreement; and
- ix. All other records and information that SPHI is required or permitted by applicable federal, state or local law to keep confidential.

Privileged or confidential information and records may be discussed by the SPHI board of directors privately, in executive session. Nothing herein shall be deemed as

precluding the SPHI board of directors from holding private work sessions, training sessions and informational meetings at which no board action is taken.

b. Board of Director Meetings. It is agreed and understood that prior to final board action on any matter referred to a board committee, the SPHI board will fully disclose the substance of committee consideration of the matter, except for any of the above-referenced confidential matters. Disclosure may occur either verbally or in the text of a resolution, at the discretion of the board. The parties further agree that the board's executive committee has authority to take action on behalf of SPHI in between regular board meetings to the extent allowed by law and SPHI's Bylaws. All such final actions that are not required or permitted to be kept confidential shall be disclosed to the board in a public meeting of the board.

c. Public Comment. Members of the public who wish to comment upon policies or proposed actions of the SPHI board of directors shall be given a reasonable opportunity to do so during the "Public Comment" section of the regular Board meeting open to the public, before final action is taken and after applicable information concerning the matter, if any, has been made available to the public.

d. Notice of Meetings and Agenda. The proposed agenda of all regular and special meetings of the SPHI board of directors, including the date, time, place and proposed agenda of the meeting, shall be posted online and on the public bulletin board of the South Peninsula Hospital, and a copy made available for posting by the Borough Clerk at least five days prior to the date and time set for the meeting. Should an emergency or other bona fide issue requiring immediate attention arise, a special meeting may be held with notice posted for less than the five days otherwise required by this section.

e. Meetings Unrelated to This Agreement. Nothing in this provision shall be construed to require meetings of the SPHI Board of Directors to be open to the public or to the Borough Contract Administrator when the subject matter discussed is not related to this Agreement.

f. Records. It is further agreed and understood that records of the Medical Facilities managed and operated by SPHI pursuant to this Agreement are subject to the Public Records Act, AS 40.25.100 – 40.25.220 and to KPB 2.54.010 – 2.54.070, including all requirements and exceptions contained therein or listed above, because of its status as an independent contractor of the Borough. Nothing in this section shall be construed to compel public disclosure of internal SPHI documents not related to the management and operation of the Medical Facilities, nor shall SPHI be deemed a public entity or quasi-public corporation unless required by law.

31. EMPLOYEES AND CONTRACTORS. SPHI is an independent business and is not an employee or agent of the Borough, either by virtue of this Agreement or otherwise. SPHI's activities conducted under this Agreement are the activities of SPHI as an independent contractor, and not that of the Borough or the Service Area. SPHI has the exclusive authority to hire and fire employees of the Medical Facilities administered by SPHI, and such employees are the employees of SPHI and not the Borough or Service Area. SPHI shall in no transaction or endeavor make any representation that it has authority to act for the Borough in any capacity or that it has authority to bind the Borough in any manner through its actions. SPHI shall not advertise or hold out its activities under this Agreement as being an operation of the Borough. The decisions and actions permitted and authorized under this Agreement are those of SPHI acting in its capacity as an operator on behalf of the Borough or Service Area and not those of the Borough or the Service Area. The restrictions in this Agreement on SPHI's activities are imposed for the protection of the public funds and assets that the Borough authorized SPHI to utilize as provided in this Agreement.

32. INSPECTION. The Borough reserves the right to enter and inspect the books and records of the Medical Facilities and any other Service Area activity or facility operated by SPHI at any reasonable time during normal business hours for administrative personnel, for the purpose of ensuring compliance with this Agreement and determining the adequacy of the operations, maintenance, upkeep and repair of the Borough's property, and any other matters relating to this Agreement. This does not authorize the Borough to inspect medical, personnel or other records legally considered confidential without other authorization.

33. ASSIGNMENT. SPHI shall not have any power to assign its rights or interests under this Agreement without the prior approval of the Borough Assembly.

34. AMENDMENT. The parties may amend any term in this Agreement by written agreement signed by both parties, subject to approval by the Borough Assembly by resolution.

35. GOOD FAITH AND FAIR DEALING. The respective contract administrators for the parties will interpret the provisions of this Agreement in good faith. The parties will act in accordance with good faith and fair dealing in carrying out their obligations under this Agreement.

36. BREACH AND REMEDIES.

a. By Borough. If the Borough breaches this Agreement by failing to comply with any of the terms and conditions herein and has not cured the breach within sixty (60) days of receipt of written notice thereof from SPHI, SPHI may terminate this Agreement.

b. By SPHI. If SPHI breaches this Agreement by failing to comply with any of the terms and conditions herein, and has not cured the breach within sixty (60) days of receipt of written notice thereof from the Borough, the Borough may terminate this Agreement.

c. Cooperation in Transition. SPHI and Borough agree that if this Agreement is terminated, the parties will cooperate and assist in a smooth transition to another operator of the Medical Facilities.

37. **TERMINATION.** Either of the parties hereto may for the reasons hereinafter set forth in this paragraph terminate this Agreement by giving the other party ninety (90) days' prior notice in writing, sent by certified mail, return receipt requested, or personally delivered. Assembly approval by resolution shall be required for the Borough to terminate this Agreement. Grounds for such termination are:

a. A breach of any of the terms and conditions herein contained when such breach is not remedied as herein provided; or

b. When and if either party, because of conditions beyond its control, is unable to obtain or retain medical doctors to adequately staff the Medical Facilities managed and operated by SPHI either directly or through a contract; or

c. When either party requests a modification of the terms hereof necessary to relieve it from financial loss in the proper conduct, operation and management of the Medical Facilities, and is unable to obtain the consent of the other party to a reasonable change or modification sufficient to alleviate such condition; or

d. If the Borough has received or makes application for and receives financial assistance or grants of operating and capital funds from any government agency, nonprofit foundation, or other entity for Service Area activities administered by SPHI, and SPHI materially breaches the terms of such grant Agreement, the Borough in its sole discretion may determine such breach to be a material breach of this Agreement; or

e. If the Borough Contract Administrator becomes dissatisfied with the performance or results of SPHI's operation and maintenance of any of the Medical Facilities or services provided pursuant to this contract, the Borough Contract Administrator may issue a written notice describing the problem and requesting it be remedied. If the Borough Contract Administrator determines that SPHI has failed to take reasonable action to remedy the problem within sixty (60) days of the written notice, this failure constitutes cause and the Borough may terminate this Agreement.

38. SURRENDER ON TERMINATION. SPHI, upon termination of this Agreement pursuant to the provisions hereof, or any extension thereof, and in the event there is no successor agreement between the parties, shall work cooperatively with the Borough and subsequent operator to facilitate a smooth transition of the operation and management of the Medical Facilities. SPHI shall promptly quit, surrender and reconvey to the Borough and shall surrender its possession and control of all tangible and intangible assets including without limitation all real and personal property covered by this Agreement in as good a state and condition that such property was in on the effective date of this Agreement, normal wear excepted. That property includes, but is not limited to, all rental and leasehold interests of SPHI in all the Medical Facilities, all improvements, capital improvements, fixtures, equipment, materials, supplies, inventory, medical records, business records, revenues, cash, cash equivalents, accounts receivable, trust accounts and other property necessary for or associated with the operation of the Medical Facilities.

Notwithstanding the foregoing, SPHI shall not be required to convey to the Borough such cash, income or other assets, if any, as are received by SPHI from sources independent of and unrelated to this Agreement that were previously disclosed to the Borough as required by this agreement.

SPHI shall give to the Borough, or such other person identified by the Borough, all records required for continued operations of the Medical Facilities.

The parties shall cooperate so that all licenses and permits incident to operation of the Medical Facilities can be transferred or changed to either the Borough or an operator identified by the Borough. SPHI shall file a final cost report with the Borough within 45 days after termination.

39. FINAL ACCOUNTING. Upon termination of this Agreement for any reason there shall be complete accounting and final payment and settlement of accounts within ninety (90) days following the submission of the accounting report covering the period of time from the end of the last fiscal year audit through the end of operation by SPHI.

40. SEVERABILITY. No provision of this Operating Agreement shall be effective which is in violation of any state or federal law or regulation or agreement heretofore entered into between the Borough and any state or federal agency, relating to the use or operation of the Medical Facilities administered by SPHI; provided, however, if one or more provisions of this Agreement are hereinafter determined to be invalid and unenforceable, this shall not operate to defeat or invalidate the remainder of this Agreement unless the lack of enforceability or invalidity has the effect of substantially changing the terms and conditions of this Agreement or operates in such a manner as to invalidate or defeat the primary purpose or objectives of this Agreement.

41. **SUCCESSORS AND ASSIGNS BOUND.** The covenants and conditions herein contained shall apply to bind the successors and assigns of the parties hereto.

42. **TIME OF THE ESSENCE.** Time is declared to be of the essence in this Agreement and each and every term and provision hereof.

43. **FORCE MAJEURE.** Neither party to this Agreement shall be liable for delays in performance or for non-performance directly occasioned or caused by Force Majeure. Force Majeure means any event beyond the reasonable control of the party claiming to be affected thereby including without limitation acts of God, storms, war, fire, strikes of general application, acts of a public enemy, insurrections, riots, or rules or regulations of any governmental authority asserting jurisdiction or control, compliance with which makes continuance of operations impossible. Strikes, lockouts or differences with workers which are limited to SPHI's personnel or those of SPHI's Subcontractors and inability of either party to secure funds shall not be regarded as Force Majeure. Upon the occurrence of Force Majeure, the party affected shall give prompt notice thereof to the other party and shall do all things reasonably necessary to remove or mitigate its effects.

44. **WAIVER.** The waiver by a party hereto of any term covenant or condition herein contained shall not be deemed to be a waiver of such term, condition, covenant, or any subsequent breach of the same or any other term, covenant, or condition herein contained.

45. **VENUE.** Any suit regarding enforcement or application of this Agreement shall be filed and prosecuted in the Kenai Venue District, Third Judicial District, State of Alaska.

46. **NO RIGHTS CONFERRED.** Nothing in this Agreement shall be construed to confer any right or cause of action or suit, either at law or in equity, upon any person, group of persons, firm, corporation or public officer, other than the parties signing this contract, and SPHI shall have no authority to bind the Borough or create any liability on the Borough's part, unless expressly authorized in this Agreement.

47. **NON-COMPETITION.** The parties understand and agree that, except as authorized by the Borough Assembly, SPHI shall not engage in any activities that compete with hospital service area activities within the boundaries of the Service Area during the term of this Agreement, any extension thereof, and for a period of two years from the date this Agreement is terminated. Borough Assembly authorization of such activities may be in the form of a resolution unless an ordinance is otherwise required by law, and may be considered granted if the Borough Assembly appropriates funds for such an activity.

Nothing herein shall be deemed as precluding any person who serves or served as an officer or director of SPHI from engaging in the practice of medicine or other health care-related endeavors. However, no such person may use any “privileged or confidential information” whatsoever gained from their involvement with SPHI as an officer or director, to compete with SPHI or Service Area activities while serving as an officer or director, or for a period of two years thereafter, unless a longer period is required by law, from the date the person ends their service as an officer or director of SPHI, within the boundaries of the Service Area. “Privileged or confidential information” has the meaning defined in paragraph 29.a above. Any information in the public domain or that becomes part of the public domain as a public record, pursuant to paragraph 29.f, above, is not “privileged or confidential information.”

48. CONTRACT ADMINISTRATION. The Borough Mayor is the Borough Contract Administrator under this Agreement. The President of SPHI is the administrator of this Agreement on behalf of SPHI.

49. INTEGRATION. This Agreement, the Agreements described in section 2, all amendments to those Agreements, and all attachments to this agreement which are integrated herein, constitute the entire agreement between the parties. This Agreement supersedes all previous communications, memoranda, correspondence, proposals, understandings, agreements and contracts, both verbal and written, between these parties. Both parties specifically acknowledge that, in entering into and executing this Agreement, they rely solely upon the representations and agreements contained in this Agreement and no others. No oral statements or prior written material not specifically incorporated herein shall be recognized by either party or bind either party unless incorporated herein by amendment, such amendment to become effective on the date stipulated in such amendment. Further, this Agreement may not be enlarged, modified, amended, supplemented, or altered except by amendment pursuant to this Agreement.

50. RECITALS. The Recitals to this Agreement are hereby incorporated into this Agreement as if fully set forth herein.

KENAI PENINSULA BOROUGH

SOUTH PENINSULA HOSPITAL,
INC.

By: _____
Honorable Charlie Pierce
Its: Mayor

By: _____
David Groesbeck
Its: President, Board of Directors

Approved by KPB Ord. 2019-____
Date:

Approved by SPHI Motion _____
Date:

ATTEST:

By: _____
Johni Blankenship, Borough Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

By: _____
Borough Attorney

ACKNOWLEDGMENTS

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ____ day of _____, 2019, by Charlie Pierce, Mayor of the Kenai Peninsula Borough, an Alaska municipal corporation, for and on behalf of the corporation.

Notary Public for State of Alaska
My Commission Expires: _____

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ____ day of _____, 2019, by David Groesbeck, the President of South Peninsula Hospital, Inc., a non-profit corporation, for and on behalf of the corporation.

Notary Public for State of Alaska
My Commission Expires: _____

EXHIBIT A

DESCRIPTION OF MEDICAL FACILITIES

The Borough leases the following described property to SPHI (hereinafter the “Medical Facilities”) for the term of this Agreement and any extension thereof:

a. The South Peninsula Hospital and its grounds, located at 4300 Bartlett Street, Homer, Alaska, owned by the City of Homer, more particularly described as:

Tract A-1, South Peninsula Hospital Subdivision 2005 Addition, filed under Plat No. 2006-38 Homer Recording District, Third Judicial District, State of Alaska.

b. The hospital parking lot property and buildings owned by the Borough, more particularly described as:

Lots 3, 4, 5 and 6, Block 7; Lot 4, Block 8, Lot 6, Block 9, Fairview Subdivision Plat No. HM 56-2936 Volume 8, Page 196, Homer Recording District, Third Judicial District, State of Alaska.

c. The following leased property located at 4251 Bartlett Street, Homer, Alaska, owned by Mark Halpin and B. Isabel Halpin subject to the terms and conditions of the lease, more particularly described as:

L2-A Block 8 Fairview Subdivision Halpin Addition, according to Plat No. 2009-43, Homer Recording District, Third Judicial District, State of Alaska,

d. 4,904 sq. ft. of office space located at 4136 Bartlett Street, Homer, Alaska 99603 subject to the terms and conditions of the lease, more particularly described as:

Lot 2-A, Block 5, Fairview Subdivision No. 11, as shown on Plat No. 85-28, Homer Recording District, Third Judicial District, State of Alaska.

e. Approximately 1,500 square feet of the office space owned by Westwing LLC located at 4117 Bartlett Street, Homer, Alaska 99603

subject to the terms and conditions of the lease, more particularly described as:

Lot 4, Block 10, Fairview Subdivision, as shown on Plat No. 56-2936, Homer Recording District, Third Judicial District, State of Alaska.

f. 3,780 square feet of office space and 3,225 square feet of basement office space both within the Kachemak Bay Professional Building, 4201 Bartlett Street, Homer, Alaska 99603 subject to the terms and conditions of the lease more particularly described as:

Lot 1-A Block 9, Fairview Subdivision 2003 Addition, as shown on Plat No. 2004-101, Homer Recording District, Third Judicial District, State of Alaska.

g. The following leased property owned by Jonas Ridge, LLC located at 203 Pioneer Avenue, Suite 1, Homer, Alaska 99603, subject to the terms and conditions of the lease, more particularly described as:

Tract A, Chamberlain & Watson Sub Plat of Tract A, Section 19, T6S, R13W, S.M., Plat 075063, Homer Recording District, Third Judicial District, State of Alaska.

h. Office space owned by the Kenai Peninsula Borough located at 348 Cityview Avenue, Homer, Alaska 99603, more particularly described as:

Lot 4, Block 8, Fairview Sub., Section 18, T6N, R13W, Seward Meridian, Plat 1956-2936, Homer Recording District, Third Judicial District, State of Alaska.

i. Office space owned by the Kenai Peninsula Borough located at 347 Cityview Avenue, Homer, Alaska 99603, more particularly described as:

Lot 6, Block 9, Fairview Sub., Section 18, T6N, R13W, Seward Meridian, Plat 1956-2936, Homer Recording District, Third Judicial District, State of Alaska.

j. Such other Borough-owned or leased facilities, if any, as are authorized by the Borough pursuant to this Agreement for SPHI to sublease and operate pursuant to this Agreement.

EXHIBIT B



October 2017 Financial Performance Report

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South Peninsula Hospital

CFO Report FY 2018 Overview of October Financials

Income Statement-

Patient Service Revenue (PSR)

Inpatient PSR of \$2.2M is down \$478K from September and budget by \$308K, this is attributed to an increase in Medicare/Medicaid, almost half patient days were swing days (110/267=42%) as reflected in the elevated LOS. We experienced a slight increase in Medicare payer mix to 39% from 35% in September and drop in Commercial to 28% from 34% which negatively impacts our contractual deductions. LTC was slightly ahead of September and budget, currently census is at 100% ahead of budget by 4% YTD. Outpatient Ancillary at \$6.5M is down from Sept by \$673K of most attributed to less lab and ER charges offset by increases in surgery charges.

Deductions for Contractual and Bad Debt

Contractual discounts were down in October which averaged 35% from September's 38% due to the shift from inpatient to outpatient revenue and a positive adjustment of \$167K to Medicare contractual from a more favorable settlement payment on the FY 2016 Cost Report than estimated. Additionally, we had a substantial drop in bad debt as the Aging continues to improve for the hospital AR and we have flushed out most of the old clinic and LTC AR from Evident. Since our bad debt reserve % is higher for the older aging buckets so our reserve against AR is dropping each month. Back in January we had \$6.6M in over 120 days old and at the end of October we have less than \$5M. Charity care had trended down as we have processed all approved applications but we had several large applications approved for high dollar surgeries for several Medicare age patients who can't afford the co-pays and deductibles. It's rewarding to assist many of the families or couples from our community who have applied recently they are truly deserving of the assistance.

Volumes for October

Acute care occupancy down at 41% (PY October also 41%) compared to 568 in September. Our LOS is running high at 4.3 but down from 5.8 in September, YTD is 4.3 still high for a CAH and acute/swing days were 267, YTD we are above prior year with an average of 300 days compared to 294 days for the first 4 months of the fiscal year. October's ADC (average daily census) of 8.6 is well below avg of 11.3 in September as reflected in our patient days.

October surgical volumes picked up slightly to 15 inpatient surgeries and 117 O/P surgeries from 84 in September; contributing to improved revenues for surgery (Dr. Sintenga had 29 surgeries been gone since July and now again until January). So far this year we are trending down 11%, 390 surgeries YTD versus 453 YTD in FY2017. Bohling (30), Hough-E (16) and Adcox-E (14) and Ostrom-E (9) comprise 58% of Surgeries in October. E=Employed

The remainder of the outpatient departments had solid volumes in October, with total lab tests at 11,002 (health fair month) compared to 9,042 last October (drop from 12,071 in September-employee and health fair labs) and Radiology had 1,334 procedures compared to 1,380 last October but in line with September's 1,422. ER was down in October at 353 visits versus September at 449 but up from 404 visits last October. Even with less ER visits we had 35 inpatient admissions to Acute/ICU compared to 39 last month.

LTC occupancy was at 98%. AR at 10/31/17 was little over \$950K with AR over 120 less than \$25K. We have 2 residents with \$250K of outstanding AR going back to July and August due to the State requesting reapplication for services, the new LTC Director and I met this week and she is investigating the status.

Operating Expenses

Overall, expenses of **\$5.9M were within \$200K of September** and were 2% or \$120K below budget of \$6M due to favorable budget variances in most expense categories except supplies and professional fees. YTD total expenses are at \$22,683K compared to a budget of \$23,994K, a favorable variance of 5.5% and we are only trending up slightly from the PY YTD of \$22,065 which is less than 3% increase.

Overall most categories are below budget YTD except for contract staffing some of which is due to prior year invoices submitted in FY18. We are down to 6 travelers this year from a high of 17 in the prior year and are our cap for FY 18. Software maintenance was budgeted in R&M but netted against the favorable variance we are still over due to timing and unbudgeted expenditures.

Overall Results and Non-Recurring Expense

Operations resulted in a surplus of 3.2% or \$194K above budget for October which was anticipated to be break even. The total surplus for October was \$552K or 9.0% compared to \$279K budgeted or 4.6% putting us at 12.7%. **YTD we are at \$3.4M thru first 4 months of FY18; this is compared to 8.4% and \$2.1M in the budget a favorable variance of \$1.3M or 60%.** In prior year the total surplus YTD was \$668K so we are ahead of prior year by \$2.7M.

It is essential that we stay focused on cost reductions as our Commercial volume is highly concentrated with few payers (Blue Cross, Triwest and Aetna) and unreliable month to month and government changes will most likely continue to erode our reimbursement and it comprised **Medicare/Medicaid represent 68%** of our revenues for the past 12 months.

BALANCE SHEET

Cash is up from September at \$13.7M versus \$11.7M and day's cash on hand for operations is at 75 days. The Cash collections report highlights where our collections spiked in October as the revenue cycle team continues to improve in all areas. Net Accounts Receivable is down slightly from September at \$10.5M compared to \$10.9M and I anticipate this will be predictable level for FY18. **October collections were \$6.3M from operations and we received \$680K for cost reports settlements from Medicare boosting total cash collections to \$7M our highest month in history.**

South Peninsula Hospital
BALANCE SHEET
FOR THE MONTH ENDING: 10/31/17

	This Year 10/31/17	Last Year 10/31/16	Last Month 09/30/17
ASSETS			
CURRENT ASSETS			
CASH AND CASH EQUIVALENTS	13,612,930	7,134,664	13,741,431
EQUITY IN CENTRAL TREAS-KPB	7,173,824	3,655,499	7,173,999
	-----	-----	-----
TOTAL CASH AND CASH EQUIVALENTS	20,786,754	10,790,164	20,915,430
PATIENT RECEIVABLES	19,541,786	19,138,895	18,627,400
LESS ESTIMATED UNCOLLECTIBLES	(8,350,406)	(7,222,585)	(8,108,286)
	-----	-----	-----
NET PATIENT ACCT RECEIVABLE	11,191,379	11,916,309	10,519,113
PROPERTY TAXES RECV - KPB	163,250	144,246	163,250
LESS: ALLOW PROP TAX - KPB	(3,842)	(3,598)	(3,842)
	-----	-----	-----
NET PROPERTY TAX RECV - KPB	159,407	140,647	159,407
OTHER RECEIVABLES	276,231	116,843	238,149
INVENTORIES	1,801,285	1,888,789	1,813,691
PREPAID EXPENSES	753,302	661,536	714,045
	-----	-----	-----
TOTAL CURRENT ASSETS	34,968,362	25,514,291	34,359,839
ASSETS WHOSE USE IS LIMITED			
EMPLOYEE HEALTH RESERVE	108,697	108,396	108,697
MALPRACTICE RESERVE	85,000	85,000	85,000
STUDENT LOAN PROGRAM		3,584	
OTHER RESTRICTED FUNDS	18,364	18,364	18,364
	-----	-----	-----
TOTAL ASSETS WHOSE USE IS LIMITED	212,062	215,346	212,062
CAPITAL ASSETS			
LAND AND LAND IMPROVEMENTS	3,816,772	3,816,772	3,816,772
BUILDING	56,585,542	56,333,204	56,459,983
EQUIPMENT	23,309,382	22,233,546	23,309,382
IMPROVEMENTS OTHER THAN BUILDINGS	140,474	140,474	140,474
CONSTRUCTION IN PROGRESS	4,159,008	526,753	4,124,059
LESS: ACCUMULATED DEPRECIATION	(45,710,704)	(42,816,789)	(45,467,021)
	-----	-----	-----
NET CAPITAL ASSETS	42,300,476	40,233,961	42,383,651
	-----	-----	-----
TOTAL ASSETS	77,480,901	65,963,599	76,955,553
DEFERRED OUTFLOWS OF RESOURCES			
PENSION RELATED	1,361,341	1,523,460	1,361,341
UNAMORTIZED DEFERRED CHARGE ON REFUNDI	818,347	921,256	818,347
	-----	-----	-----
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,179,688	2,444,716	2,179,688
	-----	-----	-----
TOTAL ASSETS AND DEFERRED OUTFLOWS O	79,660,589	68,408,316	79,135,241

	=====	=====	=====
LIABILITIES			
CURRENT LIABILITIES:			
ACCOUNTS AND CONTRACTS PAYABLE	2,427,040	1,003,332	2,687,367
ACCRUED LIABILITIES	6,691,358	4,544,502	6,001,817
DEFERRED CREDITS	128,363	104,535	138,745
CURRENT PORTION OF NOTE DUE KPB			
CURRENT PORTION OF BONDS PAYABLE	1,440,000	1,195,000	1,440,000
BOND INTEREST PAYABLE	211,924	199,675	211,924
ADVANCES FROM MEDICAID	265,659	1,000,444	395,774
CURRENT PORTION OF CAPITAL LEASE	(42,366)	41,153	(27,939)
	-----	-----	-----
TOTAL CURRENT LIABILITIES	11,121,979	8,088,642	10,847,690
LONG-TERM LIABILITIES			
BONDS PAYABLE NET OF CURRENT PORTION	16,645,000	13,890,000	16,645,000
PREMIUM ON BONDS PAYABLE	1,869,660	1,457,160	1,869,660
CAPITAL LEASE, NET OF CURRENT PORTION	215,221	215,221	215,221
NET PENSION LIABILITY	1,954,217	2,203,993	1,954,217
	-----	-----	-----
TOTAL NONCURRENT LIABILITIES	20,684,098	17,766,375	20,684,098
TOTAL LIABILITIES	31,806,077	25,855,017	31,531,789
DEFERRED INFLOW OF RESOURCES			
PROPERTY TAXES RECEIVED IN ADVANCE	716,695	524,705	716,695
NET POSITION			
INVESTED IN CAPITAL ASSETS	5,731,962	5,731,962	5,731,962
CONTRIBUTED CAPITAL - KPB			
RESTRICTED	25,286	25,286	25,286
UNRESTRICTED FUND BALANCE - SPH	42,119,532	37,027,118	41,566,960
UNRESTRICTED FUND BALANCE - KPB	(738,964)	(755,774)	(437,451)
	-----	-----	-----
TOTAL NET POSITION	47,854,512	42,553,298	47,603,452
TOTAL LIAB , DEFERRED INFLOW & NET P	79,660,589	68,408,316	79,135,241
	=====	=====	=====

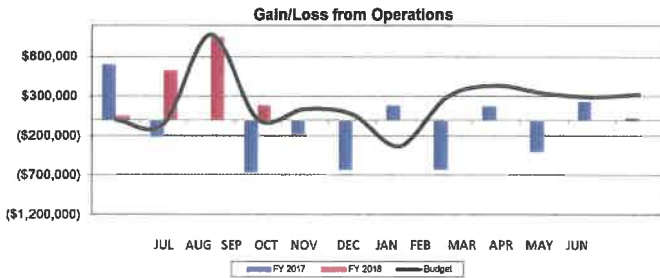
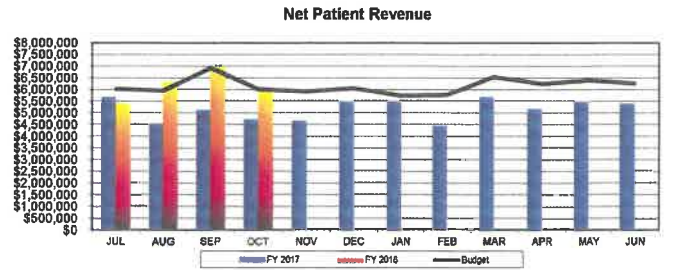
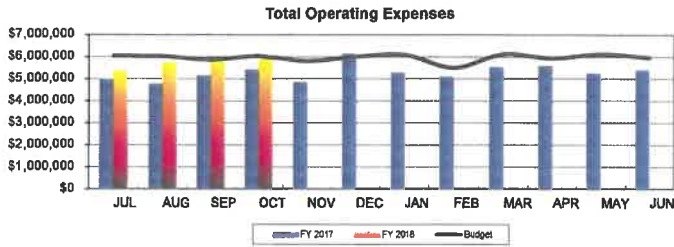
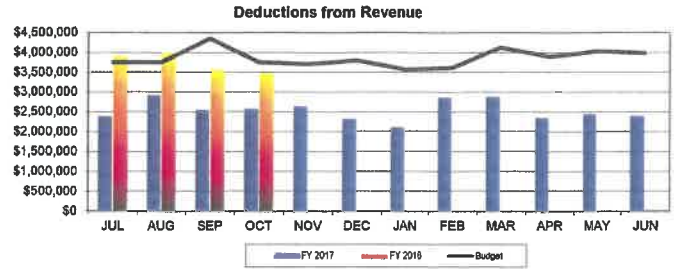
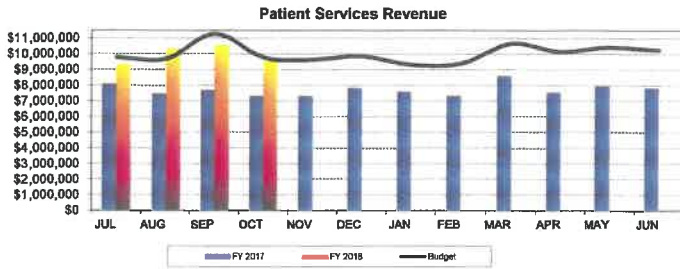
SOUTH PENINSULA HOSPITAL
Summary Income Statement
FOR THE 4 MONTHS ENDING 10/31/17

	----- S I N G L E M O N T H -----				----- Y E A R T O D A T E -----			
	ACTUAL	BUDGET	\$ VARIANCE	% VAR	ACTUAL	BUDGET	\$ VARIANCE	% VAR
REVENUES								
PATIENT SERVICE REVENUE								
INPATIENT	2,178,209	2,485,995	(307,785)	(12)	9,893,774	10,971,524	(1,077,749)	(9)
OUTPATIENT	6,510,143	6,484,480	25,663	0	26,563,099	26,352,615	210,483	0
LONG TERM CARE	838,524	804,452	34,071	4	3,361,501	3,217,810	143,691	4
TOTAL PATIENT	9,526,877	9,774,927	(248,050)	(2)	39,818,376	40,541,950	(723,574)	(1)
DEDUCTIONS FROM REVENUE								
MEDICARE	1,596,914	1,580,480	(16,434)	(1)	7,491,891	6,575,577	(916,313)	(13)
MEDICAID	718,133	1,170,725	452,592	38	4,225,548	4,870,795	645,247	13
CHARITY CARE	185,082	141,361	(43,721)	(30)	543,402	588,132	44,729	7
OTHER ADJUSTMENT	867,639	628,422	(239,216)	(38)	2,488,164	2,614,547	126,382	4
BAD DEBT	95,268	231,012	135,743	58	396,201	961,124	564,922	58
TOTAL DEDUCTIO	3,463,038	3,752,001	288,962	7	15,145,209	15,610,177	464,967	2
NET PATIENT SE	6,063,838	6,022,926	40,911	0	24,673,167	24,931,773	(258,606)	(1)
OTHER REVENUE	52,634	27,242	25,391	93	146,374	108,008	38,365	35
TOTAL OPERATIN	6,116,472	6,050,169	66,303	1	24,819,541	25,039,782	(220,240)	(0)
OPERATING EXPENSES								
SALARIES & WAGES	2,674,439	2,739,871	65,431	2	10,741,095	10,861,632	120,536	1
EMPLOYEE BENEFIT	1,192,862	1,274,854	81,992	6	4,357,947	5,053,999	696,052	13
SUPPLIES DRUGS &	661,778	619,877	(41,901)	(6)	2,325,333	2,502,100	176,767	7
CONTRACT STAFFIN	82,363	75,267	(7,096)	(9)	493,721	335,013	(158,708)	(47)
PROFESSIONAL FEE	589,473	542,818	(46,655)	(8)	1,923,287	2,152,132	228,844	10
UTILITIES & TELE	109,250	113,296	4,045	3	414,851	449,187	34,336	7
INSURANCE	39,249	44,402	5,152	11	169,457	176,023	6,565	3
DUES BOOKS SUBSC	20,267	24,744	4,476	18	90,227	98,130	7,903	8
SOFTWARE MAINT/S	83,028	0	(83,028)	(0)	206,254	0	(206,254)	(0)
TRAVEL MEETINGS	22,045	52,746	30,700	58	94,957	183,489	88,531	48
REPAIRS & MAINTE	97,174	125,859	28,685	22	403,550	498,995	95,445	19
LEASES & RENTALS	41,036	48,441	7,404	15	201,279	192,056	(9,222)	(4)
OTHER OP EXPENSE	65,442	131,836	66,394	50	286,830	520,208	233,377	44
DEPRECIATION	243,683	244,851	1,168	0	973,841	970,661	(3,179)	(0)
TOTAL OPERATIN	5,922,096	6,038,867	116,770	1	22,682,635	23,993,631	1,310,995	5
GAIN (LOSS) FR	194,376	11,302	183,074	1619	2,136,905	1,046,151	1,090,754	104

SOUTH PENINSULA HOSPITAL
 Summary Income Statement
 FOR THE 4 MONTHS ENDING 10/31/17

	----- S I N G L E M O N T H -----				----- Y E A R T O D A T E -----			
	ACTUAL	BUDGET	\$ VARIANCE	% VAR	ACTUAL	BUDGET	\$ VARIANCE	% VAR
NON-OPERATING REVENUES:								
GENERAL PROPERTY	377,173	344,998	32,175	9	1,508,692	1,367,815	140,876	10
GAIN (LOSS) ON D	(2,306)	0	(2,306)	(0)	(2,306)	0	(2,306)	(0)
TOTAL NON-OPER	374,866	344,998	29,868	8	1,506,386	1,367,815	138,570	10
NON-OPERATING EXPENSES:								
SERVICE AREA BOA	(35,616)	13,769	49,385	358	32,371	54,585	22,214	40
ADMINISTRATION N	0	0	0	0	3,664	0	(3,664)	(0)
INTEREST EXPENSE	65,660	63,428	(2,231)	(3)	262,640	251,448	(11,192)	(4)
TOTAL NON-OPER	30,044	77,197	47,153	61	298,675	306,034	7,358	2
GRANTS:								
GRANT REVENUE	10,233	0	10,233	0	10,318	0	10,318	0
TOTAL GRANT RE	10,233	0	10,233	0	10,318	0	10,318	0
INCOME (LOSS)	549,432	279,102	270,329	96	3,354,934	2,107,932	1,247,002	59
OPERATING TRANSF	3,140	0	3,140	0	3,140	0	3,140	0
NET INCOME	552,572	279,102	273,469	97	3,358,074	2,107,932	1,250,142	59

Executive Summary



%

PERFORMANCE INDICATORS REPORT FY2017

YTD

Indicator	Oct-17	Prior Year	Target	Variance
Gross Patient Revenue	\$39,818,374	32,288,110	\$40,541,951	-\$723,576
Deductions From Revenue	\$14,945,208	10,748,535	\$15,610,177	\$664,969
Net Patient Revenue	\$24,873,166	21,539,574	\$24,931,774	-\$58,607
Acute Care Occupancy including Observation	47%	48%	50%	-3.0%
Average Length of Stay	4.30	2.97	4.00	0.3
Total Surgeries	453	520	500	(47)
Emergency Room Visits	1,805	1,997	2,000	(195)
Average Daily Revenue	\$436,366	1,997	\$444,295	-\$7,930
Inpatient Charge per Patient Day	\$89,437	\$87,438	\$89,199	(8,762)
Outpatient Charge per visit *		1,071		0
Total Operating Expense	\$23,065,043	\$22,064,600	\$23,993,631	\$928,588
Gain/Loss from Operations	\$1,954,496	-\$426,864	\$1,046,151	\$908,345
EBITDA	\$2,928,337	\$543,349	\$2,016,813	\$911,524
Net Income	\$2,909,361	\$668,961	\$3,358,075	-\$448,714
Average Daily Expense	\$187,521	\$179,276	\$195,070	\$7,549
Cash on Hand - Bank	\$13,612,930	7,134,665	\$17,556,315	3,230,440
Cash on Hand - KPB Investment	\$7,173,825	\$189,523		
Days of Cash on Hand without Investment	73	42	60	13
Net Accounts Receivable Days	55	72	45	(10)
Gross Accounts Receivable Days	45	71	45	0
Payer Mix				
Medicare	38.72%	35.35%	40.0%	-1.3%
Medicaid	29.65%	35.97%	25.0%	4.7%
Commercial	28.05%	20.30%	35.0%	-7.0%
Self-Pay	3.58%	8.38%	5.0%	-1.4%
Contractual % by Payer				
Medicare	49.7%	36.0%	45.0%	-4.7%
Medicaid	38.2%	23.6%	30.0%	-8.2%
Commercial	20.7%	30.3%	20.0%	-0.7%
Self-Pay	58.9%	70.8%	10.0%	-48.9%

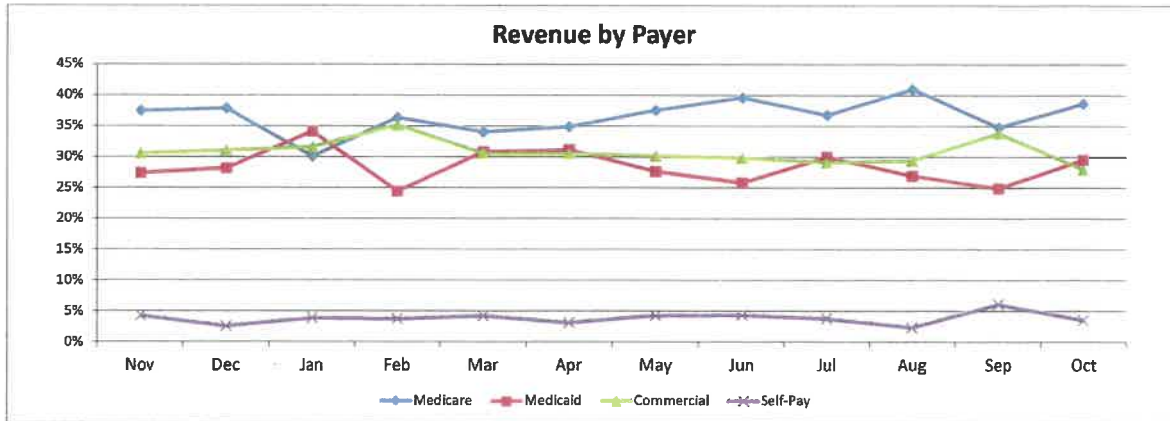
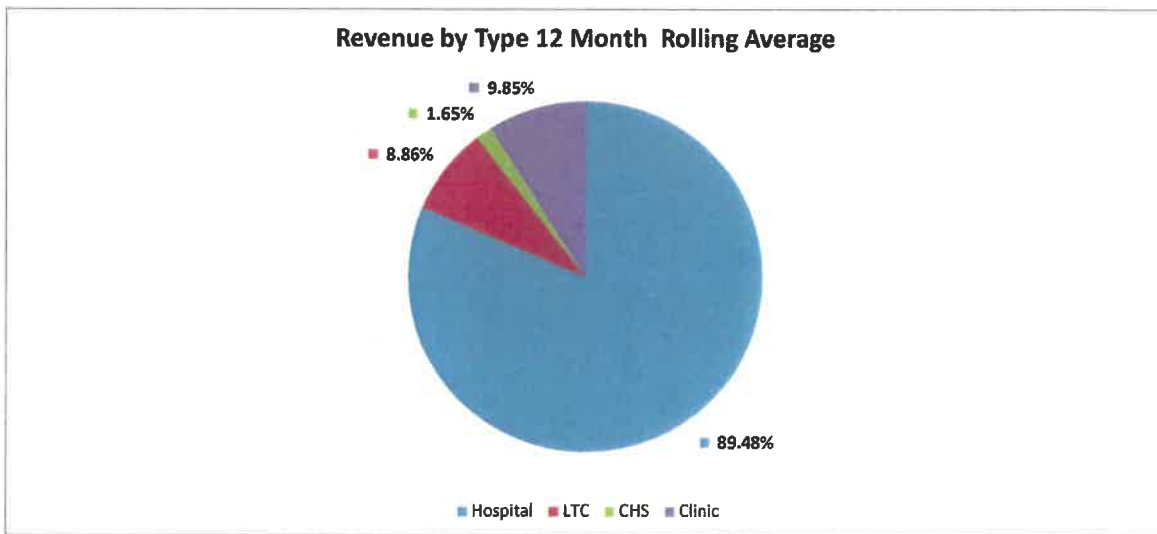
SPH Revenue by Type Table FY2018

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Average
Hospital	\$ 7,724,270	\$ 8,488,831	\$ 8,859,563	\$ 9,232,427	\$ 9,135,857	\$ 8,794,639	\$ 9,517,579	\$ 9,303,211	\$ 8,871,422	\$ 8,369,667	\$ 8,731,266	\$ 7,909,658	\$ 8,470,506
LTC	\$ 761,545	\$ 804,533	\$ 747,734	\$ 695,968	\$ 777,303	\$ 732,186	\$ 754,585	\$ 770,849	\$ 755,588	\$ 838,152	\$ 793,578	\$ 968,562	\$ 838,970
CHS	\$ 120,024	\$ 116,040	\$ 114,482	\$ 71,180	\$ 137,259	\$ 60,569	\$ 52,496	\$ 46,754	\$ 89,850	\$ 110,754	\$ 114,132	\$ 310,822	\$ 156,389
Clinic									\$ 801,955	\$ 964,078	\$ 944,134	\$ 1,020,929	\$ 932,774
Total	\$ 8,605,838	\$ 9,324,404	\$ 9,721,779	\$ 9,999,575	\$ 10,050,418	\$ 9,587,394	\$ 10,324,659	\$ 10,120,815	\$ 10,518,815	\$ 10,282,650	\$ 10,583,110	\$ 10,209,981	\$ 9,465,865

Medicare	\$ 3,234,896	\$ 3,540,893	\$ 2,928,463	\$ 3,647,963	\$ 3,432,053	\$ 3,355,082	\$ 3,889,680	\$ 4,020,845	\$ 3,213,491	\$ 4,225,632	\$ 3,693,994	\$ 3,953,702	\$ 3,771,680
Medicaid	\$ 2,363,455	\$ 2,635,095	\$ 3,330,716	\$ 2,452,022	\$ 3,107,365	\$ 2,995,673	\$ 2,863,387	\$ 2,622,757	\$ 2,622,408	\$ 2,777,375	\$ 2,645,240	\$ 3,028,900	\$ 2,767,981
Commercial	\$ 2,639,739	\$ 2,904,229	\$ 3,082,461	\$ 3,524,050	\$ 3,084,394	\$ 2,936,819	\$ 3,126,431	\$ 3,033,100	\$ 2,544,727	\$ 3,034,377	\$ 3,592,345	\$ 2,864,244	\$ 3,008,923
Self-Pay	\$ 357,748	\$ 244,248	\$ 380,138	\$ 375,540	\$ 426,605	\$ 299,920	\$ 445,162	\$ 444,113	\$ 333,349	\$ 245,268	\$ 651,591	\$ 365,134	\$ 398,835
Total	\$ 8,605,838	\$ 9,324,404	\$ 9,721,779	\$ 9,999,575	\$ 10,050,418	\$ 9,587,394	\$ 10,324,659	\$ 10,120,815	\$ 8,713,975	\$ 10,282,650	\$ 10,583,110	\$ 10,209,981	\$ 9,947,428

Hospital	89.76%	90.13%	91.13%	92.33%	90.90%	91.73%	92.18%	91.92%	84.34%	81.40%	82.50%	77.47%	89.48%
LTC	8.85%	8.53%	7.69%	6.96%	7.73%	7.64%	7.31%	7.62%	7.18%	8.15%	7.50%	9.49%	8.85%
CHS	1.39%	1.24%	1.18%	0.71%	1.37%	0.63%	0.51%	0.46%	0.85%	1.08%	1.08%	3.04%	1.65%
Clinic	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	7.62%	9.38%	8.92%	10.00%	9.85%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Medicare	37.59%	37.97%	30.12%	36.48%	34.15%	34.99%	37.67%	39.73%	36.88%	41.09%	34.90%	38.72%	37.92%
Medicaid	27.46%	28.26%	34.26%	24.52%	30.92%	31.24%	27.73%	25.91%	30.09%	27.01%	24.99%	29.65%	27.53%
Commercial	30.67%	31.15%	31.71%	35.24%	30.69%	30.63%	30.28%	29.97%	29.20%	29.51%	33.94%	28.05%	30.25%
Self-Pay	4.27%	2.62%	3.91%	3.76%	4.24%	3.13%	4.31%	4.39%	3.83%	2.39%	6.16%	3.58%	4.01%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%



ACUTE CARE INCLUDING SWING BED

PATIENT DAYS	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Totals	Monthly Average	Percent Change
TOTAL FY 18	236	346	352	267	0	0	0	0	0	0	0	0	1,201	300.3	1.8%
TOTAL FY 17	294	335	341	269	302	280	211	314	314	346	317	216	3,539	294.9	-4.6%
TOTAL FY 16	308	282	292	325	356	329	299	234	332	352	332	270	3,711	309.3	6.3%

FY 17 ADMISSION	71	80	68	62	0	0	0	0	0	0	0	0	281	70.3	
FY17 AVERAGE LOS	3.3	4.3	5.2	4.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	17.1	4.3	

ACUTE CARE OCCUP	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
% OCC FOR MONTH	36%	53%	56%	41%	0%	0%	0%	0%	0%	0%	0%	0%
% OCC YEAR TO DATE	36%	45%	48%	47%	0%	0%	0%	0%	0%	0%	0%	0%

LTC

PATIENT DAYS	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Totals	Monthly Average	Percent Change
LTC 18	868	868	840	850	0	0	0	0	0	0	0	0	3,426	856.5	7.6%
LTC 17	830	850	804	825	795	811	779	728	796	755	783	795	9,551	795.9	-1.3%
LTC 16	843	864	822	834	780	836	811	776	785	754	792	779	9,676	806.3	-4.6%

LTC OCCUPANCY

% OCC FOR MONTH	100%	100%	100%	98%	0%	0%	0%	0%	0%	0%	0%	0%
% OCC YEAR TO DATE	100%	100%	100%	99%	0%	0%	0%	0%	0%	0%	0%	0%

NEWBORN

# OF BIRTHS	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Totals	Monthly Average	Percent Change
NEWBORN 18	10	0	0	0	0	0	0	0	0	0	0	0	10	10	-22.6%
NEWBORN 17	13	21	9	15	10	12	10	9	10	13	14	19	155	13	6.2%
NEWBORN 16	12	14	13	15	10	5	14	11	10	15	14	13	146	12	6.6%

EMERGENCY

VISITS - ER & OP	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Totals	Monthly Average	Percent Change
VISITS 18	616	0	0	0	0	0	0	0	0	0	0	0	616	616.0	19.1%
VISITS 17	712	595	491	502	496	490	535	449	477	457	568	557	6,206	517.2	-6.4%
VISITS 16	661	639	550	479	472	482	552	436	616	619	547	577	6,630	552.5	4.7%

HOME HEALTH

CLIENTS	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Totals	Monthly Average	Percent Change
FY 18	0	0	0	63	0	0	0	0	0	0	0	0	63	0.0	0.0%
FY 17	44	45	41	49	52	55	57	57	57	51	53	51	612	51.0	24.1%
FY 16	41	38	39	45	39	39	42	40	39	38	44	49	493	41.1	22.6%

SURGERY

PROCEDURES	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Totals	Monthly Average	Percent Change
I/P 18	18	15	15	15	0	0	0	0	0	0	0	0	63	15.8	-19.6%
I/P 17	18	17	15	22	23	24	27	23	19	13	16	18	235	19.6	-7.1%
I/P 16	16	14	9	23	19	16	22	27	30	29	24	24	253	21.1	36.0%
O/P 18	94	89	90	117	0	0	0	0	0	0	0	0	390	97.5	-9.0%
O/P 17	100	113	105	130	98	100	99	96	118	94	127	106	1,286	107.2	3.7%
O/P 16	104	97	93	110	85	140	89	88	110	126	97	101	1,240	103.3	-10.1%
TOTAL FY 18	112	104	105	132	0	0	0	0	0	0	0	0	453	113.3	-10.7%
TOTAL FY 17	118	130	120	152	121	124	126	119	137	107	143	124	1,521	126.8	1.9%
TOTAL FY 16	120	111	102	133	104	156	111	115	140	155	121	125	1,493	124.4	3.5%

OTHER OUT PATIENT * Observation, Lab, Radiology, Rehabilitation

VISITS *	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Totals	Monthly Average	Percent Change
VISITS 18	3239	3379	3954	4172	0	0	0	0	0	0	0	0	14,744	3,686.0	64.0%
VISITS 17	1964	2171	2778	1997	2196	2106	2066	2086	2415	2210	2538	2438	26,965	2,247.1	9.0%
VISITS 16	2096	1984	2619	2089	1786	2033	1960	1919	2147	1924	2012	2160	24,729	2,060.8	9.2%

South Peninsula Hospital
 Summary Aging by Financial Class-including Athena and LTC (PCC)and HH (Kinser)

	10/31/17	9/30/17	8/31/17	7/31/17	6/30/17	5/31/17	4/30/17
Long Term Care	968,562	948,128	1,482,088	1,487,196	1,671,522	1,611,839	1,476,141
Medicare	6,557,924	6,255,332	6,002,287	4,724,828	5,968,222	5,131,460	4,842,117
Medicaid	2,800,729	1,954,274	2,553,184	2,324,681	2,459,804	3,142,926	3,357,633
Private Insurance	6,123,148	6,606,331	5,553,561	5,527,323	5,713,826	5,928,949	6,171,623
Self-Pay	3,098,416	2,945,987	2,961,313	3,161,685	3,221,792	3,378,886	3,734,052
Home Health	310,822	330,730	326,602	332,706	326,980	412,995	453,269
Month End Accrual	56,115	452,880	670,019	502,200	698,454	644,318	537,601
Totals	19,915,714	19,493,662	19,549,054	18,060,619	20,060,601	20,251,373	20,572,436

Aged Over 120 Days

Long Term Care	24,303	37,775	323,654	549,571	211,524	228,408	293,861
Medicare	658,590	554,267	353,425	287,050	239,175	550,376	506,081
Medicaid	413,752	418,863	572,487	477,369	519,256	591,176	685,314
Private Insurance	969,786	846,379	950,417	1,210,707	1,068,534	782,987	907,473
Self-Pay	2,606,775	2,618,155	2,613,430	2,456,959	2,651,904	2,635,422	3,120,807
Home Health	93,401	130,431					
Totals	4,766,607	4,605,870	4,813,413	4,981,656	4,690,393	4,788,369	5,513,536

Percentage over 120 days

Long Term Care	3%	4%	22%	37%	13%	14%	20%
Medicare	10%	9%	6%	6%	4%	11%	10%
Medicaid	15%	21%	22%	21%	21%	19%	20%
Private Insurance	16%	13%	17%	22%	19%	13%	15%
Self-Pay	84%	89%	88%	78%	82%	78%	84%
Totals	24%	24%	25%	28%	23%	24%	27%

11/14/2017 6:33 PM

Aging

N:\Admin\CFO - Shared\Financials\Oc

EXHIBIT C

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement is made between South Peninsula Hospital, Inc. (“SPHI”) and the Kenai Peninsula Borough (“Borough”), to set forth the terms and conditions for the transfer of funds between SPHI’s Plant, Replacement and Expansion Fund and the Borough’s central investment pool, as follows:

1. When SPHI determines that a deposit or withdrawal should be made to or from the PREF, SPHI shall notify the Borough Finance Director or designee of the amount, date, method and other necessary information to effectuate the deposit or withdrawal. Except under emergency circumstances, SPHI shall give advance notice of at least one day for deposits. For withdrawals from the PREF, SPHI shall make reasonable efforts to provide at least two days’ notice before the next assembly meeting packet deadline of the requested withdrawal amount and date. Upon receipt of notice from SPHI, the Finance Director or designee shall take action to accept the deposit on the date requested by SPHI or, for withdrawals, make reasonable efforts to submit an ordinance to the assembly for introduction at the next regular assembly meeting, appropriating the designated PREF funds.
2. The Borough shall separately account to SPHI for PREF deposits, withdrawals and investment earnings each calendar quarter. PREF funds on deposit in the Borough central investment pool, and earnings thereon, shall be managed according to Borough ordinances and resolutions governing investment of funds, and allocation of earnings on investments, in the central investment pool. All earnings allocated to the SPHI PREF funds on deposit in the central investment pool are deemed to be reinvested to the PREF and their use also is restricted to investment for the PREF.
3. It is the parties’ intent that all promises, covenants, agreements, terms and conditions of the Operating Agreement between SPHI and the Borough shall remain in full force and effect and this Memorandum of Agreement is not intended to vary the terms of the Operating Agreement.

KENAI PENINSULA BOROUGH

SOUTH PENINSULA HOSPITAL,
INC.

Charlie Pierce
Borough Mayor
Dated: _____

David Groesbeck
SPHI Board President
Dated: _____

Approved by KPB Ord. 2019-____
Dated: _____

Approved by Board Res. _____
Dated: _____

ATTEST:

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

Borough Clerk

Borough Attorney

ACKNOWLEDGMENTS

STATE OF ALASKA)
)
THIRD JUDICIAL DISTRICT) ss.

The foregoing instrument was acknowledged before me this ____ day of _____, 2019, by Charlie Pierce, Mayor of Kenai Peninsula Borough, an Alaska municipal corporation, on behalf of the corporation.

Notary Public in and for Alaska
My Commission Expires: _____

STATE OF ALASKA)
)
THIRD JUDICIAL DISTRICT) ss.

The foregoing instrument was acknowledged before me this ____ day of _____, 2019, by David Groesbeck, President, Central Peninsula General Hospital, Inc., an Alaska nonprofit corporation, on behalf of the corporation.

Notary Public in and for Alaska
My Commission Expires: _____

CONSENT TO SUBLEASE

The City of Homer, Alaska, as Lessor under that certain Lease of Homer Hospital entered into on the 10th day of November, 1969, and amended March 17, 1999, October 31, 2005, and June 22, 2006, between the City of Homer and the Kenai Peninsula Borough (the "Lease"), hereby consents to the Operating Agreement for South Peninsula Hospital set forth above and entered into on _____, 2019, between the Kenai Peninsula Borough and South Peninsula Hospital, Inc., upon the express conditions that (a) this Consent shall not be deemed a waiver or relinquishment of the covenant against assignment or subletting set forth in Section 14 of the Lease; and (b) the City of Homer does not hereby consent to any further assignment or subletting of the premises; and (c) this Consent shall not release the Kenai Peninsula Borough from the full performance of the provisions of the Lease, as now existing or as may hereafter be amended.

Dated this ____ day of _____, 2019.

CITY OF HOMER ALASKA

By: _____
Its: _____

ATTEST:

City of Homer – City Clerk

US DEPARTMENT OF VETERANS AFFAIRS LEASE AMENDMENT	LEASE AMENDMENT No. P00012
	TO LEASE NO. VA260R-0729
ADDRESS OF PREMISES SOUTH PENINSULA HOSPITAL, 4300 BARTLETT ST. HOMER, AK 99603 (EXAM ROOMS 2115, 2116, 2019, WATING ROOM AND TELECOM CLOSET).	IFCAP Obligation Number: 463C05025

THIS AMENDMENT is made and entered into between **KENAI PENINSULA BOROUGH**
whose address is: **SOUTH PENINSULA HOSPITAL, 4300 BARTLETT ST. HOMER, AK 99603**

hereinafter called the Lessor, and the **UNITED STATES OF AMERICA**, hereinafter called the Government:

WHEREAS, the parties hereto desire to amend the above Lease.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, **effective 1 October 2019**, as follows:

1. The purpose of this Lease Amendment (LA) is to extend the lease term for 3 years: from 1 October 2019 to 30 September 2022; pricing follows:
 - a. 1 October 2019 – 30 September 2020: Annual rental rate of \$9,600.00 or \$ 800.00 / month (FY20).
 - b. 1 October 2020 – 30 September 2021: Annual rental rate of \$9,600.00 or \$ 800.00 / month (FY21).
 - c. 1 October 2021 – 30 September 2022: Annual rental rate of \$9,600.00 or \$ 800.00 / month (FY22).
2. Provide Fiscal Year 2020 (FY20) Funding with IFCAP Obligation Number above.
3. ****Note:** Wavier of Restoration: Kenai Peninsula Borough., and any successors agree that VA will not be required to restore property known as South Peninsula Hospital, 4300 Bartlett St., Homer, AK 99603 (EXAM ROOMS 2115, 2116, WATING ROOM 2019 AND TELECOM CLOSET) to the previous state if/when VA relocates or closes its office at the above site. VA is obligated to return premises in good conditions; ordinary wear and tear is accepted. A joint exit inventory of space will be conducted at exit to confirm conditions of facility.
4. Last Item - All other lease terms and conditions shall remain unchanged and in full force and effect.

This Lease Amendment contains 1 page.

All other terms and conditions of the lease shall remain in force and effect.
IN WITNESS WHEREOF, the parties subscribed their names as of the below date.

FOR THE LESSOR:

FOR THE GOVERNMENT:

Signature: *Ryan K. Smith*
Name: Ryan K. Smith
Title: CEO
Entity Name: South Peninsula Hospital
Date: 9/27/19

Signature: _____
Name: Jeffrey R. Deering
Title: Lease Contracting Officer
Entity: Department of Veterans Affairs
Date: _____

WITNESSED FOR THE LESSOR BY:

Signature: *Maura Jones*
Name: Maura Jones
Title: Sr. Executive Assistant
Date: 9/27/19

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 Evensen

4 **RESOLUTION 19-085**

5
6 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
7 ENCOURAGING PROPER PRONUNCIATION OF COWLES COUNCIL
8 CHAMBERS, AS CONTINUED RECOGNITION FOR THE CITY OF
9 HOMER’S FIRST MAYOR.

10
11 WHEREAS, The first Mayor of Homer, Ralph Cowles, was instrumental to creating the
12 City of Homer, helping lead Homer during a difficult time surrounding the 1964 Good Friday
13 Earthquake; and

14
15 WHEREAS, Mayor Cowles’ founding efforts gave productive momentum to Homer that
16 continues to present day; and

17
18 WHEREAS, Recognition of historical civic accomplishments is valued by the City of
19 Homer and it may be important to the descendants and relatives of Ralph Cowles
20 (phonetically, “coals”); and

21
22 WHEREAS, An original Street of Homer formerly bearing dedication in the Cowles name
23 was renamed (Resolution 05-08A) for reasons cited by residents to include ‘difficult
24 pronunciation’; and

25
26 WHEREAS, It is possible the renaming was simply because residents, even City Staff,
27 misunderstood the pronunciation, and following this renaming event the Council Chamber at
28 City Hall was dedicated in the Cowles name; and

29
30 WHEREAS, The name Cowles Chamber (pronounced “coals”) is typically
31 mispronounced (e.g., “cow – olls”) by radio press, City Staff and Officials, and the public. For
32 several reasons the pronunciation should be corrected to be accurate in the future.

33
34 NOW THEREFORE BE IT RESOLVED that City Staff and Officials will verbally refer to the
35 Chamber name as intended by the family name (i.e., as “Coals” Chamber).

36
37 BE IT FURTHER RESOLVED that signage above Chamber doors will reflect phonetic
38 pronunciation to help clarify its reference – at present and for the future.

39
40 PASSED AND ADOPTED by the Homer City Council this 25th day of November, 2019.

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55

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal note: Accounts 100.0100.5201-\$100 and 100.0100.5210 - \$100



City of Homer

www.cityofhomer-ak.gov

Administration

491 East Pioneer Avenue
Homer, Alaska 99603

(p) 907-235-8121 x2222

(f) 907-235-3148

Memorandum

TO: MAYOR CASTNER AND CITY COUNCIL MEMBERS

FROM: ECONOMIC DEVELOPMENT COMMISSION

THROUGH: JENNY CARROLL, SPECIAL PROJECTS & COMMUNICATIONS COORDINATOR

DATE: NOVEMBER 18, 2019

SUBJECT: RECOMMENDATIONS FOR ORDINANCE 19-47 TO REPEAL HCC 2.76 ECONOMIC DEVELOPMENT ADVISORY COMMISSION

BACKGROUND: The Economic Development Commission (EDC) discussed Ordinance 19-47 to repeal HCC 2.76 at their October 8, 2019 meeting. After lengthy discussion, the EDC generally agreed that there is value in addressing economic development as a City, and in involving citizen input, but that there are structural challenges to the EDC and some of the tasks outlined in the EDC bylaws are no longer needed.

Chair Marks inquired if the Commission would like to submit recommendations or a statement to City Council regarding the proposed disbanding of the commission. The EDC agreed to provide a statement to the Council in the positive, accepting the change from a standing Commission to a convened task force or other possibilities. The EDC requested time to work with the sponsors of the Ordinance to come up with restructuring recommendations. Councilmember Lord agreed to postpone the ordinance to allow further consideration by the EDC.

The EDC took the matter up again at their November 12, 2019 meeting and unanimously agreed to the following:

The EDC recommends that the following important aspects be included in any new restructuring of the City's economic development strategy:

- ***Create an effective annual cycle for City Council review and action on economic development issues facing the City;***
- ***Increase engagement and drive City of Homer issues into the KPEDD Borough-wide Comprehensive Economic Development Strategy (CEDS);***
- ***Utilize citizen time and City resources to the maximum potential for effective decision-making that moves economic development forward in the City.***

Keeping the three above criteria in mind, the EDC then deliberated several different restructuring ideas and ***recommends the following for consideration in revising the draft ordinance:***

Disband the EDC and establish an annual review/action-plan for Economic Development Priorities (EDP).

It was suggested that the annual review process could follow the model of the Capital Improvement Plan and the Land Allocation Plan in which:

- i. **Every year**, staff sets a review schedule approved by Council to:

a) Circulate economic development priorities amongst Departments, Commissions, Committees, Boards and other community stakeholders with a request to provide City Council with their top three economic projects/goals; any additional economic opportunities, needs, or concerns; and any suggestions for implementation

(City Council could use the Economic Vitality chapter of the City's Comprehensive Plan as the economic development priorities; or alternatively, Council could appoint a one-time, temporary Committee to create recommendations for the priorities list from information detailed in the "Economic Vitality" chapter and the City's CEDS documents for the initial Council review.)

b) Schedule an annual Economic Development Priorities (EDP's) worksession and presentation at a City Council Regular Meeting for public comment and for Council to set their top three EDP's for the year. During the worksession, Council will also brainstorm action items for working on EDP's during the year. These may include appointing one or more issue-specific Task Forces, sending requests for information and recommendations to commissions/boards, drafting resolutions or ordinances directly from Council, developing or revising/revisiting strategic partnerships, or conducting a Business, Retention & Expansion Survey/Report.

- ii. **Every 3 years**, the Mayor will appoint, and Council will confirm, a City representative to the Kenai Peninsula Economic Development District (KPEDD). This representative will attend KPEDD board meetings, and will report back to Council *at least quarterly*.
- iii. **Every 5 years**, the KPEDD City Representative will work with City Council, the Mayor, and the City Manager's office to strategically engage with KPEDD on their CEDS update in order to gather and promote inclusion of Homer-specific economic development information and needs.

This type of annual review process provides flexibility for City Council to decide the best mechanism for acting on economic development issue(s); provides a mechanism for working with KPEDD on CEDS; and has several points at which public input is solicited.



City of Homer

www.cityofhomer-ak.gov

491 East Pioneer Avenue
Homer, Alaska 99603

(p) 907-235-8121

(f) 907-235-3140

Memorandum

TO: Mayor Castner and Homer City Council
THROUGH: Julie Engebretsen, Chair
FROM: Employee Committee
DATE: November 15, 2019
SUBJECT: Request for a COLA for Fiscal Year 2020, 2021 to match inflation

Request Action: Increase COLA to 4% for the FY 2020-2021 budget

In 2017, the Administration completed a Salary and Benefits Survey. In the analysis of the results, one conclusion was that the City needs to regularly budget for Cost Of Living Increases (COLAs) in order to retain and recruit employees and to prevent wages from devaluing due to inflation. Historically, the City inconsistently budgeted for COLAs, resulting in a decrease in city wages compared to other municipalities. More recently, since about 2014, and with the results of the 2017 parity study, the City Council has been more successful in keeping wages steady with inflation. Continuing this trend is vital to maintaining industry parity and to retaining and recruiting quality employees.

The Manager's budget includes a 3% COLA over the two year budget cycle, at 1.5% each year. The Employee Committee recommends a COLA of 3% for FY 2020, and 1% for 2021, for a total of 4% over two years. The method of determination is simple. Inflation for Urban Alaska in 2018, according to the Consumer Price Index, was 3%; we ask that the FY 2020 budget also include a 3% COLA. Total inflation for 2019 is not yet published but is currently trending at about 1%.

The Employee Committee respectfully requests the draft budget be amended to reflect a 1% COLA increase above the amount in the manager's budget.

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

**Ordinances 19-49, 19-50, 19-51
Resolutions 19-080, 19-081 & 081(S)**

A **public hearing** is scheduled for **Monday, November 25, 2019** during a Regular City Council Meeting. The meeting begins at 6:00 p.m. in the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

Ordinance 19-49, An Ordinance of the City Council of Homer, Alaska Imposing a Temporary Six-Month Moratorium on Applications for Professional Offices and Medical Clinics in the Residential Office District and Directing the Planning Commission to Make a Recommendation to the City Council for the Creation of a Medical District in the Vicinity of the South Peninsula Hospital During this Time Frame.

Ordinance 19-50, An Ordinance of the City Council of Homer, Alaska Amending Homer City Code 21.30 Marine Industrial Zoning District Section 21.30.020 Permitted Uses and Structures, to add Boat Sales, Rentals, Service, Repair and Storage, and Boat Manufacturing as Permitted Uses and Section 21.30.050 Conditional Uses and Structures to Remove Boat Sales, Rentals, Service, Repair and Storage, and Boat Manufacturing as Conditional Uses. Planning Commission.

Ordinance 19-51, An Ordinance of the Homer City Council Appropriating Funds for the Calendar Years 2020 and 2021 for the General Fund, the Water Fund, the Sewer Fund, the Port/Harbor Fund, and Internal Service Funds. City Manager.

Resolution 19-080, A Resolution of the City Council of Homer, Alaska Amending the Homer Tariff No. 1 Under Rule 9-Anchoring, Rule 12-Vehicle Parking, Rule 13-Wharfage, Demurrage and Free Time, Rule 26-Fish Dock Rates, and Rule 27-Small Boat Harbor Rules and Regulations. City Manager/Port Director.

Resolution 19-081, A Resolution of the City Council of Homer, Alaska Amending the City Fee Schedule under Administrative Fees, City Clerk Fees, and Port and Harbor Fees. City Clerk. City Clerk.

Resolution 19-081(S), A Resolution of the City Council of Homer, Alaska Amending the City Fee Schedule under Administrative Fees, **Animal Shelter Fees**, City Clerk Fees, and Port and Harbor Fees. City Clerk. City Clerk.

Written testimony received by the Clerk's Office prior to the meeting will be provided to Council.

** Copies of proposed Ordinances in entirety, are available for review online at <https://www.cityofhomer-ak.gov/ordinances>, at the Homer City Clerk's Office, and the Homer Public Library. Contact the Clerk's Office at City Hall if you have any questions. 235-3130, Email: clerk@ci.homer.ak.us

Melissa Jacobsen, MMC, City Clerk
Ad 19-108 112119

CLERK'S AFFIDAVIT OF POSTING

I, Rachel Tussey, Deputy City Clerk for the City of Homer, Alaska, do hereby certify that a copy of the Public Hearing Notice for:

Ordinance 19-49, An Ordinance of the City Council of Homer, Alaska Imposing a Temporary Six-Month Moratorium on Applications for Professional Offices and Medical Clinics in the Residential Office District and Directing the Planning Commission to Make a Recommendation to the City Council for the Creation of a Medical District in the Vicinity of the South Peninsula Hospital During this Time Frame.

Ordinance 19-50, An Ordinance of the City Council of Homer, Alaska Amending Homer City Code 21.30 Marine Industrial Zoning District Section 21.30.020 Permitted Uses and Structures, to add Boat Sales, Rentals, Service, Repair and Storage, and Boat Manufacturing as Permitted Uses and Section 21.30.050 Conditional Uses and Structures to Remove Boat Sales, Rentals, Service, Repair and Storage, and Boat Manufacturing as Conditional Uses. Planning Commission.

Ordinance 19-51, An Ordinance of the Homer City Council Appropriating Funds for the Calendar Years 2020 and 2021 for the General Fund, the Water Fund, the Sewer Fund, the Port/Harbor Fund, and Internal Service Funds. City Manager.

Resolution 19-080, A Resolution of the City Council of Homer, Alaska Amending the Homer Tariff No. 1 Under Rule 9-Anchoring, Rule 12-Vehicle Parking, Rule 13-Wharfage, Demurrage and Free Time, Rule 26-Fish Dock Rates, and Rule 27-Small Boat Harbor Rules and Regulations. City Manager/Port Director.

Resolution 19-081, A Resolution of the City Council of Homer, Alaska Amending the City Fee Schedule under Administrative Fees, City Clerk Fees, and Port and Harbor Fees. City Clerk. City Clerk.

Resolution 19-081(S), A Resolution of the City Council of Homer, Alaska Amending the City Fee Schedule under Administrative Fees, **Animal Shelter Fees**, City Clerk Fees, and Port and Harbor Fees. City Clerk. City Clerk.

...was distributed on Friday, November 15, 2019 to the City of Homer kiosks located at City Clerk's Office, the Homer Public Library, and posted on the City of Homer website.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal of said City of Homer this 15th day of November 2019.




Rachel Tussey, Deputy City Clerk I

ORDINANCE REFERENCE SHEET
2019 ORDINANCE
ORDINANCE 19-49

An Ordinance of the City Council of Homer, Alaska Imposing a Temporary Six-Month Moratorium on Applications for Professional Offices and Medical Clinics in the Residential Office District and Directing the Planning Commission to Make a Recommendation to the City Council for the Creation of a Medical District in the Vicinity of the South Peninsula Hospital During this Time Frame.

Sponsor: Smith

1. City Council Regular Meeting October 14, 2019 Introduction
Introduced and Referred to Planning Commission
2. City Council Regular Meeting November 25, 2019 Public Hearing and Second Reading

**CITY OF HOMER
HOMER, ALASKA**

Smith

ORDINANCE 19-49

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA IMPOSING A TEMPORARY SIX-MONTH MORATORIUM ON APPLICATIONS FOR PROFESSIONAL OFFICES AND MEDICAL CLINICS IN THE RESIDENTIAL OFFICE DISTRICT AND DIRECTING THE PLANNING COMMISSION TO MAKE A RECOMMENDATION TO THE CITY COUNCIL FOR THE CREATION OF A MEDICAL DISTRICT IN THE VICINITY OF THE SOUTH PENINSULA HOSPITAL DURING THIS TIME FRAME.

WHEREAS, The 2018 Homer Comprehensive Plan Land Use Recommendations Map identifies areas in the Residential Office District south of the South Peninsula Hospital be considered for a future medical district; and

WHEREAS, The 2018 Homer Comprehensive Plan Land Use Chapter Goal 1, Objective B recommends updating the zoning map to reflect a desired pattern of growth; and

WHEREAS, Medical District planning is part of the Homer Planning Commission's current work list; and

WHEREAS, A moratorium on the permitting of professional office and medical clinics will allow the area under consideration for a medical district to remain consistent during the planning process; and

WHEREAS, The Planning Commission is directed to work with the neighborhood and produce a recommendation regarding the creation of a medical district by June 30, 2020.

NOW THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. That the uncodified law of the City of Homer is amended to include the following:

A moratorium of the permitting of professional offices and medical clinics for the area display in Attachment A shall be in effect until June 30, 2020.

Section 2: This ordinance is of a temporary nature and shall not be included in the City Code.

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ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER THIS __ DAY OF _____,
2019.

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

Reviewed and approved as to form:

Katie Koester, City Manager

Michael Gatti, City Attorney

Date: _____

Date: _____

1 CITY OF HOMER
2 HOMER, ALASKA

Smith

3
4 ORDINANCE 19-49(S)
5

6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
7 IMPOSING A TEMPORARY SEVEN-MONTH MORATORIUM ON
8 APPLICATIONS FOR ~~MEDICAL—CLINICS~~ CONDITIONAL USE
9 PERMITS IN THE RESIDENTIAL OFFICE DISTRICT AND DIRECTING
10 THE PLANNING COMMISSION TO MAKE A RECOMMENDATION TO
11 THE CITY COUNCIL FOR THE CREATION OF A MEDICAL DISTRICT
12 IN THE VICINITY OF THE SOUTH PENINSULA HOSPITAL DURING
13 THIS TIME FRAME.
14

15 WHEREAS, The 2018 Homer Comprehensive Plan Land Use Recommendations Map
16 identifies areas in the Residential Office District south of the South Peninsula Hospital be
17 considered for a future medical district; and
18

19 WHEREAS, The 2018 Homer Comprehensive Plan Land Use Chapter Goal 1, Objective B
20 recommends updating the zoning map to reflect a desired pattern of growth; and
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22 WHEREAS, Medical District planning is part of the Homer Planning Commission's
23 current work list; and
24

25 WHEREAS, A moratorium on the acceptance of ~~medical-clinics~~ conditional use permits
26 will allow the area under consideration for a medical district to remain consistent during the
27 planning process; and
28

29 WHEREAS, The Planning Commission is directed to work with the neighborhood and
30 produce a recommendation regarding the creation of a medical district by June 30, 2020.
31

32 NOW THEREFORE, THE CITY OF HOMER ORDAINS:
33

34 Section 1. That the uncodified law of the City of Homer is amended to include the
35 following:
36

37 A moratorium of the permitting of ~~medical-clinics~~ conditional use permits for the area display
38 in Attachment A shall be in effect until June 30, 2020.
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40 **The City will not accept any additional conditional use permits that is subject to this**
41 **moratorium. This does not apply to those conditional use permits that have been**
42 **previously received and/or approved.**

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Section 2: This ordinance is of a temporary nature and shall not be included in the City Code.

ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER THIS ___ DAY OF _____, 2019.

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

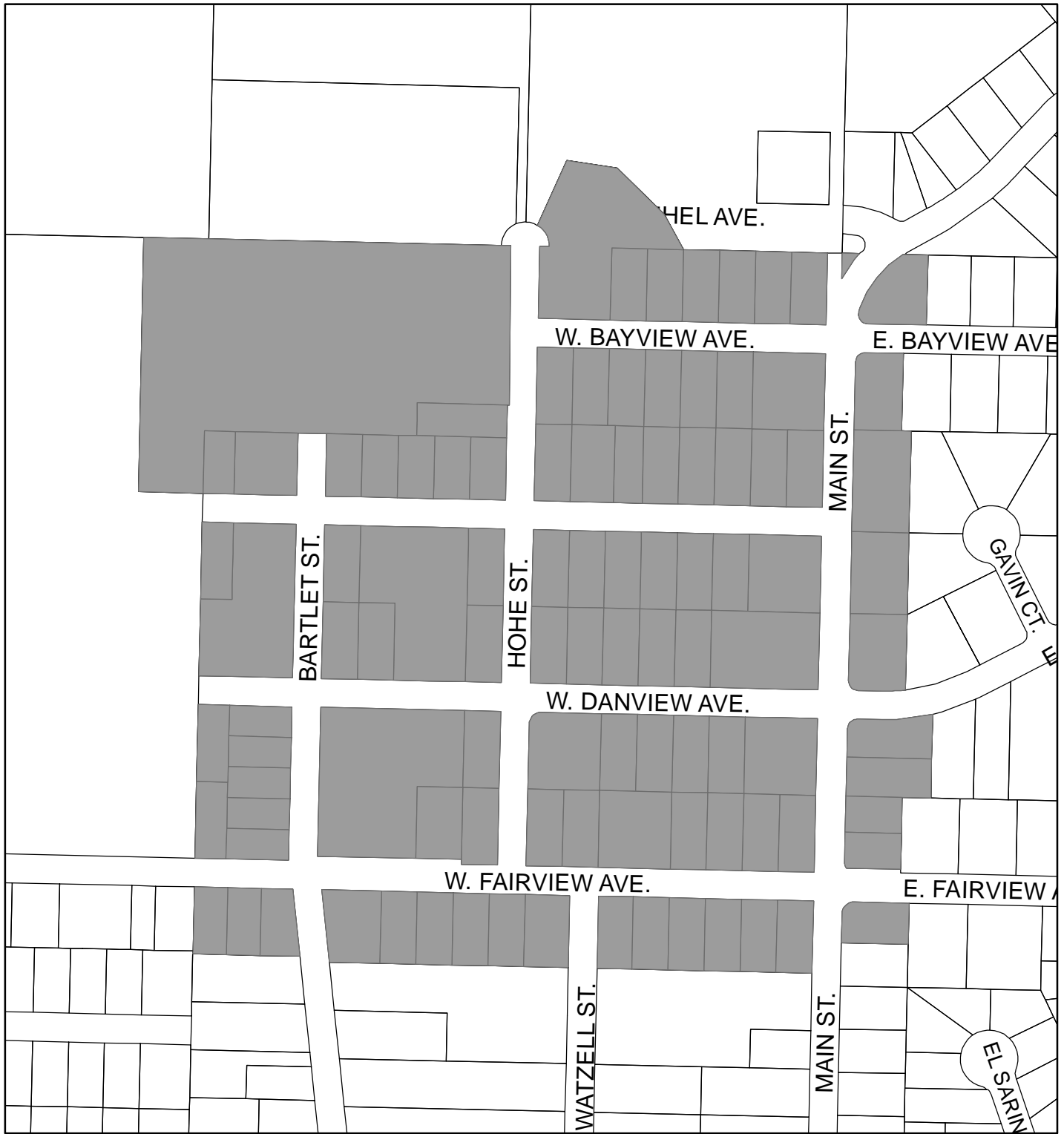
Reviewed and approved as to form:

Katie Koester, City Manager

, City Attorney

Date: _____

Date: _____



City of Homer
 Planning and Zoning Department

10/4/2019

Draft Map Subject Area Residential Office District



*Disclaimer:
 It is expressly understood the City of
 Homer, its council, board,
 departments, employees and agents are
 not responsible for any errors or omissions
 contained herein, or deductions, interpretations
 or conclusions drawn therefrom.*

Rob Lund
4178 Hohe St.
Homer
235-3608
November, 2019

Homer City Council,
Homer Advisory Planning Commission

Dear Members of the City Council and the Planning Commission:

In the fall of 2018, I submitted a notice of appeal in response to the Homer Advisory Planning Commission's approval of CUP 18-09. CUP 18-09 was issued in September, 2018, for the construction of a 20,000 square foot medical center with parking space for 86 vehicles at 267 Cityview. The project required a conditional use permit for two reasons—the building exceeded the 8,000 square foot limit for buildings in areas zoned Residential Office, and it was for a purpose, a medical center, which also required a conditional use permit. Due to its size, its conflict with the residential character of the neighborhood and its potential for generating disruptive if not dangerous traffic on the residential streets adjacent to the project, I felt development of this sort was inappropriate in this primarily residential area where the development was proposed, so I appealed the granting of CUP 18-09.

The appeal process culminated in a hearing before Judge Christopher Kennedy of the Office of Administrative Hearings. Judge Kennedy ruled that the Planning Commission revisit their approval of CUP 18-09. In response to the hearing officer's remanding the application to the Planning Commission, a meeting of the Commission was scheduled for June 5, 2019, to reconsider this issue. The Planning Commission made some changes in their findings regarding CUP 18-09 and granted CUP 19-01, which allowed the project at 267 Cityview to proceed. I appealed CUP 19-01; the appeal was again assigned to the Office of Administrative Hearings for a hearing, and, ultimately, in October of 2019, the second appeal was denied. Currently the status of the project at 267 Cityview seems to be undecided.

A brief review of the recent history of development in the area around my home on Hohe Street is in order. Shortly before the hearing officer's decision on the appeal of CUP 19-01 was released, I noticed that contractors were clearing land on West Fairview Avenue. This project is for a clinic being built by Todd Boling after the Planning Commission had issued CUP 18-14. Also on May 6 of this year, I received a public hearing notice on CUP 19-05, which would allow the construction of 3200 square foot aquatic physical therapy building on the northeast corner of Hohe Street and West Fairview Avenue. These two projects, in addition to the one at 267 Cityview, are part of a pattern of development in the area surrounding South Peninsula Hospital that has substantial and far-reaching consequences not only for the immediate area, but also for the entire City of Homer.

In my oral arguments before the hearing officer, I brought up what I feel is a very significant issue concerning development in the residential office zone where I live and where the three developments I mentioned in the previous paragraph are located. That issue is a process of development characterized by a lack of formal definitions, guidance, explicit policies, public scrutiny and deliberation; it is a pervasive and continuing transformation of the neighborhood that I have identified as “rezoning by conditional use permit.” Instead of facing this process of change by crafting informed decisions concerning its nature, limits, appropriate usages, boundaries and other characteristics that are inherent in thoughtful, effective zoning and planning decisions, the planning department and the Planning commission have allowed development to proceed with no apparent guidance or overall strategy. The result has been a gradual erosion of the residential character of the neighborhood in which the landscape has changed and non-residential development has encroached on and, in some areas, nearly obliterated the residential usage that prevailed in years past.

Nearly thirty years ago when my wife and I bought our home at 4178 Hohe St., the area was very different from what it is today. There were fewer buildings of any sort, residential or commercial. The two major medical developments, South Peninsula Hospital and Homer Medical Center (then Homer Medical Clinic), were much smaller than they are now. Kachemak Bay Professional building (i.e. Kachemak Bay Medical Clinic) didn’t exist at the time; the project area at 267 Cityview was a healthy stand of spruce trees, habitat for birds and other wildlife and a calving area for moose. Large, mature spruce trees were common in the area, and many currently developed lots were covered by thriving forest. Over the years, lot by lot, change crept into the neighborhood: Trees were felled; lots were clear-cut; birds and wildlife became less common, and finally, they have nearly vanished. Much of the most dramatic change has been to the west of Hohe Street, where development has been focused on expanding existing medical facilities and building new ones, a process that has culminated in the proposed medical center at 267 Cityview. To the east of Hohe Street, most of the new construction has been residential, but in the spring of 2019, the two new projects for clinics, mentioned previously, have been approved in this primarily residential area, and a new clear-cut has taken a further toll on the area’s remaining forest.

In his decision, Judge Kennedy identified this issue as “potentially a serious concern.” “As one CUP after another is approved, the area gradually loses its mixed-use character and becomes a medical district, but the change occurs without the broader review and public process that would come with formal rezoning.”¹ Judge Kennedy stated that he was unable to address this issue in his decision because I had not included the matter in my brief, and therefore it was not part of the

¹ This quote is taken from Judge Kennedy’s Decision on Remand. The entire text of his remarks on this issue are:

“In his oral argument, Mr. Lund articulated a more global concept of his appeal than the item-by-item approach he had taken in briefing. He suggested that the Planning Commission is engaging in de-facto rezoning –by-CUP. As one CUP after another is approved, the area gradually loses its mixed use character and becomes a hospital district, but the change occurs without the broader review and public process that would come with formal re-zoning.

“This is a potentially serious concern. However Mr. Lund did not raise this as a formal point on appeal, and he did not brief it. This meant that other parties were not on notice that it would be argued. It therefore cannot be considered here.”

record on appeal. I was guilty of this oversight because, in the rush and urgency of writing a cogent brief in the timeframe required by the appeal process, I failed to see the full implications of the changes taking place in this neighborhood. Thus, one of my primary goals in writing this letter is to raise this issue for your consideration and hopefully guide your thinking and decisions with input from a resident of the area who has watched it change for almost three decades.

Judge Kennedy's refusal to address the problem of rezoning by CUP was rather disappointing, but I was somewhat encouraged by rumors that the planning department and the Planning Commission are in fact considering the zoning status of the area around South Peninsula Hospital, an issue that is now being considered by the City Council. This is an issue that is mentioned in the current Comprehensive Plan and one that contemplates a change in the area that is necessary for Homer's growth and for thoughtful management of the community's health care needs. I fully endorse efforts to deal with the currently informally regulated expansion of health care facilities in the area surrounding the hospital, and in the following paragraphs, I would like to offer some suggestions on how the City of Homer might proceed.

To begin, I would like to urge the City to be completely transparent in its deliberation and to keep the public fully informed and fully involved in the planning and decision making process. This represents a bold and dramatic step in a new direction, one that will affect not only the local residents, but the entire town and many of the people who live on the Kenai Peninsula. Numerous consequences of a new zoning category and district come to mind, some of them beneficial to our community, some potentially harmful. For example: What will the impact be on South Peninsula Hospital? It is an excellent, award winning health care facility in which the people in its service area have invested considerable time, treasure and energy. It is a major employer in Homer (around 450 people work at SPH) and we depend on it for quality health care both at a technological level and as an attractor of a small army of outstanding health care professionals and specialists that were unheard when my wife and I moved into the area and were unimaginable when I was growing up in Kodiak in territorial days. South Peninsula Hospital is a priceless asset to the community—it should be protected and nurtured: We cannot afford to take it for granted.

Another aspect of creating a medical district is the potential unintended consequences of this change. Homer and the service area of South Peninsula Hospital are vitally dependent on the health care provided by SPH—any developments that would diminish the hospital's ability to function at its current level could be disastrous to the welfare of the community. Could something of the sort happen? It is in fact possible. It has happened elsewhere. It seems unlikely that it is possible to craft zoning regulations that would directly protect South Peninsula Hospital; however, I think it would serve the City and the community well to be conscious of the vulnerability of a small market (like health care in Homer, Alaska) to powerful, well financed interests from outside the community. Please refer to appendix IV for further elaboration.

Another trend that is apparent in the area around the hospital is the loss of natural vegetation and wildlife habitat as new development scalps the area one lot at a time. Despite the fact that there is no apparent requirement in the City Code that provides for the preservation of natural areas in Residential Office districts, the unintended consequences of the failure to make such provision diminish the appeal of this district and are probably contrary to the interests of the residents.

Furthermore it seems that these changes have an uneasy relationship with the Homer Comprehensive Plan. The current edition of the Plan (specifically the map on page A-10) identifies the area around South Peninsula Hospital as being a “medical district,” without offering any specifics such as boundaries and defined zoning rules. Elsewhere the Plan also extolls the virtues and benefits of Homer’s natural environment as well as affirming the friendly relationship between the City and its citizens and the plant and animal communities that share the area. In considering these parts of the Plan, a couple of questions arise: If the area around the hospital is indeed a medical district, why is it that the district is not formally declared as such, and new zoning for medical development not adopted? Presumably this would include clearly defining the types of development allowable in the new district, building standards, acceptable traffic volumes, boundaries for the new district and other issues, all of which will impact not just the neighborhood, not just the City but the entire area that South Peninsula Hospital serves. If we are to share our city with native plants and animals, why is the effect of current development so hostile to the dwindling stands of forest and to the animals who rely on that habitat for food and shelter? And finally, does development of this type contribute to the traditional ambience of Homer and to the sort of environment that much of the public likely prefers?

Only a couple of years ago in the area around my home there were healthy stands of spruce and alder that provided homes for birds and other creatures, shelter from winter winds, calving areas for moose and healthy topsoil and plant communities that controlled surface water and snow melt. Now those places compose a noticeably smaller portion of the area, and the satisfaction that many of the residents experience from living in harmony with the plants and animals that share our environment is a poignant loss. It is evident that contractors are often over-zealous in their efforts to clear a lot for subsequent construction activities, and in the process of removing trees that interfere with the planned building, they also remove vegetation that would not obstruct the builder’s work. Frequently this style of site preparation involves removing trees that are protecting steep slopes, serving as windbreaks, visual screens and performing other useful functions. It seems likely that the criteria for granting building and conditional use permits should also include a review and acceptance or rejection of a plan for the preservation, removal and/or restoration of existing vegetation.

Indiscriminately clearcutting a new development simplifies the work and lowers the costs faced by developers and contractors, but that approach is not in the best interests of residents and the environment. The Comprehensive Plan stresses development that preserves the natural areas in Homer and supports the City’s status as a home for native plants and animals as well as humans and the commercial activities that they establish.² It behooves planners to keep developers and contractors on a short leash, which would include due respect for native vegetation, birds and other animals and require them to provide for ample green areas as well as encouraging the retention of as much of the original vegetation as is practical. What this means is that the preservation natural areas should be included in new zoning and provision to replace vegetation lost in existing zoning should be required.

After completing and submitting my brief, I finally understood the pattern of change that is taking place in our neighborhood: The area *is* being rezoned, but the process is not being

² Please refer to Appendix II for specific references to the Homer Comprehensive Plan.

conducted by formal action and declared intentions. It is not available for public review and discussion, and in fact it is hardly apparent to the public at large. The only members of the public who are officially notified of these gradual changes are those who live in close proximity (300 feet) to a new development, despite the fact that the process of development, i.e. the continuing impact of numerous developments, affects the entire neighborhood and, ultimately, the entire city. This process of rezoning by conditional use permit seems to violate the spirit, if not the letter, of the Homer Comprehensive Plan and of the residential-office zoning of the neighborhood, and it is fundamentally undemocratic and disingenuous. It needs to stop, and instead of the current informal policy of rezoning by CUP, the City, the Planning Commission and the people of Homer should confront the process with carefully reasoned zoning rules, boundaries and public input. If a new zoning district for a medical district be required and accepted by the majority, then it should be recognized in the City Code and the Plan, and both the current and the new zoning districts be respected by appropriate development.

Thus I would like to offer some suggestions for the future of the area. First, I urge the Commission and the Planning Department to declare a moratorium on conditional use permits for non-residential development in the area until the issue of new zoning for medical development be addressed formally and publicly.

Second, notification for new developments requiring conditional use permits should be sent to all the residents of the district, not just the ones owning property within 300 feet of the project.

Third, I urge the Commission and Planning Department to reconsider the preservation of green areas and wildlife habitat in the area—if the current process continues unchecked, the neighborhood will be denuded of virtually all natural vegetation and wildlife habitat, an outcome that most residents probably oppose.

Fourth, building permits should be issued or denied on whether or not they conform to high standards for the preservation and/or restoration of existing vegetation.

Fifth, if a new medical zoning district be defined, I urge the Commission and the Planning Department to establish the west side of Hohe Street as the eastern boundary of the new district.

Sixth, if a new medical district is defined, I urge the City to rezone the Residential Office area to the east of Hohe Street as Urban Residential, thus protecting this predominately residential area from further encroachment by medical centers and other commercial development.

Seventh, increased traffic from the new medical district has the potential to severely impact the neighboring residential areas. The streets to the east of Hohe Street are heavily used by pedestrians, joggers, children at play, loose pets, people walking their dogs, cyclists and others using residential streets as extensions of their homes and transportation corridors to other areas. West Danview Avenue is a salient example of the way some of the residential streets are used by children, pedestrians and others. Currently the speed limit on West Danview is 25 mph. Given the number of children that use this street for recreation, this is too fast—the speed limit on West Danview between Hohe Street and Main Street should be reduced to 15 mph. These residential streets are typically without sidewalks, painted crosswalks identified by standard signs, signage

warning motorists of children and pedestrians, and adequate street lighting. This is probably OK if traffic continues to be light, serving only the residential areas. If the traffic impacts increase due to developments like the one proposed at 267 Cityview, innocent people, especially children, and pets will be put in substantial jeopardy.

A particularly egregious example of a street that is apparently in violation of the City street design standards is Main Street north of Pioneer. Fifteen years ago, Main was identified in the STIP as needing substantial upgrade—since then, nothing has changed³. Main is a major collector, a primary transportation corridor linking the residential areas north of Pioneer to the business district along Pioneer and to the south. A primary collector is required to have shoulders on both sides of the street, which Main Street lacks. It has no sidewalks, and there are few street lights. However, substantial numbers of people walk along both sides of Main travelling to and from the main parts of town. Most people wear dark clothing, frequently they walk with their backs to the traffic, often while talking on cell phones. The narrow shoulders, lack of sidewalks and snow and ice berms force them to walk in the traffic lanes.... Main Street is almost certainly the scene of a serious accident waiting to happen. It is not hard to imagine that that accident would be accompanied by a lawsuit that the City would very much prefer to avoid.

Finally, several individuals have presented cogent arguments related to CUP 18-09 concerning the impact of some types of medical development on our existing health care facilities. Certain medical uses, surgical centers, for example, could jeopardize the financial health of South Peninsula Hospital. Requirements for certificates of need are supposed to protect crucial health care facilities from unhealthy competition, but according to knowledgeable parties, it is easy to circumvent these requirements and threaten the welfare of institutions upon which the community depends. Therefore, I urge the City to carefully consider the unintended consequences of its decisions and ensure that South Peninsula Hospital and other key health care facilities enjoy unimpeded revenue streams and can continue to provide the community with the excellent service that we currently rely on.

³ Please refer to Appendix III for details about Main Street as noted in the *Homer Non Motorized Transportation and Trails Plan*, 2004.

Appendix I

Summary of Recommendations

- 1. **MORATORIUM:** Conditional use permits for non-residential development in the Residential Office zone around South Peninsula Hospital should not be granted until the issue of new zoning for medical development be addressed formally and publicly.
- 2. **NOTIFICATION OF PROPERTY OWNERS:** When a CUP is issued, all property owners in the district should be notified, not just those within 300 feet of the project.
- 3. **PRESERVATION OF GREEN AREAS AND WILDLIFE HABITAT:** Existing natural vegetation should be preserved wherever possible in future developments, and efforts should be made to restore vegetation that was lost in past developments.
- 4. **BUILDING PERMITS:** Building permits should be granted only if they include a plan that conforms to the highest standards for the preservation and/or restoration of natural vegetation at the building site.
- 5. **REZONING—MEDICAL DISTRICT BOUNDARY:** If the area around South Peninsula Hospital is rezoned as a medical district, the west side of Hohe Street should be established as the eastern boundary of the new district.
- 6. **REZONING—RO DISTRICT EAST OF HOHE STREET:** If a new medical district is defined, the City should rezone the Residential Office area to the east of Hohe Street as Urban Residential, thus protecting this predominately residential area from further encroachment by medical centers and other commercial development.
- 7. **POTENTIAL FUTURE TRAFFIC IMPACTS:** Main Street and adjacent residential streets need warning signage, sidewalks, speed limit changes and other features to protect non-motorized users of the streets from traffic hazards.
- 8. **PRESERVATION OF THE VIABILITY OF SOUTH PENINSULA HOSPITAL:** South Peninsula Hospital is a vital health care facility whose viability and standards of excellence should not be jeopardized by future developments in the area.

Appendix II

References to the Homer Comprehensive Plan

Development in Homer should conform to the Homer City Code and to the Homer Comprehensive Plan. Immediately following, in italics, are two passages from the Comprehensive Plan. The first is from Chapter 4, Land Use, p. 4-4 and p. 4-5; the second is from Chapter 5, Transportation, p. 5-7 and p. 5-8.

Chapter 4, Land Use:

Goals & Objectives for Land Use

Goal 1: Guide Homer's growth with a focus on increasing the supply and diversity of housing, protect community character, encouraging infill, and helping minimize global impacts including limiting greenhouse gas emissions.

Objective B: Develop clear and well-defined land use regulations and update the zoning map in support of the desired pattern of growth. The Comprehensive Plan Land Use Recommendations Map establishes the location and intent of proposed land use districts, but does not address the standards needed to guide development. Implementation Strategies

- Revise zoning map
- Encourage preservation of natural system infrastructures
- Review density objectives
- Review appropriate design standards

Objective C: Maintain high quality residential neighborhoods; promote housing choice by supporting a variety of dwelling options.

Diverse, high-quality residential neighborhoods are crucial to the stability and economic health of Homer. Growth puts pressure on housing prices as land prices increase. Neighborhoods established decades ago with large lots face pressure as some landowners create subdivisions with smaller lots, while others would like to preserve the established neighborhood character. Housing choice is crucial to accommodate future growth as the dominant single family large lot developments clearly won't be able to meet future demand in quantity or price. Implementation Strategies

- Review code for opportunities for appropriate infill
- Support options for affordable housing

Chapter 5, Transportation:

Goals and Objectives for Transportation

GOAL 3:

Homer's transportation system and services should be developed in a manner that supports community land use, design and social goals. Homer has expressed a consistent opinion as to how the city should grow and the "look and feel" that residents want for the community. Key desires include a more focused and walkable downtown, a more walkable and bike-able community, and the development of an attractive community that mirrors the natural beauty of Homer's setting. The community roadway system is an important component of Homer's development and plays an important role in whether the community's goals will be realized. In general, all of the pedestrian improvements noted in other adopted plans and included in this plan will benefit children, the elderly, and citizens with disabilities. Homer remains a desirable location for retirement living. As the population over 65 years of age continues to grow, consideration of the transportation needs of the aging population continues to be important. Without linked sidewalks, trails, crosswalks, and pedestrian ways, it is often difficult for seniors to navigate on foot and often impossible for those with disabilities that require a wheel chair. Additionally, there is a need for community transit type services to serve less mobile populations, such as seniors and residents with disabilities.

Objective A:

The trail and sidewalk network should provide an alternative to driving, enhanced recreational opportunities, and support auto-free transportation throughout the community. The 2004 Homer Non-Motorized Transportation and Trail Plan provides a comprehensive examination of walkability and bike-ability in Homer. The plan reveals a limited number of comfortable pedestrian routes and public concern over the lack of safe places to walk. A combination of increasing traffic on through-routes, limited sidewalks, and unconnected, low-traffic-volume streets has contributed to the shortage of comfortable pedestrian routes. In a small community, it is reasonable to expect substantial non-motorized travel if the trails and sidewalks are in place to support walkers and bikers. The plan suggests a number of improvements to make Homer more walkable and bike friendly.

Implementation Strategies

- Encourage alternate transportation

Objective B:

City street design standards and cross sections should be bicycle and pedestrian friendly, and include provisions for the elderly, citizens with disabilities, and safe walking routes for children.

As quoted above on page 2 “...it is necessary examine the direction and nature of these changes, specifically how do they conform (or fail to conform) to the principles outlined in the Homer Comprehensive Plan?” With reference to the passages from the Homer Comprehensive Plan, quoted above, Goal 1:

“Guide Homer’s growth with a focus on increasing the supply and diversity of housing, protect community character, encouraging infill....”

It is plain that the continuing process of rezoning by conditional use permit is decreasing the supply and diversity of housing as it buys and re-purposes existing residential buildings or uses undeveloped land for clinical uses rather than residential. Examples of the former are found in several formerly residential buildings on Bartlett that are now used for clinical purposes. Examples of the latter are the project at 267 Cityview and a medical clinic on West Fairview that is currently in the process of construction. Explaining how this creeping transformation of the neighborhood is failing to protect community character is hardly necessary—that is no less than its very nature. The development at 267 Cityview—this substantial portion of a city block—is the proposed home for a single medical center and a huge, 86 vehicle parking area. Absent is any of the original forest and animal habitat. If it had been developed for residential use, the same area could have contained at least five residential lots with perhaps as many as fifteen or twenty family units while retaining at least some of the original vegetation.

Objective B under Goal 1 begins with the following sentence:

“Develop clear and well-defined land use regulations and update the zoning map in support of the desired pattern of growth.”

This seems to be an unambiguous statement in opposition to the rezoning by CUP that currently prevails there. Development in the neighborhood of South Peninsula Hospital hardly seems to be in keeping with the principles expressed in Objective B.

It is appropriate to refer to two of the implementation strategies listed under Objective B, namely:

*“•Revise zoning map
•Encourage preservation of natural system infrastructures”*

Revision of the zoning map, versus what has occurred here, is an often repeated theme in the Comprehensive Plan. Also, the encouragement of natural system infrastructures was certainly not in evidence when the work at 267 Cityview removed all of the natural vegetation and topsoil, which had previously served as a buffer for rainfall and snow melt, and replaced it with several feet of compacted gravel, which is a pattern followed in most similar developments.

Objective C under Goal 1 states:

“Maintain high quality residential neighborhoods; promote housing choice by supporting a variety of dwelling options.”

Again, the process of development in the area being discussed is characterized by the disappearance of a high quality residential neighborhood in favor of medical uses and diminishing housing choices and a more limited variety of dwelling options. None of this follows the implementation strategy that calls for supporting options for affordable housing.

Chapter 5 of the Comprehensive Plan addresses transportation issues; it has quite a bit to say about pedestrians, children, cyclists and other non motorized uses of the streets and sidewalks. Goal 3, Chapter 5, expresses this very well:

“Homer has expressed a consistent opinion... that residents [desire]... a more walkable and bike-able community, and the development of an attractive community that mirrors the natural beauty of Homer’s setting.”

The residential areas east of Hohe certainly represent the attainment of this goal; however, if one shifts one’s attention to the recent development that has taken place on Bartlett north of West Fairview, one sees that the land use is telling a different story. That story is one of former residential areas and patches of natural vegetation that have been replaced by clinics and supporting businesses, parking lots, expanses of asphalt and compacted gravel. This is the land use that is already migrating across Hohe, the land use that is endorsed by the City’s granting of conditional use permits.

Goal 3, Chapter 5, goes on to remark:

“In general, all of the pedestrian improvements noted in other adopted plans and included in this plan will benefit children, the elderly, and citizens with disabilities.”

This is exactly the situation that currently prevails on West Danview and many other residential streets in the neighborhood, and it is exactly the situation that this appeal and this brief are attempting to protect.

The following passage from Objective A under Goal 3, Chapter 5, indicates an ongoing problem, one that has been recognized for fifteen years and is being exacerbated by current development trends:

“The 2004 Homer Non-Motorized Transportation and Trail Plan provides a comprehensive examination of walkability and bike-ability in Homer. The plan reveals a limited number of comfortable pedestrian routes and public concern over the lack of safe places to walk. A combination of increasing traffic on through-routes, limited sidewalks, and unconnected, low-traffic-volume streets has contributed to the shortage of comfortable pedestrian routes.”

Finally Objective B points toward the desired direction for development. It is particularly germane in the context of Main Street, but it speaks to all areas of Homer, not the least of which is that part of the city in the vicinity of South Peninsula Hospital.

“City street design standards and cross sections should be bicycle and pedestrian friendly, and include provisions for the elderly, citizens with disabilities, and safe walking routes for children.”

The text of the Comprehensive Plan documents Homer’s aspiration to greatness. The reality of development and the neglect of streets like Main street demonstrate how difficult it is to attain. Fortunately greatness is within reach, but it requires effort, courage and commitment to achieve it. Catering to expediency or unwillingness to do the hard work are unworthy of the City and its residents. The residents are entitled to expect that the goals of Homer Comprehensive Plan will be respected, and the important issues of streets and pedestrian friendly areas will not be ignored.

Appendix III

Recommendations for Main Street, *Homer Non Motorized Transportation and Trails Plan, 2004*

Main Street north of Pioneer is a problem area. Being a collector of traffic from the residential areas, particularly to the north and east, Main Street already has a fairly large volume of traffic. Furthermore, Main is not well equipped to handle even the existing traffic—it is very poorly served with street lights; pedestrian/bicycle paths are very narrow, and ice and snow berms in the winter restrict the meager walkways and increase pedestrian hazards while simultaneously forcing pedestrians and bikes out into the traffic lanes. In short, Main Street is also an accident waiting to happen, and this situation can only get worse if commercial traffic from a medical district the west is directed to Main.

Main Street is identified as a major collector as is Pioneer. In the Alaska Department of Transportation's document, State of Alaska Road and Trail STIP Needs for Homer, Main was identified as having annual average daily traffic of 2,770 vehicles; Pioneer was identified as having daily traffic of 7,300 vehicles. Bartlett, a minor collector, had 1,270 vehicles (from table 1-8, State of Alaska Road and Trail STIP Needs for Homer). Predicted increases for the summer of 2021 are given in table 1-9 (*ibid.*) only for Pioneer and Bartlett; they are, respectively, 13,428 and 3,683. This indicates a 184% increase for the major collector, and a 290% increase for the minor collector. Extrapolating to Main Street, it can be expected to see the traffic to increase by a large amount; this increase could range between 5,097 and 8,033 vehicles.

Main Street is singled out in the *Homer Non Motorized Transportation and Trails Plan*. On page 15, Main Street is included in a list of streets identified by the following title: "Sidewalks should be added to the following streets:" Accompanying the list is a photograph of Main Street between Pioneer Avenue and the Sterling Highway (the view is looking south). Until this summer when construction began on the intersection of Main and the Highway, nothing had changed. The plan was written in 2004, fifteen years before the date of this writing.

Appendix IV

When the Homer Advisory Planning Commission met to consider CUP 18-09 on September 5, 2018, several individuals submitted letters and comments on the potential for negative financial impacts on South Peninsula Hospital and questioned the need for additional, large scale medical developments in the area. In this appendix I would like to further consider the significance of these concerns.

A zoning change could greatly improve the fortunes of SPH, increasing its income and prestige, expanding its facilities and attracting even more accomplished health care professionals to serve the community's needs. On the other hand, these changes could jeopardize the hospital's patient base and income and result in reduced employment, fewer and less advanced services and diminished access to quality health care. This is an important and somewhat obscure issue that deserves further elaboration. Part of the requirements spelled out in SPH's charter are that it accept indigent, medicaid and medicare patients. Since the hospital receives relatively modest reimbursement for these patients, this means that a substantial portion of the hospital's income derives from patients with good, private health insurance who can compensate for losses incurred by accepting financially insecure individuals. This puts SPH at a competitive disadvantage: If another health care facility that is not obligated to accept the financially insecure patient population were to enter the local market, it could charge lower rates and thereby siphon off many of the well insured patients upon whom SPH depends for solvency. The consequences for health care in the community could be severe. In a small market area like Homer, competition among evenly matched businesses can keep goods and services efficient and affordable; however, if the competitors are unevenly matched, the consequences can be devastating, and the result can be diminished services and higher costs.

Thus related issues ask for consideration before any final decision is made. For example: If new zoning facilitates were to enhance the development of additional medical facilities, will that attract large investments by non-local financial resources that would result in unhealthy competition and jeopardize the high level of health care that exists in Homer today? One approach to limiting unhealthy competition is by requiring certificates of need for new facilities. Unfortunately, certificates of need can be circumvented, and they do not reliably perform the way they are supposed to. So, can a new zoning district come with stricter requirements for certificates of need and other measures that can protect the community from damaging competition? These are issues that need to be approached carefully and thoughtfully—routinely granting conditional use permits is a policy that is likely to cause problems in the future.

Ultimately the question is: Is this all speculation, or does it have a real world meaning for Homer and the future of health care in the community? No one can foresee future events, but it is easy to examine the recent past and learn about the related problems that Central Peninsula Hospital in Soldotna had to deal with. The story is best told in an article published in the Peninsula Clarion, June 11, 2017.

Surgery Center of Kenai plans new operating room | Peninsula Clarion

Ben Boettger
8-10 minutes

Editor's note: This story has been changed to correct a reference to the 91 percent drop in Central Peninsula Hospital's net income, originally referred to incorrectly as a drop in revenue.

The Surgery Center of Kenai plans to add a second operating room to its facility in Kenai, potentially increasing the competition for outpatient surgery procedures between the independently-owned surgery center and Central Peninsula Hospital.

State regulators will allow the surgery center — which specializes in outpatient surgeries, also known as ambulatory surgeries, that don't require an overnight hospital stay — to add its second operating room and two observation rooms after making [a May 30 decision](#) that the clinic will not need to get a Certificate of Need before building its expansion.

President Joseph Hurley of Alaska Medical Group Management, which manages the Surgery Center and other Alaskan medical facilities, said that having a single operating room “caused a big clog in our scheduling.”

“This unclogs it, to have two ORs,” Hurley said. “It helps round out some of the things we're already doing a little bit, and it helps us expand a little bit as far as some of the things we can do with the surgeons who are there and the operations they can do with their patients.”

Central Peninsula Hospital in Soldotna — operated by the nonprofit Central Peninsula General Hospital, Inc. under lease from the Kenai Peninsula Borough, which owns the physical building and assets — has four operating rooms, the most recent added in 2012, which do both outpatient surgeries and inpatient surgeries which require longer hospital stays. In the past, [CPH officials have said independent surgery providers take patients from CPH's outpatient surgery](#), lessening its ability to remain financially self-supporting.

CPH External and Government Affairs Manager Bruce Richards wrote in an email that the surgery center's new planned operating room and observation rooms “will cause major financial damage to CPH” by creating competition for surgeries.

“All outpatient surgeries completed in the surgery center since its inception are surgeries that would have been performed here at Central Peninsula Hospital,” Richards wrote. “This has had a significant impact on the financial health of our community-owned hospital.”

In 2014, CPH opposed the then-nascent Surgery Center of Kenai by declining a transfer agreement — an agreement required by the national Centers for [Medicare](#) and Medicaid Services for one medical facility to send patients to another in case of an emergency — with the surgery center, limiting the surgery center's potential customer base by making them unable to take Medicaid or [Medicare payments](#). The denial led to the surgery center “being blocked from half of our patients by Central Peninsula's unwillingness to give us a transfer agreement,” said the surgery center's vice president of outpatient surgery Harold Gear in a [July 2014 Clarion story](#).

Hurley said his business budgets for 120 surgical procedures a month in its single present operating room. For outpatient surgeries such as hernia repair, hysterectomy, ear, nose and throat procedures, Hurley said that more limited surgery centers such as his offer a better deal than hospitals.

“The hospitals are huge organizations that are very expensive, and they’re expensive because all these different pieces of it are running parts that cost money,” Hurley said. “Our Surgery Center of Kenai is not a ginormous beast. It’s a lot smaller, a lot scaled-back. That’s what helps save costs.”

Directly comparing surgery prices, Richards wrote, is difficult because of the many variables in surgical practice and billing. The surgery center’s precise impact on CPH’s finances is likewise difficult to quantify, Richards wrote.

“Health care is changing so rapidly on so many levels that it would be difficult to attribute revenue changes to one thing with any sort of accuracy due to the compression that is occurring from payers,” Richards wrote.

CPH has [experienced a 91 percent drop in net income](#) between the first three quarters of fiscal 2016 and fiscal 2017, due to factors including higher deductibles and co-pays in commercial [insurance plans](#), flat Medicaid reimbursement rates for the past two years, a decrease in commercially-insured patients caused by job losses and a lower number of elective inpatient surgeries which have been a large revenue source for the hospital in the past. Outpatient surgeries lost to the surgery center may also contribute to the drop, Richards wrote.

Hurley said he is also seeing a rise in Medicaid patients, both from increased unemployment and the state’s 2015 decision to expand Medicaid eligibility, and that the change “has dropped our volume considerably.” Though the surgery center can’t accept Medicaid payments without the CPH transfer agreement, Hurley said they are nonetheless getting a sufficient volume of patients to need a new room.

Certificate of Need

Alaska’s Department of Health and Social Services attempts to control medical costs by limiting medical groups from spending more than \$1.45 million on expanding their facilities unless DHSS judges the investment is necessary. The agency’s Office of Rate Review permits medical expansions by granting a [certificate](#) of necessity.

When the Surgery Center of Kenai began construction in January 2014, it spent roughly \$1.13 million to [install](#) one operating room and one procedure room — for smaller surgeries that can be done with local, rather than general, anaesthesia — in the medical complex at 100 Trading Bay Road in Kenai. Because this cost was below the \$1.45 million threshold, the Surgery Center was allowed to progress without a certificate of necessity, the Office of Rate review [announced in July 2013](#).

In its expansion, the surgery center is planning to add a second procedure room and two observation rooms as well as the new operating room. With the addition — expected to cost \$678,376 — the surgery center’s total construction cost since opening will be \$1.81 million. Though the total is more the threshold for the Certificate of Need, attorney Peter Deimer argued in a letter to DHSS on behalf of the surgery center that the two constructions are separate rather than two phases of one project. [DHSS concurred in a May 30 response](#).

Failure to get a Certificate of Need has ended other local independent medical initiatives, including [a previous attempt to open an independent surgery center in Kenai](#) by Kahatnu Ventures, LLC, a group of eight local surgeons who in 2011 planned to make Kenai the location of a \$9 million surgery center expected to perform 1,800 outpatient surgeries per year — more than the 1,700 annual outpatient procedures CPH performed at the time, according to previous Clarion reporting. The group [failed to get a Certificate of Need in April 2012](#) and unsuccessfully appealed the denial the following month. A DHSS

analysis made during Kahatnu’s Certificate of Need process estimated that, using different projections of population and surgery demand, the Kenai Peninsula Borough would need between 3-4 operating rooms through 2019.

With six operating rooms in the central peninsula, Richards wrote that DHSS — which considers all facilities within a service area in [its methodology for issuing Certificates of Need](#) — is unlikely to give certificates to any further operating rooms. More stringent hospital building requirements would not allow new operating rooms at CPH to be built below the expense threshold, Richards wrote.

23-hour observation rooms

The observation rooms the surgery center plans to build are described in its correspondence with DHSS as “23-hour observation rooms.” Many commercial insurers define 24 hours under medical care as the dividing line between inpatient and outpatient procedures, which are billed and paid for differently. Richards wrote that with the observation rooms, the surgery center will “be able to do surgeries that would otherwise be considered inpatient surgeries, causing further harm to the hospital.”

Hurley said the surgery center’s focus on outpatient surgery complements CPH rather than competes with it. With additional facilities offering outpatient procedures, he said, the hospital would be able to devote more resources to speciality services, such as [the catheterization lab CPH is planning to build](#).

“Everyone can be succeeding together, and nobody will have to be worried about, ‘Is one going to succeed at the cost of another?’” Hurley said.

Reach Ben Boettger at ben.boettger@peninsulaclarion.com.

ORDINANCE REFERENCE SHEET
2019 ORDINANCE
ORDINANCE 19-50

An Ordinance of the City Council of Homer, Alaska Amending Homer City Code 21.30 Marine Industrial Zoning District Section 21.30.020 Permitted Uses and Structures, to add Boat Sales, Rentals, Service, Repair and Storage, and Boat Manufacturing as Permitted Uses and Section 21.30.050 Conditional Uses and Structures to Remove Boat Sales, Rentals, Service, Repair and Storage, and Boat Manufacturing as Conditional Uses.

Sponsor: Planning Commission

1. City Council Regular Meeting October 28, 2019 Introduction
Memorandum 19-140 from City Planner as backup
2. City Council Regular Meeting November 25, 2019 Public Hearing and Second Reading

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 Planning
4 Commission

5 **ORDINANCE 19-50**

6
7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
8 AMENDING HOMER CITY CODE 21.30 MARINE INDUSTRIAL
9 ZONING DISTRICT SECTION 21.30.020 PERMITTED USES AND
10 STRUCTURES, TO ADD BOAT SALES, RENTALS, SERVICE, REPAIR
11 AND STORAGE, AND BOAT MANUFACTURING AS A PERMITTED
12 USES AND; SECTION 21.30.030 CONDITIONAL USES AND
13 STRUCTURES, TO REMOVE BOAT SALES, RENTALS, SERVICE,
14 REPAIR AND STORAGE, AND BOAT MANUFACTURING AS
15 CONDITIONAL USES.
16

17 WHEREAS, the 2011 Homer Spit Comprehensive Plan encourages development related
18 to the boating industries; and
19

20 WHEREAS, 2018 Homer Comprehensive Plan Economic Vitality Chapter objectives
21 include promoting the marine trades; and
22

23 WHEREAS, marine equipment sales, rentals, service, repair and storage are permitted
24 uses in the Marine Industrial District; and
25

26 WHEREAS, the Marine Industrial Use District has adopted nuisance standards; and
27

28 WHEREAS, the Port and Harbor Commission supports adoption of the proposed
29 ordinance with unanimous consent.
30

31
32 NOW THEREFORE, THE CITY OF HOMER ORDAINS:
33

34 Section 1. Homer City Code 21.30.020, Permitted uses and structures is hereby
35 adopted to read as follows:

36 The following uses are permitted outright in the Marine Industrial District, except when such
37 use requires a conditional use permit by reason of size, traffic volumes, or other reasons set
38 forth in this chapter:
39

40 a. Port and harbor facilities;

41
42 b. Manufacturing, processing and packing of sea products;

- 43
44 c. Cold storage;
45
46 d. Dry docks;
47
48 e. Wharves and docks, marine loading facilities, ferry terminals, marine railways;
49
50 f. Marine equipment sales, rentals, service, repair and storage;
51
52 g. Boat launching or moorage facilities, marinas, boat charter services;
53
54 h. Warehouse and marshaling yards for storing goods awaiting transfer to marine vessels or
55 off-loaded from a marine vessel and awaiting immediate pickup by land-based
56 transportation;
57
58 i. Mobile food services;
59
60 j. Itinerant merchants, provided all activities shall be limited to uses permitted outright under
61 this zoning district;
62
63 k. Recreational vehicle parks, provided they shall conform to the standards in Chapter 21.54
64 HCC;
65
66 l. Caretaker, business owner or employee housing as an accessory use to a primary use, and
67 limited to no more than 50 percent of the floor area of a building and for use by an occupant
68 for more than 30 consecutive days;
69
70 m. More than one building containing a permitted principal use on a lot;
71
72 n. Restaurant as an accessory use;
73
74 o. Parks;
75
76 p. As an accessory use, one small wind energy system per lot.

77
78 **q. Boat sales, rentals, service, repair and storage, and boat manufacturing;**
79

80 Section 2: Homer City Code 21.30.030, Conditional uses and structures is hereby
81 adopted to read as follows:
82

83 The following uses may be permitted in the Marine Industrial District when authorized by
84 conditional use permit issued in accordance with Chapter 21.71 HCC:

- 85
86 a. Planned unit development, limited to water-dependent or water-related uses and
87 excluding all dwellings;
88
89 ~~b. Boat sales, rentals, service, repair and storage, and boat manufacturing;~~
90
91 eb. Extractive enterprises related to other uses permitted in the district;
92
93 ~~dc.~~ Campgrounds;
94
95 ed. Bulk petroleum storage;
96
97 ~~fe.~~ Helipads;
98
99 gf. Heliports;
100
101 ~~hg.~~ Indoor recreational facilities;
102
103 ih. Outdoor recreational facilities;
104
105 ji. Public utility facilities and structures;
106
107 kj. The location of a building within a setback area required by HCC 21.30.040(b). In addition
108 to meeting the criteria for a conditional use permit under HCC 21.71.030, the building must
109 meet the following standards:
110
111 1. Not have a greater negative effect on the value of the adjoining property than a building
112 located outside the setback area; and
113
114 2. Have a design that is compatible with that of the structures on the adjoining property.
115

116 Section 3: This ordinance is of a permanent and general character and shall be
117 included in the City Code.

118
119 ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER THIS ___ DAY OF _____,
120 2019.

121
122 CITY OF HOMER
123

124
125 _____
126 KEN CASTNER, MAYOR

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ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

Reviewed and approved as to form:

Katie Koester, City Manager

Michael Gatti, City Attorney

Date: _____

Date: _____

ORDINANCE REFERENCE SHEET
2019 ORDINANCE
ORDINANCE 19-51

An Ordinance of the Homer City Council Appropriating Funds for the Calendar Years 2020 and 2021 for the General Fund, the Water Fund, the Sewer Fund, the Port/Harbor Fund, and Internal Service Funds.

Sponsor: City Manager

1. City Council Regular Meeting October 28, 2019 Introduction
2. City Council Regular Meeting November 25, 2019 Public Hearing

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

City Manager

3
4 **ORDINANCE 19-51**

5 AN ORDINANCE OF THE HOMER CITY COUNCIL APPROPRIATING
6 FUNDS FOR THE CALENDAR YEARS 2020 and 2021 FOR THE
7 GENERAL FUND, THE WATER FUND, THE SEWER FUND, THE
8 PORT/HARBOR FUND, CAPITAL PROJECTS, AND INTERNAL
9 SERVICE FUNDS.
10

11
12 THE CITY OF HOMER ORDAINS:

13
14 Section 1. Pursuant to the authority of Alaska Statutes Title 29, the following
15 appropriations are made for the calendar year ending December 2020:
16

17	General Fund	\$12,475,341
18	Water Fund	\$ 2,118,081
19	Sewer Fund	\$ 1,642,256
20	Port/Harbor Fund	\$ 4,723,175
21	Capital Projects	<u>\$ 879,298</u>
22		
23	Total Expenditures	\$21,838,151
24		
25	Internal Service Funds	\$2,094,556
26		

27 Section 2. Pursuant to the authority of Alaska Statutes Title 29, the following
28 appropriations are made for the calendar year ending December 2021:
29

30	General Fund	\$12,891,790
31	Water Fund	\$ 2,320,278
32	Sewer Fund	\$ 1,788,617
33	Port/Harbor Fund	\$ 4,841,250
34	Capital Projects	<u>\$ 64,000</u>
35		
36	Total Expenditures	\$21,905,935
37		
38	Internal Service Funds	\$2,244,938
39		

40
41 Section 3. The amounts appropriated by this ordinance are appropriated to the objects
42 and purposes stated in the adopted budget.

85 YES:

86 NO:

87 ABSTAIN:

88 ABSENT:

89

90 First Reading:

91 Public Hearing:

92 Second Reading:

93 Effective Date:

94

95

96 Reviewed and approved as to form:

97

98

99 _____
Katie Koester, City Manager

Michael Gatti, City Attorney

100

101 Date: _____

Date: _____

Operating Budget Amendments - 2020/21

PG	Request Name	Sponsor	2020 Amount	2021 Amount	Funding Source	Status
	Council Travel	Venuti	\$5,300	\$5,300	Reducing Community Recreation OT and General Fund Reserve transfer	
	COLA	Aderhold	\$141,340	(\$48,174)	Fund Reserves	
	Police Officer I	Lord	\$92,930	\$98,775	Mayor/Council Professional Services and Police Fleet CARMA transfer	
	Transfer to Fire Reserves	City Manager	\$215,264	\$40,000	Fire Fleet CARMA, Police Fleet CARMA transfer, and Transfer from Fire Fleet CARMA	

Capital Budget Amendments - 2020/21

PG	Request Name	Sponsor	2020 Amount	2021 Amount	Funding Source	Status
	Spit Parking Study	Lord	\$20,000	\$0	HART	
	Spit Comp Plan	Lord	\$0	\$50,000	Planning CARMA and Port and Harbor Reserves	
	Dispatch Work Stations	City Manager	\$49,408	\$0	Police CARMA	
	ADA Spit Parking	Aderhold	\$34,560	\$0	ADA CARMA	

2020/21 Proposed Budget Amendment Form

Fund Name: General Fund

Project Name: Increase Council Travel Authority

2020 Budget Amendment					
Account #	Account name	Page #	Increase	Decrease	Balance
100-0100-5236	Transportation	53	\$2,100		\$7,100
100-0100-5237	Subsistence	53	\$2,200		\$6,200
100-0100-5603	Training	53	\$1,000		\$2,700
100-0115-5105	Community Rec Overtime	67		\$1,800	\$0
100-0100-5990	Transfer to Reserves	53		\$3,500	\$533,582

2021 Budget Amendment					
Account #	Account name	Page #	Increase	Decrease	Balance
100-0100-5236	Transportation	53	\$2,100		\$7,100
100-0100-5237	Subsistence	53	\$2,200		\$6,200
100-0100-5603	Training	53	\$1,000		\$2,700
100-0115-5105	Community Rec Overtime	67		\$1,800	\$0
100-0100-5990	Transfer to Reserves	53		\$3,500	\$411,258

Rationale:

Increase funding for Council attendance at Alaska Municipal League Conferences. This allows for the Mayor to attend the Alaska Conference of Mayors and the AML Annual Conference, two newly elected Councilmembers to attend Newly Elected Officials training and the AML Annual Conference, and four Councilmembers to attend the AML Annual Conference. It also allows three members to attend the Winter Legislative Conference typically held in February in Juneau and three members to attend the Summer Conference scheduled to be held in Sitka in 2021. Three members could be the Mayor and 2-3 Councilmembers.

Funding is moved from overtime in the community recreation budget; with a full time janitor position cleaning of the HERC can be covered by that position.

Also to note, transfer to General Fund reserves balance does not take into account the approval of the police officer position (reduces GF reserves by \$49,825 in 2020, \$41,301 in 2021).

Requested By: _____
Councilmember Venuti

Prepared By: _____
City Manager/ City Clerk

2020/21 Proposed Budget Amendment Form

Fund Name: City Wide (General Fund / Water and Sewer / Port and Harbor)

Project Name: Cost of Living Allowance (COLA) Increase for City Employees

2020 Budget Amendment					
Account #	Account name	Page #	Increase	Decrease	Balance
100	General Fund	50	\$96,740		\$7,449,365
100-0100-5990	GF Transfers to Reserves	53		\$96,740	440,342
200	Water Fund	118	\$11,295		\$940,499
200-0400-5990	Transfer to Water Reserves	120		\$11,295	\$76,701
200	Sewer Fund	119	\$9,293		\$761,307
200-0500-5990	Transfer to Sewer Reserves	128		\$9,293	\$11,408
400	Port and Harbor Fund	140	\$24,012		\$1,762,135
400-0600-5990	Transfer to P & H Reserves	141		\$24,012	\$276,323
2021 Budget Amendment					
Account #	Account name	Page #	Increase	Decrease	Balance
100	General Fund	50		\$32,930	\$7,757,996
100-0100-5990	GF Transfers to Reserves	53	\$32,930		\$447,688
200	Water Fund	118		\$3,886	\$973,796
200-0400-5990	Transfer to Water Reserves	120	\$3,886		\$209,406
200	Sewer Fund	119		\$3,201	\$788,498
200-0500-5990	Transfer to Sewer Reserves	128	\$3,201		\$57,707
400	Port and Harbor Fund	140		\$8,157	\$1,825,727
400-0600-5990	Transfer to P & H Reserves	141	\$8,157		\$233,341

Rationale:

The Bureau of Labor and Statistics released their latest round of CPI info this month and inflation has fallen further. Without major change, it looks like inflation will be closer to 1% for this year, rather than the 2% that was trending earlier this year.

The Employee Committee would like to increase the 2020 COLA to 3% and reduce the 2021 COLA to 1%. The total COLA ask for 2020/21 is 4%, reflecting the change in CPI each year.

Keep in mind that any changes to the operating budget will have minor ripple effects due to the nature of how we budget for overhead and health insurance costs.

Also to note, transfer to General Fund reserves balance does not take into account the approval of the police officer position (reduces GF reserves by \$49,825 in 2020, \$41,301 in 2021). The COLA figures for 2020 and 2021 also doesn't take into account funding the officer position.

Requested By: _____
Councilmember Aderhold

Prepared By: _____
City Manager/Employee Committee

2020/21 Proposed Budget Amendment Form

Fund Name: General Fund

Project Name: Full Time Police Officer I

2020 Budget Amendment					
Account #	Account name	Page #	Increase	Decrease	Balance
100-0163-5101	Salary & Wages	91	\$58,640		\$752,552
100-0163-5102	Fringe Benefits	91	\$34,290		\$403,885
100-0100-5210	Professional Services	53		\$43,105	\$242,280
100-0100-5990	Transfer to Police Fleet	53		\$49,825	\$37,257
2021 Budget Amendment					
Account #	Account name	Page #	Increase	Decrease	Balance
100-0163-5101	Salary & Wages	91	\$61,208		\$781,534
100-0163-5102	Fringe Benefits	91	\$37,567		\$438,495
100-0100-5210	Professional Services	53		\$57,474	\$233,387
100-0100-5990	Transfer to Police Fleet	53		\$41,301	\$23,456

Rationale:

This request is to add and fund another police officer position for the department. The police department has become busier and busier over the years. We have not added an officer position to the force in over twenty years. Since then the demands on our services have increased and we are continually asked to provide new and varied services with the same workforce. Officer safety concerns have changed dramatically, police officers are now targeted by criminals and the on-duty deaths of officers is higher than ever before. The documentation required by the courts and legal system to successfully prosecute a criminal case has increased resulting in longer report writing and case preparation times. Due to call volumes, case loads and personnel shortages we are not currently able to perform basic traffic enforcement duties on a regular basis. Often our response to problem areas in town is strictly complaint based and regular patrols of those areas are not possible.

With our current staffing we cannot schedule two officers on a 24/7 basis consistently. Adding one new officer to the force will improve the safety of police officers and allow us to provide a higher, more complete level of public safety services to the community.

Keep in mind that any changes to the operating budget will have minor ripple effects due to the nature of how we budget for overhead and health insurance costs.

Requested By:
Councilmember Lord

Prepared By:
City Manager

2020/21 Proposed Budget Amendment Form

Fund Name: General Fund

Project Name: Increase transfer to Fire CARMA

2020 Budget Amendment					
Account #	Account name	Page #	Increase	Decrease	Balance
100-0100-5990	Transfer to Fire CARMA	53	\$215,264		\$200,000.00
100-0100-5990	Transfer to Fire Fleet CARMA	53		\$50,000	\$0
100-0100-5990	Transfer to Police Fleet CARMA	53		\$37,257	\$0
152-0381	Transfer from Fire Fleet CARMA			\$128,007	\$141,927
2021 Budget Amendment					
Account #	Account name	Page #	Increase	Decrease	Balance
100-0100-5990	Transfer to Fire CARMA	53	\$40,000		\$40,000
100-0100-5990	Transfer to Fire Fleet CARMA	53		\$40,000	\$110,000

Rationale:

The balance of the Fire CARMA fund as of 11/19/19 was \$84,735.69. The Fire Hall experienced a flood in 2019 and an ordinance was passed authorizing expenditures up to \$100,000 to fund repairs.

No transfers to Fire CARMA were originally allocated in either the 2020 or 2021 budget, but there is a need to maintain adequate funding levels in this fund. The draft budget proposed transfers to Fire Fleet for both years. So, recommendation is to decrease this transfer for each year to maintain sufficient funding in Fire CARMA. Additional funding is needed for 2020, so we are also reducing the transfer to Police Fleet and transferring the remainder from the Fire Fleet CARMA fund.

Requested By: _____
City Manager

Prepared By: _____
City Manager

2020/21 Proposed Budget Amendment Form

Fund Name: HART

Project Name: Spit Parking Study

2020 Budget Amendment					
Account #	Account name	Page #	Expenditure		Balance
160-0375	HART		\$20,000		

Rationale:

The Homer Spit is a hub of commercial and recreational activity. Staff are seeing a steadily increasing use in the Adventure Tourism category, which seems to be following the national trends. All this is to say that the Port/Harbor is seeing increasing congestion in the peak use months centering on parking. The effect of this congestion brings to light safety concerns such as higher levels of vehicle/pedestrian interactions and shoulder parking, causes difficulty for shop owners and customers alike, and there is a general hindrance to our core customer, the vessel owners mooring their vessels in our harbor, that must be addressed. In July of 2013 the Port and Harbor Advisory Commission recommended the use of dredged material to expand parking lots around the Spit, which was introduced to Council in November of 2013 and HART funding was dedicated to the project for engineering costs. Staff also added this project to the CIP. However, this is just a small piece of a much larger puzzle in the search for solutions to help alleviate the ever increasing need for more parking.

This Budget amendment proposes taking a holistic approach to parking management on the Spit on a larger scale by funding a parking study that could provide tangible recommendations for managing parking in a way that encourages safety and promotes maximum usage of land available for parking. The study would begin by evaluating the Homer Spit Comprehensive plan created in 2011 and reviewing recommendations and what's already been achieved. However, this study would be focused on looking forward and would be parking specific, looking into matters like: better utilization of existing space from a cost to benefit standpoint, developing fee structures and/or season passes that can guide user patterns and management of space, creation of safer pedestrian traffic patterns, and organizing parking in a way to prioritize use of spaces closest to the intended user.

The plan would need to list recommendations on the management structure needed to create and enforce efficient and effective parking on the Homer Spit. This recommended management structure would need to include the generation of revenue in such a way as to offset operating costs for the Enterprise to ensure a long term, sustainable, parking plan for the future.

The study would include public scoping meetings and reaching out to the many different user groups that enjoy the Homer Spit. It would culminate in recommendations that the Commissions and Council could shepherd through the public process to develop parking strategies that are right sized for Homer.

Requested By:
Councilmember Lord

Prepared By:
City Manager

2020/21 Proposed Budget Amendment Form

Fund Name: General Fund

Project Name: Spit Comp Plan

2021 Budget Amendment					
Account #	Account name	Page #	Expenditure		Balance
156-0387	Planning CARMA		\$25,000		\$13,652
456-0380	Port and Harbor Reserves		\$25,000		\$3,149,311

Rationale:

The Homer Spit Comprehensive Plan was adopted in November 2011, after over two years efforts. Since adoption, many of the plan objectives have been partially or fully completed, such as the creation of a pedestrian way, removal of derelict vessels, creation of the observation dock by the fish dock, and many of the parking recommendations to name a few.

Ten years after the plan is a good time to consider the objectives that were met and give additional consideration to new or unrealized goals and objectives. Immediate erosion concerns have elevated this need since the Homer Spit Comprehensive Plan guides development on the Spit as well as City infrastructure policies.

Requested By:
Councilmember Lord

Prepared By:
City Manager

2020/21 Proposed Budget Amendment Form

Fund Name: General Fund

Project Name: Two HPD Dispatch Workstations

2020 Budget Amendment					
Account #	Account name	Page #	Expenditure		Balance
156-0394	Police CARMA		\$49,408		\$184,345

Rationale:

This budget amendment will replace two 16 year old workstations used by HPD's Dispatch team. Watson, the manufacturer, is not able to offer maintenance support to HPD's current workstations since they no longer make the appropriate parts. Dispatchers remain sedentary for 10 hour shifts, 4 days a week, and need to have reliable, easily adjustable work stations with full ergonomic features.

Purchasing two new, adjustable workstations now will improve staff morale and maximize cost savings through a contract the City currently has with ProComm Alaska. ProComm technicians are already traveling to Homer to move the dispatch console equipment off the current workstations and reinstall them onto the stations once they are set up in the new police station. By purchasing the two new workstations now, the City will be able to use the current ProComm contract and save approximately \$10,000 in labor installation costs.

ProComm Alaska has been doing HPD's radio maintenance work for approximately 18 years. ProComm provides HPD 24/7 response services and is also the only radio service provider that fields public safety certified technicians with Motorola factory training. The new workstations will compliment the dispatch consoles maintained by ProComm.

Requested By:
Chief Robl

Prepared By:
City Manager

2020/21 Proposed Budget Amendment Form

Fund Name: General Fund

Project Name: Spit Handicap/ADA vehicle parking improvement

2020 Budget Amendment					
Account #	Account name	Page #	Expenditure		Balance
156-0400	ADA CARMA		\$34,560		\$65,440

Rationale:

This project will improve the accessibility of Port and Harbor facilities to all users, overall benefits our community and the Enterprise, and demonstrates the City's commitment to safety for all our customers.

The City will create 10- 24'X24' paved ADA parking for vehicles around the harbor basin in the following locations:

1. Ramp 2, east of, and adjacent, to the Boat House Pavilion
2. Ramp 3, west of boardwalk containing Little Mermaid and Ulmers
3. Ramp 4, east of, and adjacent to, the fish cleaning tables
4. Ramp 4, west of existing paved parking, behind HCC derby shack
5. Ramp 5, east of, and adjacent to, the ramp approach
6. Ramp 5, adjacent to the restrooms
7. Ramp 6, east of, adjacent to, the ramp approach
8. Ramp 6, east of fish cleaning tables, partial paved area already exists
9. Ramp 8, east of, and adjacent to, the potable water "hot box"

Contractors will be required to connect the pavement to the public trail for ease of use

Requested By:
Councilmember Aderhold

Prepared By:
City Manager/Harbormaster



City of Homer

www.cityofhomer-ak.gov

Planning

491 East Pioneer Avenue
Homer, Alaska 99603

Planning@ci.homer.ak.us

(p) 907-235-3106

(f) 907-235-3118

Memorandum

TO: Mayor Castner and Homer City Council
THROUGH: Julie Engebretsen, Deputy City Planner
FROM: Parks, Art, Recreation and Culture Advisory Commission
DATE: November 18, 2019
SUBJECT: Recommendation to fund additional trail maintenance

Recommendation: At the regular meeting of October 17, 2019, the Parks, Art, Recreation and Culture Advisory Commission unanimously recommended approval of using HART Trail funds, in the approximate amount of \$15,000 for FY 2020, to fund increased trail maintenance.

Unapproved Minutes Excerpt:

Ms. Engebretsen noted that it is possible to utilize HART funds to pay for more labor to do more trail maintenance. She explained that the City Manager is seeking a motion of recommendation from the commission that City Council fund temporary labor for seasonal trail, and how the new budget process works in relation to seasonal trail maintenance. Mr. Steffy provided additional information on some projects that are needing to be done such as brush removal, drainage issues, and areas requiring fill/grading. He noted that these projects are above and beyond their usual maintenance, which is why the extra staffing/budgeting is needed.

LOWNEY/HARRALD MOVED TO APPROVE TO USE HART TRAIL FUNDS FOR AN INCREASE TO TEMPORARY EMPLOYEE HOURS TO DO TRAIL MAINTENANCE.

The commission and staff discussed what the temporary trail employee would do, and what the City Manager is recommending to present in the proposed budget. Mr. Steffy provided detailed budget numbers, with staff responding to additional questions on funding/budget process. There was further discussion on commissioners being involved in the decision-making of what improvements take place and what HART funds can be used for, specifically regarding trail staff and for vehicles that are used by trail staff.

LOWNEY/HARRALD MOVED TO AMEND THE ORIGINAL MOTION TO ADD A ONE YEAR TIMEFRAME.

There was no discussion.

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 City Manager/
4 Port Director

5 **RESOLUTION 19-080**

6
7 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
8 AMENDING THE HOMER TARIFF NO. 1 UNDER RULE 9-
9 ANCHORING, RULE 12-VEHICLE PARKING, RULE 13-WHARFAGE,
10 DEMURRAGE AND FREE TIME, RULE 26-FISH DOCK RATES, AND
11 RULE 27-SMALL BOAT HARBOR RULES AND REGULATIONS
12

13 WHEREAS, Homer Tariff No. 1 is reviewed at least annually; and
14

15 WHEREAS, These amendments to to the will correct typographical inaccuracies,
16 provide additional wording for clarification, document 2019 changes, and better represent
17 Homer Port and Harbor's current policies.
18

19 NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, amends the
20 Homer Tariff No. 1 and the City Fee Schedule as follows:
21

22 **RULE 9 – ANCHORING**

23 9.01. UNAUTHORIZED ANCHORING – Unauthorized anchoring in open areas in or adjacent to the City
24 of Homer's Port and Harbor facilities (Terminal) is prohibited.
25

26 9.02. ANCHORAGE MANNING REQUIREMENT – ~~All vessels in the City of Homer's Port and Harbor~~
27 ~~facilities (Terminal) including Tidelands outside the harbor~~ **Any vessel anchoring on city property**
28 **(tidelands) outside the city of Homer's Port and Harbor (terminal)** must be manned at all times
29 and the vessel's position monitored on a regular basis to insure that vessel anchors are not dragging
30 and must comply with Coast Guard lighting requirements.
31

32 **RULE 12 – VEHICLE PARKING**

33 12.01. LONG TERM PARKING PERMITS – Vehicles over 20' are not eligible for long term parking permits.

- 34 a. Seasonal permits for day use parking (Ramps 1-4): \$250.00.
35 b. Long Term parking permits required for vehicles 20' or less parked in excess of seven (7)
36 consecutive 24-hour days.
37 c. Long Term parking annual permit fee for vessel owners paying annual moorage in the
38 Homer Harbor: fee \$100.00.
39 d. Long Term parking annual permit (January 1st through December 31st): fee \$200.00.
40 e. Monthly parking permit for vehicles less than 20': fee \$70.00 for 30 consecutive days.
41 f. Monthly parking permit for non-commercial vehicles over 20': fee \$85.00 for 30
42 consecutive days in a portion of Lot 9 only.
43 **g. Weekly parking permit for vehicles less than 20': fee \$25.00 for 7 consecutive days.**

- 44 **h. Weekly parking permit for non-commercial vehicles over 20': fee \$30.00 for 7**
 45 **consecutive days.**
 46 i. Long term parking will be enforced year around.
 47 j. Parking lot restrictions for long term parking, May 1 through October 1, as
 48 depicted on harbor map (Resolution 11-036(A)).
 49 k. Existing code definitions for restricted parking, vehicles, junk vehicles, and fines for
 50 violations apply. Fines, \$25.00 per calendar day, provided that the fine for overtime parking
 51 in long term parking area will be limited to \$250.00 fine per calendar year, with \$200.00 of
 52 the fine credited towards the long term parking annual permit.
 53 l. Failure to pay violations will result in an additional \$25.00 fee per month and any other legal
 54 or collection fee authorized by law.
 55

56 **RULE 13 – WHARFAGE, DEMURRAGE AND FREE TIME**

- 57 f. ~~OVERSIZE~~ **OVERSIDE** WHARFAGE – One-half of wharfage named herein will be charged to
 58 merchandise or cargo discharged or loaded over the side of vessels directly to or from another
 59 vessel or to the water when vessel is berthed at wharf.
 60
 61 k. SCHEDULE OF WHARFAGE RATES – Except as otherwise specifically provided, rates are in U.S.
 62 dollars (USD) per short ton of 2000 lbs. or per 40 cubic foot. **Short ton = 0.907185 metric tons**

COMMODITY	WHARFAGE RATE (\$USD)
Aggregate (Gravel, stone, minerals)	\$1.00 per short ton
Agricultural Products (Grains, corn, legumes, etc.)	\$3.50 per short ton
Containerized Cargo	\$8.00 per short ton
Freight N.O.S. (Pioneer/Deep Water Docks) Up to 1 ≥ 100 Short tons	\$7.96 per short ton
Freight N.O.S. (Pioneer/Deep Water Docks) Up to 101 ≥ 1,000 Short Tons	\$6.00 per short ton
Freight N.O.S. (Pioneer/Deep Water Docks) In Excess of 1,000 1001 ≥ 10,000 Short Tons In Excess of 10,000 10,000 + Short Tons	\$5.00 per short ton \$4.50 per short ton / negotiable
Freight N.O.S. (Barge Ramp and Beach)	\$5.14 per short ton
Freight N.O.S. (Fish Dock) ICE Fish Dock	\$14.50 per short ton \$14.50 per short ton
Hazardous materials, as established by Dept. of Transportation materials commodity List. At location designated for loading, unloading or staging by USCG permit	\$8.00 per ton /Min. 1 ton
Livestock (horses, mules, cattle, hogs, sheep, goats, fowl)	\$10.12 per head
Petroleum	\$0.84 per barrel/\$0.02 per gallon
Poles, Logs, cant or cut	\$3.95 per thousand board feet
Seafood/Fish Products (regardless of species) (all docks)	\$4.76 per short ton

63
 64 (1) Finished lumber per MBM (Note: Industry standard conversion formulas shall be used
 65 in converting pounds to board feet measure.
 66

67 (2) In absence of board feet measure on bill of lading, a loadout rate will be assessed by
 68 converting the weight of logs to board foot measure, for the average diameter of logs
 69 (small end diameter) in accordance with the following table for white spruce logs:

70	<u>Scaling Diameter of Logs-Inches</u>	<u>Weight per Board Feet-Pounds</u>
71	8"	14.5
72	12"	11.5
73	16"	9.5
74	20"	8.5
75	24"	7.8

76 Kiln dried lumber: Three pounds will equal one board foot measure.
 77

78 **RULE 26 – FISH DOCK RATES**

79 **26.01. GENERAL LIST OF FEES AS SET BY THE HOMER CITY COUNCIL**

- | | | |
|-----|--|------------------------------|
| 80 | a. Annual Access Card (Private License) | \$52.00 per year |
| 81 | b. Card replacement fee | \$15.00 per occurrence |
| 82 | c. Cold Storage Lockers #2-#8 (8 feet X 10 feet) | \$334.75/month |
| 83 | d. Cold Storage Rate (2 consecutive months) | \$309.00/month |
| 84 | e. Cold Storage Rate (3 consecutive months) | \$283.25/per month |
| 85 | f. Cold Storage Rate (9 month season) | \$257.50 per month |
| 86 | g. Cold Storage Locker #9 (10'X22') | \$920.90/month |
| 87 | h. Cold Storage Locker #9 (2 consecutive months) | \$849.60/month |
| 88 | i. Cold Storage Locker #9 (3 consecutive months) | \$778.90/month |
| 89 | j. Cold Storage Locker #9 (9 month season) | \$708.20/month |
| 90 | k. Inspections | \$ 50.00 per hour |
| 91 | l. Bait Storage Fee per bin (4x4x4) | |
| 92 | 1. Per Day | \$5.15 |
| 93 | 2. Per Week | \$25.75 |
| 94 | 3. Per Month | \$77.25 |
| 95 | m. Fish Dock Crane (Minimum 15 minutes) | \$90.64/hour |
| 96 | n. Ice (Accumulated throughout year. Accounts reviewed each Dec. for rate adjustment based on
97 previous year's actual tons of ice purchased.) | |
| 98 | 1. 0>100 tons | \$130.90 per ton |
| 99 | 2. 101>300 tons | \$128.00 per ton |
| 100 | 3. 301>500 tons | \$124.00 per ton |
| 101 | 4. 501>700 tons | \$121.00 per ton |
| 102 | 5. 701>1000 tons | \$118.00 per ton |
| 103 | 6. Over 1001 tons | \$115.00 per ton |
| 104 | | |
| 105 | o. After hours ice delivery call out fee | \$250.00 per call out |
| 106 | p. Wharfage for Seafood | \$4.76/ton or \$.00238/lb. |

- 107 q. Ice Wharfage (not purchased from City) \$14.50/ton
- 108 r. Freight NOS Non-seafood Wharfage at Fish Dock \$14.50/ton

109

110 RULE 27 – SMALL BOAT HARBOR RULES & REGULATIONS

111

112 27.01. LIVE ABOARDS – No live aboard situations longer than three months **in any one year is** ~~are~~
113 permitted in the Homer small boat harbor without the Harbormaster’s approval in writing after an
114 evaluation of the sanitary, service and congestion problems that may be a result of such an
115 arrangement. No long term (more than one year) will be allowed in the Homer small boat harbor.

116

117

118 PASSED AND ADOPTED by the Homer City Council this ___ day of _____, 2019.

119

120

121

CITY OF HOMER

122

123

124

KEN CASTNER, MAYOR

125

126

127 ATTEST:

128

129

MELISSA JACOBSEN, MMC, CITY CLERK

131

132 Fiscal note: N/A

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 City Clerk

4 **RESOLUTION 19-081**

5
6 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
7 AMENDING THE HOMER FEE SCHEDULE UNDER ADMINISTRATIVE
8 FEES, CITY CLERK FEES, AND PORT AND HARBOR FEES.

9
10 WHEREAS, Administrative fees are amended to:

- 11 • remove the \$250 lease assignment fee and have one \$300 fee for a new lease or
12 lease assignment,
- 13 • remove Special Assessment District fees and refers readers to the HART and
14 HAWSP manuals where the assessment methodologies are more clearly
15 defined,
- 16 • remove the fine for smoking in City facilities, vehicles, and watercrafts and
17 identify it HCC 1.16.040 Disposition of Scheduled Offenses,
- 18 • remove vending machine space \$30/month as vending machine requests are
19 addressed on a case by case basis; and
20

21 WHEREAS, City Clerk fees are amended to remove the audio cd fee and include a \$25
22 fee for audio to be provided on a flash drive; and
23

24 WHEREAS, Port and Harbor fees are deleted and the schedule refers users to the Port of
25 Homer Tariff No. 1; and
26

27 WHEREAS, Public Works Fees are amended to include a \$5 per fill fee for potable water,
28 and remove fees for Bluelines, Standard Construction Specs, and Job Specific Specifications
29 because Bluelines are obsolete and specifications are available on line.
30

31 NOW, THEREFORE, BE IT RESOLVED that the City Council hereby amends the Homer Fee
32 Schedule under Administrative Fees, City Clerk Fees, and Port and Harbor Fees.
33

34 PASSED AND ADOPTED by the City Council of Homer, Alaska, this 9th day of December,
35 2019.
36

37
38 CITY OF HOMER
39

40
41 _____
42 KEN CASTNER, MAYOR

43

44 ATTEST:

45

46 _____

47 MELISSA JACOBSEN, MMC, CITY CLERK

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49 Fiscal Note: Revenue amounts not defined in CY2019 budget.

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**CITY OF HOMER
HOMER, ALASKA**

City Clerk

RESOLUTION 19-081(S)

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
AMENDING THE HOMER FEE SCHEDULE UNDER ADMINISTRATIVE
FEES, **ANIMAL SHELTER FEES**, CITY CLERK FEES, AND PORT AND
HARBOR FEES.

WHEREAS, Administrative fees are amended to:

- remove the \$250 lease assignment fee and have one \$300 fee for a new lease or lease assignment,
- remove Special Assessment District fees and refers readers to the HART and HAWSP manuals where the assessment methodologies are more clearly defined,
- remove the fine for smoking in City facilities, vehicles, and watercrafts and identify it HCC 1.16.040 Disposition of Scheduled Offenses,
- remove vending machine space \$30/month as vending machine requests are addressed on a case by case basis; and

WHEREAS, City Clerk fees are amended to remove the audio cd fee and include a \$25 fee for audio to be provided on a flash drive; and

~~WHEREAS, Port and Harbor fees are deleted and the schedule refers users to the Port of Homer Tariff No. 1; and~~

WHEREAS, Public Works Fees are amended to include a \$5 per fill fee for potable water, and remove fees for Bluelines, Standard Construction Specs, and Job Specific Specifications because Bluelines are obsolete and specifications are available on line; **and**

WHEREAS, Animal Shelter Adoption Fees are amended to reflect the amount charged by the shelter beyond the \$75 fee to the City.

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby amends the Homer Fee Schedule under Administrative Fees, **Animal Shelter Fees**, City Clerk Fees, and Port and Harbor Fees.

PASSED AND ADOPTED by the City Council of Homer, Alaska, this 9th day of December, 2019.

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CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal Note: Revenue amounts not defined in CY2019 budget.



City of Homer

www.cityofhomer-ak.gov

Office of the City Clerk

491 East Pioneer Avenue
Homer, Alaska 99603

clerk@cityofhomer-ak.gov

(p) 907-235-3130

(f) 907-235-3143

Memorandum 19-154

TO: MAYOR CASTNER AND HOMER CITY COUNCIL
FROM: MELISSA JACOBSEN, MMC, CITY CLERK
DATE: NOVEMBER 21, 2019
SUBJECT: ANIMAL SHELTER FEES

Resolution 19-081(S) includes an additional amendment to the fee schedule under Animal Shelter adoption fees.

In 2015 the Sustainable Animal Shelter Review Committee reviewed and made recommendations for the animal shelter fees, which included the shelter charging for necessary costs incurred that ensure an animal is fit and ready to go to its new home.

Currently the fee schedule lists the cost to adopt a pet is \$75.00, which is the amount the shelter pays the City, and includes verbiage that “Animals being adopted shall be spayed or neutered, properly licensed and vaccinated. Associated fees shall be the responsibility of the adopting party.” The language is unclear and doesn’t identify the actual cost incurred to adopt a pet, or that the cost varies depending on the animal.

This amendment will bring the City of Homer Fee Schedule in line with the Animal Shelter’s charges to adopt a pet, which includes vet checks, vaccinations, spay/neuter, and microchipping. It will help eliminate any confusion for the public interested in adopting an animal who may be looking at our fee schedule for reference.

RECOMMENDATION: Move to substitute Resolution 19-081(S) for 19-081.



City of Homer Fee Schedule

This Pamphlet compiled by the Office of the Homer City Clerk

Homer City Clerk
491 E. Pioneer Avenue
Homer, Alaska 99603
(907) 235-3130
Fax: (907) 235-3143

Email: clerk@ci.homer.ak.us

City Clerk's Web Page: www.cityofhomer-ak.gov/cityclerk

City's Home Page - www.cityofhomer-ak.gov

Effective ~~June 10, 2019~~ January 1, 2020

06/2019-rt

The City of Homer is a First Class General Law Municipality with a Manager form of Government. Incorporated March 31, 1964.

Main Office Phone for the City of Homer 235-8121 (City Hall)

Sales Tax - 4.85% for the City, 3.0% Borough, and total sales tax paid within Homer City limits, 7.85%. Non prepared food items are exempt from Borough and City Sales Tax September 1st through May 31st of each year.

Property Tax - Mill levy

- City - 4.5
- Borough - 6.50
- Hospital - 1.75
- KPC - 0.10

HCC - Homer City Code - codification of City ordinances.
AAC - Alaska Administrative Code
AS - Alaska Statutes

Office Hours for City Hall are 8:00 a.m. to 5:00 p.m. unless otherwise specified.

Phone Numbers for main offices:

Administration - 235-8121	Library - 235-3180
City Clerk - 235-3130	Planning - 235-3106
Finance - 235-8121	Police Department - 235-3150
Community Recreation - 235-6090	Port/Harbor - 235-3160
Fire Department - 235-3155	Public Works - 235-3170

BILLING AND PAYMENTS - 235-8121 ext 2221 or 0 for the front desk.
Assessment Bills (City of Homer only) - 235-8121 ext 2228
Port/Harbor Bills - 235-3160
Water/Sewer Bills - 235-8121 ext 2221
Ambulance Bills - 235-8121 ext 0 for the front desk
Emergencies - 911 (Fire, Medical, Police)

ADMINISTRATIVE FEES FOR THE CITY OF HOMER

(The following fees have been set by legislative enactments, Ordinances 05-43(A),04-53(S)(A), 03-36(A), 01-13(S)(A); Resolutions 18-065, 16-109, 15-097(S)(A), 14-114, 11-074(A), 11-036(A)(S),10-90(A), 06-24(S), 05-125(S), 05-49, 05-22, 04-98(S)(A), 04-96, 04-95, 04-94(S)(A), 03-159, 00-14, 99-116, 99-50, 95-1 and 92-10(A), Regulations Concerning Public Record Inspections dated March 2003.)

These fees are administrative fees for all departments of the City of Homer unless otherwise specified under that department. All fees are inclusive of sales tax. Unless otherwise specified: Any item mailed may have an additional fee added for actual postage. Handling fees may be added up to the actual staff time spent preparing the item for shipping.

An application for indigence may be filed with the City Manager for waiving or partially waiving the costs of fees. The City Manager may allow an applicant, who qualifies as an indigent, a reduced fee, a

payment plan or a waiver of the fee where the Manager is able to make a written finding, based on information provided by the applicant, that payment of the fee would be a financial hardship. Based upon the information provided, the fee may be reduced or waived in accordance with the following scale:

Annual Income as a Percent of current Health and Human Services (HHS) Poverty Guidelines for Alaska	Percent of fee reduced
1-100%	100% Waiver
101-149%	75% Waiver
150-174%	50% Waiver
175-199%	25% Waiver
200% plus	No Waiver

Airport Pickup/delivery \$25
 Annual Safety Inspection commercial vehicles \$100
 Annual Taxi Permit \$75

Appeal Fees

Water and Sewer Appeals, under HCC 14.04 and 14.08 – shall be set by Resolution; in the event the appellant is the prevailing party the fee shall be refundable.

Zoning Appeals – fee \$250.00 subject to refund if the appellant is successful on any aspect of appeal.

CD Reproductions: \$20.00

Document copying fees: \$ 0.25/page

Certification Fee: \$10/report

Driver License Records \$10

Fax: w/in Alaska \$1/page, Continental US \$2/1st page, Subsequent pages \$1/page. Other destination \$5/1st page. Subsequent pages \$2/page.

Electronic Transmission: \$0.25/page (Scanned PDF document)

Lease application fee \$30

Lease fee \$300

~~Lease Assignment Fee \$250~~

Local Bidder's Preference

Non-local bid is	Local bid is not more than
\$0 - \$500,000.00	5 percent higher than non-local bid
\$0 - \$1,000,000.00	5 percent higher than non-local bid on first \$500,000.00 and 2.5 percent higher than non-local bid on amount in excess of \$500,000.00 to \$1,000,000.00

No additional adjustment for bids above \$1,000,000.00

Photograph Copying: \$10/order (includes shipping and; handling)
 If done commercially – Actual Costs plus 5%

Production Fees -

Per requestor in a calendar month exceeds five-person hours the fee is the City employee's actual salary plus benefit costs. An estimate will be prepared and the requestor must deposit the estimated production and copying fees in advance. If the actual costs are greater than the estimate the records will not be released until the difference is paid and if the actual costs are less the requestor will receive a refund of the difference.

No fee for simple inspection, except when the production of records by one requestor exceeds five person hours in a calendar month.

Special Assessment Districts (SAD's):

Fees associated with SADs are detailed in the HART (Homer Accelerated Roads and Trails Program) and HAWSP (Homer Accelerated Water and Sewer Program) manuals.

~~HART (Homer Accelerated Roads and Trails Program) SAD's~~

~~Assessments are: Road Improvements – 25% of the total project cost allocated in equal shares to each participating parcel~~

~~HAWSP (Homer Accelerated Water and Sewer Program) SAD's~~

~~Assessments are: 75% of the total project cost allocated in equal shares to each participating parcel~~

OTHER SAD's if approved by the Council are at 100% property owner participation.

Application Fee	\$100
Bill Fee	\$12.00 per bill
Administrative Fee	
0-500,000	5%
over 500,000	\$25,000 plus 2.5%

Notary \$5.00

Smoking prohibited in City Facilities, Vehicles and Watercraft – \$25 fine

CD (Police Department) \$25

Subsequent, \$15/CD Includes 1st class postage

DVD (Police Department) \$30/DVD

Vehicle Impound/Storage Fees (actual costs + towing) Storage, \$45.00/per day

AIRPORT TERMINAL FACILITY

Administration - 235-8121 (ext 2222)

(The following fees have been set by legislative enactments, Resolution 10-90(A), 04-98(S)(A), 94-61, 93-107, 08-124).

Advertising only:

- \$ 75/yr. - size 9X4"
- \$ 100/yr. - size 9X7"
- \$125/yr. - size 9X11"

- Advertising w/Direct Dial Phone - \$350/year
- Long Term Parking - Per day \$5
- Annual Pass \$500/year
- ~~Vending Machine Space \$30/month~~

ANIMAL CONTROL FEES

235-3141 Hours are noon to 5 p.m. Tuesday through Saturday.

(The following fees have been set by legislative enactments to HCC 20.32, Resolution 15-097(S)(A), 14-114, 01-85)

Dog License

- Neutered/spayed \$25.00/2 years
- Nonneutered/nonspayed \$100.00/2 years
- Kennel license \$150.00/2 years
- Replacement fee, lost license \$ 6.00
- Rabies Voucher \$ 16.00
- Quarantine at Home \$ 50.00
- Quarantine at Shelter \$ 50.00 plus daily boarding fee
- Boarding fee (when available) \$ 25.00 daily
- Pickup at residence for owner release \$ 35.00
- Turn In \$ 25.00
- Turn In for Euthanasia \$ 30.00

Impound fees:

Nonspayed/Nonneutered		Spayed or Neutered	
1st offense	\$50.00	1st offense	\$40.00
2nd offense	\$70.00	2nd offense	\$50.00
3rd offense	\$100.00	3rd offense	\$70.00
4th offense or greater	\$140.00 same	4th offense or greater	\$100.00 same

Live Trap:

- Small trap \$ 70.00 deposit, \$1.00 per day. Seven (7) day rental maximum.
- Large trap \$150.00 deposit, \$1.00 per day. Seven (7) day rental maximum.
- Deposit is forfeited if the trap is not returned in seven days. A portion of the deposit, up to the entire amount of the deposit, will be forfeited if the trap is damaged.

~~Adoption Fee \$ 75.00~~

Adoption Fee (includes vet check, vaccinations, spay/neuter, microchipping and \$75 fee

Commented [RF1]: Melissa following up with Ryan

to the City of Homer):

Adult Cat	\$ 75
Kitten	\$100
Adult Dog	\$140
Puppy	\$185

All impounded animals must be properly licensed and have current rabies vaccinations prior to being released. Owners of impounded animals will be charged a daily boarding fee for every full day that the animal stays in the shelter. Vaccination and license fees shall be the owner's responsibility.

~~Animals being adopted shall be spayed or neutered, properly licensed and vaccinated. Associated fees shall be the responsibility of the adopting party.~~

The City shall charge for any additional expense incurred by the City in the actual impoundment, transportation, medical care, housing or feeding of any animal; which expenses shall be paid in full prior to the animal's release.

CAMPING FEES

(The following fees have been set by legislative enactments, Resolutions 19-011, 18-077(A); 16-109, 15-097(S)(A), 05-05, 04-98(S)(A), 99-94, 93-35, 91-34; 91-20(S); and 17-086).

“Campground” means an area owned, controlled, developed and/or maintained by the City, which contains one or more improved campsites or contains adequate area for one or more unimproved campsites.

“Camping Season” means that period of time from April 1 through October 30.

All Camping \$ 20/day

Pavilion Rental \$25/4 Hours

All fees inclusive of sales tax.

CITY CLERK

Administrative - 235-3130

(The following fees have been set by legislative enactments, Resolutions 18-042, 17-056, 15-097(S)(A), 14-114, 03-159, 05-125(S), 06-16 and 06-40(A).)

Cemetery fees amended Resolution 18-042, 17-056, 15-097(S)(A), 98-28.

Cemetery -	Internment plot	\$1,000
	Cremaains plot	\$400

Excavation	adult - \$500; \$400 opening, \$100 closing
	infant \$375; \$300 opening, \$75 closing

Extraordinary conditions such as weather, heavy snow coverage, ice, frozen ground and etcetera may result in fees charged up to \$200 additional at Public Works discretion.

City Council and Commission Meeting packet fee

Per Packet:

0 – 25 pages - \$5.00	100 – 200 pages - \$25.00
26 – 50 pages - \$10.00	200 – 500 pages - \$30.00
51 – 100 pages - \$20.00	500+ pages - \$35.00

Per Month, Per Council or Advisory Body:

- 1 packet same fees as above.
- 2 packets above fee with 10% reduction.
- 3 packets above fee with 12% reduction.
- 4 or more packets above fee with 15% reduction.

City Hall Facility Use Fee (Resolution 03-159)

Government Agencies, generally, are exempt from fees.

Cowles Council Chambers -Use by non-governmental agency or entity fee is \$30.00 per hour, with a minimum of two hours; maximum fee is \$150.00 per day. Use of electronic equipment is an additional \$30 per day (IT Personnel set-up)

Conference Room – Use by non-governmental agency or entity fee is \$15.00 per hour, with a minimum of two hours; maximum fee is \$75.00 per day.

Cleaning Fee – if the facility is not left as found an additional fee of up to \$60.00 may be applied.

City Pins and Mugs (Resolution 98-28)

Logo Pins	\$1.00
Logo Mugs	\$4.00
Scene Mugs	\$8.00

Digital audio CD of meetings \$25.00/each (**audio files will be provided on a flash drive**)

The following fees have been set by legislative enactments to HCC Title 19.12

Gravel Permit, application fee \$5 (Areas B and; C require no approval of the COE or Div. of Lands, HCC 19.12.040(c).)

Fire Works Permit, HCC 5.24 \$25 (apply 30 days in advance) per exhibit plus bond for \$500 or liability insurance required.

LIBRARY FEES

235-3180

(Amended: Resolution 18-077(A); 16-109, 14-114, 13-076; Ordinance 05-08; Resolution 15-097(S)(A), 12-006, 04-98(S)(A); 03-87; 99-19(A); 98-86; 97-87)

Closed - Sundays. Open - Mon, Wed, Fri and Sat from 10 a.m. to 6 p.m. Tues and Thurs from 10 a.m. - 8 p.m.

Facility Use Fees for after-hours private use (including building supervision):
Conference Room \$50/hour
Reading Lounge \$50/hour
Children's Room \$50/hour
Entire facility, excluding staff work space -- \$300 Facility Use Fee plus \$50/hour staff supervisor. \$300 damage/cleaning deposit.

Library Cards Replacement cards \$5/issue
Temporary Card \$25

Overdue Items - 14 day circulation (except digital devices) \$0.15/day

7 day and 1 day circulation - \$1.00/day
Digital Devices \$1.00/day
Interlibrary Loans- \$1.00/day
2nd overdue notice - \$1.00/notice

Bill notice - \$2.00/notice
Admin. Fee for Bills Sent to Collection Agency \$25.00
Maximum overdue charge per item charge \$10.00

Photo copy \$.15/ea (letter size) and (legal size) per side
\$.25/ea (11"x17") per side
\$.50/ea color copies (letter size) and (legal size) per side
\$2.00/ea color copies (11"x17") per side

Interlibrary loan fee \$3 standard size books
\$.15 per page for photo copy
\$4.00 for microfilm/videos/CDS/Audios
Additional charges may be assessed.

Replacement/Repair of items
Lost or damaged items: Replacement cost plus \$7.00 processing fee per item
Lost or damaged cases, hang-up bags, etc.: Replacement cost or \$2.00, whichever is greater

Lost map or inserts - \$10/item

Lost out-of print items - \$50/Alaskana or replacement cost, if higher.

Please Note: To receive a refund on a lost item, patrons must return the item within sixty days of lost status. Refunds of payment for items deemed valuable to the collection and returned after the 60-day period may be made at the discretion of the Director. No refunds will be given for digital devices.

Damaged Item - \$2.00/page
\$3.00/book jacket or cover damaged beyond repair - Full bindery cost or full replacement cost plus \$7.00 processing charge.

Improper Return of Digital Devices- \$25 fee if not returned to Front Desk staff

PLANNING AND ZONING DEPARTMENT

235-3106 or 235-8121 (Coordinates with Public Works)

(The following fees, for Zoning Permits have been set by legislative enactments, Resolution 00-17 as authorized by HCC 21.42.060, Resolution 03-12(A), Resolution 03-159, Resolution 04-35, and Resolution 04-98(S)(A), Resolution 05-27(S) and Resolution 05-35, Resolution 07-14 and Resolution 07-45, Resolution 08-124, 16-109, 17-010, 18-074.

Zoning Permit Fees:

Single Family /Duplex \$200
Multi-Family/Commercial/Industrial \$300, plus \$50 per hour when over six hours of administrative time.
Change of Use fee \$50
Deck \$50

Employee occupied Recreational vehicle in \$100 Annually
Marine Commercial and Marine Industrial Zoning Districts

Fees for commencing activities, without a permit, shall be assessed at the regular rate multiplied by one and one half (1.5) for Residential and two (2) for Commercial.
(The following fees have been set by legislative enactments to HCC 14.08.035.)

Publication Fees

Comp Plan large \$20
Comp Plan small \$10
Zoning Map sm \$ 5 lg \$25
Road Maint. Map \$ 5
Zoning Ordinance - HCC 21 \$ 15
Sign Permit - \$ 50
Variance - \$250
Erosion and Sediment Control Plan (BCWPD): \$300

Storm Water Protection Plan Fee: \$200

Conditional Use Permit Processing Fee

Amendment	\$200
Fence	\$300
Single Family/Duplex	\$200
Multi-Family/Commercial/Industrial	
\$500 for uses less than 8,000 sq. ft.	
\$1,000 for uses 8,001 sq. ft. to 15,000 sq. ft.	
\$2,500 for uses 15,001 sq. ft. to 25,000 sq. ft.	
\$5,000 for uses 25,001 sq. ft. to 40,000 sq. ft.	
\$8,000 for uses 40,001 sq. ft. and larger	

Recording (as Required) \$50

Fees for commencing activities, without a permit, shall be assessed at the regular rate multiplied by one and one half (1.5) for Residential and two (2) for Commercial.

Traffic Impact Analysis and Community Impact Assessment – when required, applicant will be charged for the actual cost of the study, plus a 10% administrative fee. The City will be responsible for hiring and managing the study. (Resolution 03-159 and 96-13 HCC 12.12.03)

Rezone - \$500 (HCC 21.63 repealed Contract Rezone via Ordinance 03-21.)

Flood Hazard Development Permit \$200

Preliminary Plat Processing Fee \$300, or \$100 per lot, whichever is greater. (Resolution 07-14, 03-159 and 96-13)

Elimination of a common interior lot line. \$200.00

Right of Way and Section Line \$300

Easement Vacation Application Fee: (In addition to applicable preliminary plat fees).

Utility easement vacation: no fee

Bridge Creek Watershed Permit - zoning permits are required for the Bridge Creek Watershed Area. Although no fees will be charged for the zoning permits outside of City Limits, the evaluation process is still in effect.

Technical Review of Communication Tower Application: When required, the applicant will be charged for the actual cost of the study, plus a 10% administrative fee. The City will be responsible for hiring and managing the study.

Street Renaming Fees

(A) For name changes or naming of public dedicated streets other than those named during the subdivision process:

(1) Street Naming Petition and hearing advertising fee \$150

(2) Installation of each new City sign, post, etc. Per sign: \$150

(3) Replacement of existing City sign due to change where no post is needed. Per sign: \$ 80

The minimum fee shall be either a combination of 1 and 2 OR 1 and 3, above; however, all signs that need to be changed and/or maintained by the City must be paid for prior to installation.

(B) For Private Road Naming:

(1) Street Naming Petition and hearing advertising fee \$150

(2) Installation of each new City sign, post, etc. Per sign: \$150

(3) If no public hearing or public notice is necessary, i.e., 100% petition and no partial dedicated street involved No fee

(4) If no signs are required No fee

PORT AND HARBOR DEPARTMENT

Harbor Office - 235-3160 Fish Dock - 235-3162

(The following fees have been set by legislative enactments to HCC 10, Ord. 95-18(A) and Resolutions 18-041(S), 14-114, 12-037(S), 12-023, 10-89, 06-52, 06-04, 05-123, 04-96, 03-154(S), 03-104, 03-88, 00-39, 99-118(A), 99-101, 99-78(S), 99-30(A), 95-69 (Port/Harbor Tariff No. 600), Resolution 95-19, Resolution 01-84(S)(A), Resolution 02-81(A), Resolution 07-121, Resolution 08-123, Resolution 15-073, Resolution 15-091, Resolution 16-061)

Port and Harbor fees can be found in the Homer Tariff No. 1 available on the City of Homer Port & Harbor webpage and the Harbormasters Office.

All rates except load and launch ramp fees and parking fees for Ramps 1 – 4, which are inclusive of sales tax, will have sales tax applied.

Administrative cost for changing boat in Reserved Stall—\$25.00

Stall Wait List Application and renewal fee for subsequent years \$30.00 per year. Disposal of more than twenty five (25) gallons of used oil or antifreeze or any amount of oily water in one calendar day may be done by appointment with Port Maintenance.

_____ Fees:

_____ Used Oil	_____ \$3.35/gallon
_____ Used Antifreeze	_____ \$8.00/gallon
_____ Oily Water/ Bilge Slop	_____ \$5.00/gal delivered in drums

PARKING FEES

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

Seasonal permits for day use parking in paved parking lots at (Ramps 1-4): \$250.00.

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

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

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

Vehicles over 20' are not eligible for Long Term annual parking permits.

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

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

Long term parking will be enforced year-around.

Parking lot restrictions for long term parking of no parking near ramps are in effect May 1 through October 1.

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

Fines, \$25.00 per calendar day, limited to \$250.00 fine per calendar year, with \$200.00 of the fine credited towards the long term parking annual permit. If fail to pay, additional fee of \$25/month.

Annual Moorage fee – \$44.88 per lineal foot, plus \$50.00 administrative charge.

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

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

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

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

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

A service charge of \$481.53 will be assessed for cruise ships.

Wharfage:

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

COMMODITY	WHARFAGE RATE
Pioneer and Deep Water Docks	
Aggregate (gravel, stone, minerals)	\$1.00 per short ton
Agricultural Products (grains, etc.)	\$3.50 per short ton
Containerized Cargo	\$8.00 per short ton
Freight N.O.S. up to 100 short tons (Not Otherwise Specified)	\$7.96 per short ton
Freight N.O.S. up to 1,000 short tons	\$6.00 per short ton
Freight N.O.S. in excess of 1,000 short tons	\$5.00 per short ton
Freight N.O.S. in excess of 10,000 short tons	\$4.50 per short ton/ negotiable
Poles, logs, cants or cut	\$3.95/thousand board ft.
Finished lumber per M.M.	

(Note: Industry standard conversion formulas shall be used in converting pounds to board feet measure.)

Logs that are unloaded at Port of Homer barge beaching site will be charged 50% of the wharfage rate applicable to outbound (export) shipment. However if these cargoes are not exported over Deep Water Dock with full payment of outbound wharfage within 60 days of unloading at the barge beaching site, then the additional 50% of wharfage will be owed and paid for inbound products.

Petroleum products (inbound and outbound)	\$0.84/barrel \$0.02 per gallon
Hazardous Materials	\$8.00 per ton
Livestock: Horses, mules, cattle, hogs, sheep, goats, all other livestock	\$10.12 per head
Fowl: Any kind, crated	\$10.12 per crate
Barge Ramp Wharfage	\$5.14 per short ton
Fish Dock	
Ice Fish Dock	\$14.50 per short ton
Freight N.O.S. Fish Dock	\$14.50 per short ton

Fishing gear is free from wharfage, except as otherwise provided under a lease agreement, contract or operating agreement with the City of Homer, ice brought onto Fish Dock to be loaded into totes or transferred to boats at the dock, shall be charged wharfage at the Freight NOS rate, unless this is ice that was purchased from the City Ice Plant.

~~Seafood/fish Product~~ ~~Setting a tariff of \$4.76 per ton of seafood/fish product across the dock, regardless of species. Regardless of species bait in quantities greater than one ton that is loaded onto a vessel at docks, shall be charged seafood wharfage.~~

~~Demurrage~~ ~~0.09/sq. ft.~~

Uplands Storage:

Land for Gear Storage-

First come first served basis; approved by Harbormaster; primarily for fishing related gear.

Open areas, fishing gear ~~0.12/ sq. ft.~~

Open areas, non fishing gear ~~0.17/ sq. ft.~~

Secure fenced areas ~~0.22/sq. ft.~~

Boat Trailers-

Short term storage, up to 7 days ~~space available basis no fee.~~

~~Long Term storage, no boats ON trailers~~ ~~\$7.00/foot per month~~

TIDAL GRIDS:

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

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

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

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

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

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

WATER:

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

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

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

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

ELECTRICITY:

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

The meter availability fee ~~\$23.95 per month~~

Kilowatts are charged using current public utility rate

Connect/disconnect fee ~~\$28.80~~

Winter Power Program runs from 10/16 to 4/15 vessels will be charged a meter availability fee of \$28.80 per month with a one month minimum charge to be applied for shorter connection periods.

Kilowatts are charged using current public utility rate

Connect/Disconnect fee 28.80.

Unless other arrangements have been made in writing with the Harbormaster, transient vessels shall be charged the following rates (where metered power is unavailable):

	<u>110 volt</u>	<u>220 volt</u>	<u>208 volt & 480v/3 phase</u>
Daily (or part thereof)	\$ 10.20	\$ 20.12	\$45.20
Monthly	\$152.67	\$341.70	available meter only

*Vessels requiring conversion plugs may purchase them from the Harbormaster's office.

110v, 208 volt and 480v/3 phase electrical power are available at System 5 on a first come first served basis, for vessels will be charged the following rates:

1. There will be an electrical usage charge per kilowatt hour as determined by the local public utility;
2. Vessels will be charged a meter availability fee of \$28.80 per month with a one month minimum charge to be applied for shorter connection periods.
3. Vessels plugged in less than 7 consecutive days will be charged the daily rate listed above.

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

PUMPING VESSEL: \$40.79 per day or portion thereof for electrical pumps.
 \$69.97 per hour or portion thereof for gas pumps.

LABOR/PERSONNEL:

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

SPECIAL SERVICES:

Special services, including waste, bulk oil, or garbage disposal shall be billed at the City's actual cost plus 125% of city costs for services arranged for by the City but provided by others.

REGULATED GARBAGE HANDLING FEE:

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

SEARCH AND RESCUE FEES:

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

PUBLIC LAUNCH RAMPS:

Vessels shall be charged \$13.00 per day plus a \$7.00 per launch levied parking impact fee to launch from the public launch ramps from April 1 through October 15.
(Reserved stall lessees exempt for the boat assigned to and registered to the reserved stall only, not for other boats owned by the same individual.)

Vessel owners or operators may obtain a seasonal load and launch permit for \$130.00 plus \$70.00 parking impact levy entitling a specific vessel and owner to launch from April 1 through October 15.
(Reserved stall lessees exempt for the boat assigned to and registered to the reserved stall only, not for other boats owned by the same individual.)

Seasonal permit must be displayed on the Port side of Permit Holder's Vessel or ticket verifying payment must be made available upon request.

Unattended Vessels on the Launch Ramp — \$20.00 per hour fee

BEACHES AND BARGE RAMP:

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

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

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

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

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

FISH DOCK:

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

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

Every person using a crane on the Fish Dock shall first meet all the requirements of the City.

Blocking access to cranes — \$150.00/hr.
 Unattended vessels — \$150.00/hr.

ITEM	FEE
Annual access card	\$52.00 per year (annual renewal fee)
Card replacement fee	\$15.00 per occurrence
Cold Storage Lockers 8'x10'	\$234.75/month
	\$309/per month for two (2) consecutive months
	\$283.25/per month for three (3) consecutive months
	\$275.50/per month for nine (9) month season
	Minimum one month rental
	Inspection \$50/per hour
Cold Storage Locker 22'x10'	\$920.90/month
	\$849.60/per month for two (2) consecutive months
	\$778.90/per month for three (3) consecutive months
	\$708.20/per month for nine (9) month season
	Minimum one month rental
	Inspection \$50/per hour
Bait Storage Fee (4x4x4)	
Per Day	\$5.15
Per Week	\$25.75
Per Month	\$77.25

Fish Dock crane — \$90.64/per hour
 Minimum charge per hour for crane — Fifteen minutes
 All additional charges will be in one quarter hour (15 minute) increments.

Ice (Accumulated throughout year. Accounts reviewed each December for rate adjustment based on Previous year's actual tons of ice purchased) —

0-100 tons	\$130.00/per ton
101-300 tons	\$128.00/per ton
301-500 tons	\$124.00/per ton
501-700 tons	\$121.00/per ton
701-1000 tons	\$118.00/per ton
Over 1001 tons	\$115.00/per ton

Fish Waste Disposal Fees/Fish Grinder — \$5.00/Tub

_____ \$30.00/Tote

MARINE REPAIR FACILITY:

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

- (1) Upland Dry Dockage use Fee per Month: \$0.17 per square foot/ for vessels paying annual moorage in Homer harbor \$0.20 per square foot for transient daily, monthly, semiannual moorage vessels and \$0.25 per square foot if no moorage paid.
- (2) Administration Fee per month of Dry Dockage uplands usage: \$50.00
- (3) Beach Landing Fee per calendar day: \$1.50 per foot
- (4) Vendor Fee per calendar year: \$150.00
- (5) Harbor Labor Fee: \$102.00 per hour/\$51.00 minimum

PUBLIC SAFETY

Emergency 911
Administrative Office 235-3150
HPD = Homer Police Department

(The following fees have been set by legislative enactments to HCC 7): Resolution 15-097(S)(A), 10-90(A); 06-45)

Handicap Parking Violation \$100

Noisy Vehicles - enforcement begins April 28, 2004.

Noise greater than 85 decibels (dBA) at a distance of fifty (50) feet is prohibited. Between the hours of 8 p.m. and 8 a.m. not greater than 75 dBA at a distance of fifty (50) feet.

<u>Offense</u>	<u>Penalty/Fine</u>
Muffler not working properly	CORR/\$500
Muffler modified/excessive noise	CORR/\$500
Muffler removed or inoperative	CORR/\$500

Noise exceeds limits:

First conviction	\$100
Second conviction within 6 months of first conviction	\$200
Third conviction within 6 months of any prior conviction	\$300

Sale of vehicle exceeding noise limits:

First conviction	\$100
Second conviction within six (6) months of first conviction	\$200

Third conviction within six (6) months of any prior conviction	\$300
--	-------

Engine brake use prohibited:

First conviction	\$100
Second conviction within six (6) months of first conviction	\$200 plus proof of satisfactory HPD commercial vehicle inspection
Third conviction within six (6) months of any prior conviction	\$300 plus proof of satisfactory HPD commercial vehicle inspection

CORR: "CORR" means a correctable/dismissible offense. A citation for one of these offenses may be dismissed (or voided) if proof of correction is presented to a HPD vehicle inspector within thirty (30) days. If the required repair is not made and shown to a vehicle inspector within the specified time, the defendant must pay the fine.

Public Transportation (HCC 8.12.150 and 8.12.200):

- Vehicle Permit \$150 Fiscal Year, expires June 30th
- Permit \$75 after January 1st, expires June 30th
- \$5 Replacement Permit

Chauffeurs License \$100 application fee plus the fees in the amount of \$35.00 (for Fingerprinting to the State of Alaska)(none of these fees are refundable)
Annual Safety Inspection commercial vehicles \$100

(The following fees have been set by legislative enactments AAC 13 (Paid at City Hall).

Parking Tickets -\$25

(The following fees have been set by legislative enactments to HCC 8, Ord. 01-20).

- Itinerant Merchant - \$330/for 60 days
- Mobile Food Unit - \$390/per yr.

FIRE DEPARTMENT FEES

Emergency 911 Administrative Office - 235-3155

(The following fees have been set by legislative enactments Resolutions 91-97, 92-06, 92-43(S), 03-145, 04-98(S)(A) and 06-64(S)A, 15-097(S)(A), 16-109)

AMBULANCE:

Basic Life Support (BLS), Resident	\$750 plus \$15/ load mile
Basic Life Support, Non-Resident	\$1,000 plus \$15/load mile
Advanced Life Support (ALS)1, Resident	\$950 plus \$15/load mile
Advanced Life Support 1, Non-Resident	\$1,500 plus \$15/load mile
Advanced Life Support 2, Resident	\$1,250 plus \$15/load mile
Advanced Life Support 2, Non-Resident	\$1,750 plus \$15/load mile
Non-Emergency Transport	Billed as Basic Life Support Resident and Non-Resident Mileage - \$15 per mile, one-way from pick up location to destination

Commented [RF2]: Melissa following up with Chief on this

Standby, billed per half hour \$60/hour or \$510/8 hour day, crew of 2
 Mileage , one-way load miles \$15.00 mile
 Medivac Determined by level of call, see BLS, ALS rate

FIRE:

Type 1 Engines (>1,000 gals or 1,500 GPM)	\$240/hr.	\$2,040 day
Type 1 Tenders (<3,000 gals or 1,000 GPM)	\$144/hr.	\$1,224/day
Ladder Truck	\$360/hr.	\$3,060/day
Medic Unit/Ambulance	\$60/hr.	\$510/day
Brush Patrol	\$100/hr.	
Command Vehicle	\$ 50/hr.	
Rescue/Extrication Truck	\$144/hr. (1 hour minimum)	\$1,224/day
Command/Utility Vehicle	\$ 60/hr.	\$510/day
6 x 6 ATV	\$25/hr.	\$200/day

VOLUNTEER PERSONNEL:

Fire Department IC (1)	\$36/hr.
(IC - Incident Command)	
Safety Officer/Officer	\$36/hr.
Driver/Engineer (1 per vehicle)	\$24/hr.
Firefighters (Minimum 1 per tender, 2 per Engine)	\$18/hr.
EMT (Minimum 2 per Rescue Medical Unit)	\$18/hr.

PUBLIC WORKS DEPARTMENT

Administrative - 235-3170

(The following fees have been set by legislative enactment Resolution 18-077(A), 15-097(S)(A), 04-98(S)(A) and 95-1).

Not obtaining any permit or not complying with any permit conditions described herein will be subject to Homer City Code General Penalties as described under Chapter 1.16.

R.V. Station dumping	\$15 per dumping
Potable Water	\$ 5 per fill

~~Blueprints, copies minimum \$10 + \$2/pg.~~
~~Standard Construction Specs \$50F~~
~~Job Specific Specifications and plans vary in price.~~

SUBDIVISION AGREEMENT FEE SCHEDULE:

Agreement Application, Plan Review, Inspection, and Warranty Period Deposits

A developer shall pay the City's actual cost associated with the reviewing, approving, coordinating and inspecting improvements required to be completed under a subdivision agreement. The City's cost shall include, but is not limited to, administering the agreement, plan checking, surveillance, and administrative overhead. Prior to initiating each phase of the subdivision approval process, a deposit shall be paid. Deposits shall not bear interest. The deposits shall be held in a separate account and disbursed only as authorized by this fee schedule. The deposits are described below:

- 1) Subdivision Agreement Application: Upon submitting an application agreement, the Developer will provide a \$300 deposit.
- 2) Subdivision Improvement Plan Review: Upon submission of plans for review and approval, the Developer will provide a plan review deposit of .5% of the estimated cost of improvements or \$300, whichever is greater.
- 3) Construction Inspection: Prior to the issuance of a notice to proceed with construction to the Developer, the Developer shall pay a deposit toward the City's costs based upon the estimated cost of the improvements to be constructed under the subdivision agreement as follows:

<u>Estimated Construction Cost</u>	<u>Deposit</u>
\$10,000 or less	\$300
Over \$10,000 up to \$50,000	4% of the estimated costs
Over \$50,000 up to \$150,000	3% of the estimated costs
Over \$150,000 up to \$500,000	2.5% of the estimated costs
Over \$500,000	\$13,000

After the City finds the subdivision improvements meet City specifications, it shall determine its costs to date. If costs (plus any deposit required under subsection 4 below) exceed the total deposits received, the Developer shall pay the balance to the City prior to final acceptance of the improvements. If the total deposits exceed the costs, the City shall refund the balance (less any deposit required under subsection 4 below) to the Developer.

- 4) Initiation of Warranty Period: Prior to acceptance of completion by the City of the undertaking by the developer, the Developer shall also pay a deposit toward the City's cost incurred during the warranty period under the subdivision agreement in the amount determined by the Public Works Director, but not to exceed \$2,000.

If at any time the City finds its costs exceed the total deposit received, the City may periodically bill and receive payment from the Developer for those actual incurred costs in excess of the amount of deposit.

WATER/SEWER MAIN EXTENSION AND FILL STATION PERMIT

Installation Agreement Application, Plan Review, Inspection, and Warranty Period Deposits

A developer shall pay the City's actual cost associated with the reviewing, approving, coordinating and inspecting water or sewer main extension improvements or fill station improvements required to be completed under an installation agreement. The City's cost shall include, but is not limited to, administering the agreement, plan checking, surveillance, and

administrative overhead. Prior to design review or construction of the improvement, a deposit shall be paid. Deposits shall not bear interest. The deposits shall be held in a separate account and disbursed only as authorized by this fee schedule. The deposits are described below:

1) Installation Agreement Application: Upon submitting an application agreement, the Owner/Developer will provide a \$300 deposit.

2) Improvement Plan Review: Upon submission of plans for review and approval, the Owner/Developer will provide a plan review deposit of .5% of the estimated cost of improvements or \$300, whichever is greater.

3) Construction Inspection: Prior to the issuance of a notice to proceed with construction, the Owner/Developer shall pay a deposit toward the City's costs based upon the estimated cost of the improvements to be constructed under the subdivision agreement as follows:

<u>Estimated Construction Cost</u>	<u>Deposit</u>
<u>\$10,000 or less</u>	<u>\$300</u>
<u>Over \$10,000 up to \$50,000</u>	<u>4% of the estimated costs</u>
<u>Over \$50,000 up to \$150,000</u>	<u>3% of the estimated costs</u>
<u>Over \$150,000 up to \$500,000</u>	<u>2.5% of the estimated costs</u>
<u>Over \$500,000</u>	<u>\$13,000</u>

After the City finds the improvements meet City specifications, it shall determine its costs to date. If costs (plus any deposit required under subsection 4 below) exceed the total deposits received, the Developer shall pay the balance to the City prior to final acceptance of the improvements. If the total deposits exceed the costs, the City shall refund the balance (less any deposit required under subsection 4 below) to the Developer.

4) Initiation of Warranty Period: (applies to water/sewer extension permits only). Prior to acceptance of completion by the City, the Owner/Developer shall also pay a deposit toward the City's cost incurred during the warranty period under the subdivision agreement in the amount determined by the Public Works Director, but not to exceed \$2,000. If at any time the City finds its costs exceed the total deposit received, the City may periodically bill and receive payment from the Owner/Developer for those actual incurred costs in excess of the amount of deposit.

Commercial/Industrial Waste Disposal permit fees shall be determined by the Public Works Director based on type of discharge, location of discharge, timing of discharge, potential impact to the City's collection and treatment systems, reasonableness of alternative methods of disposal.

ROW Permit **Utility Construction Project Permit** - minor \$90 (less than 150 LF of right-of-way affected) major \$225 (more than 150 LF of right-of-way affected)

(The following fees have been set by legislative enactments to HCC 11.08.040).

Driveway Permit Residential \$45
Commercial \$60

Long Driveway (addn) \$105

(Contact ~~Planning~~ **Public Works** Department ~~at City Hall~~ at 3575 Heath St. to obtain permit(s), 235-3106 **3170**. ~~Planning issues the permits.~~)

WATER AND SEWER FEES:

Public Works - 235-3170
City Hall - 235-8121
Billing - 235-8121 x 2240

(The following fees have been set by the following legislative enactment HCC Title 14, new fees set forth in Resolution 19-036(S), Ordinance 19-09(S), Resolution 18-077(A), Resolution 16-063(S-2), Resolution 14-060, Ordinance 13-30(A), Resolution 15-074A-2), 13-048 (S-2)(A-3), Ordinance 11-43, Resolution 11-094(S), Resolution 11-062(A), Resolution 09-47(S)(A), Resolution 09-48(S)(A), Resolution 07-119 (A), Resolution 07-120(A), Ordinance 06-62(A), Resolution 06-04, Resolution 05-125, Resolution 05-122, Resolution 05-121(A), Resolution 05-09, Resolution 04-95, Resolution 04-94(S)(A), Resolution 03-159, Resolution 02-80, Resolution 01-80(A), Resolution 00-123, Resolution 00-34, Ordinance 00-02, Ordinance 97-17(A), amending the rates set forth in Ordinance 97-5(S)(A), with amendments by Ordinance 97-7, Ordinance 97-13 and Ordinance 97-14).

A 15% admin. fee will be assessed for replacement parts for water/sewer services, functions, pressure reducing valves, sewer saddles, any Public Works Department stock item for resale to public.

Establishing service includes a one-time disconnect - \$75

Service calls, inspections, repairs not to exceed one hour - \$45 per employee plus equipment and materials.

Service calls, inspections and repairs during normal operating hours in excess of one hour labor: actual labor costs by City plus equipment and materials.

Service calls, inspections and repairs after normal operating hours or on weekends/holidays: \$60 minimum plus equipment and materials or actual cost incurred by City, whichever is greater.

SEWER FEES:

Sewer Connection and Extension Permit Fee

Single Family \$255*

Multi-Family/Commercial \$330*

*** All other fees for delayed or deferred services, in lieu of assessments and necessary right-of-way permits, shall be in addition to the permit fee. A property owner installing a sewer connection which qualifies for a deferred assessment payment or makes a payment in lieu of assessment shall pay the assessment prior to issuance of the connection permit.**

Customer classification definitions for determining sewer connection and extension permit fees:

Single Family Residential – A unit providing housing for one household; with less than 25% of the building area used for business or commercial purposes.

Multi-Family Residential- A building or lot occupied by more than one household: contained within one

building or several buildings within one complex. Examples of multi-family units includes duplexes, four-plexes and up, apartments, condominiums, co-housing projects, and multiple structures on one lot (where units are normally rented or occupied for longer than one month at a time). Examples of units not considered as multi-family include hotels, motels, B&B's seasonal rooms/cabins (where units are routinely rented or occupied for less than one month at a time.)

Commercial - Any user not defined as Residential.

Sewer Rate Schedule

All sewer utility services shall be billed according to the following schedule (Table I, II). This schedule is for monthly sewer services and is in addition to any charges for connecting or disconnecting the service, installation of the service or any assessment of the improvements.

Sewer Rates

Table I

Customer Classification	Monthly Service	Usage Charge/Gallon
Lift-Station Customer		\$0.0224
Non-Lift-Station Customer		\$0.0145
Multi-units (additional per unit)	\$ 5.00	N/A

Sewer ONLY Customers Rates

Table II

	Fees/Rate/Usage	Per Customer Per Month
Lift-Station Customer	\$0.0224/Gal	\$67.20
Non-Lift-Station Customer	\$0.0145/Gal	\$43.50
Monthly Service	\$5.00/customer/mo.	\$5.00 (Kachemak City customers will be exempt from \$5 monthly service fee. Kachemak City will be billed a \$5 monthly service fee to cover all Kachemak City sewer customers.)
Pumping Fee (If Applicable)	\$6.75/customer/mo.	\$6.75
Assumption: Avg. Sewer Usage	3000 Gal/Mo.	

Customer classification definitions for determining sewer rates:

Lift Station Zone Customer: There are eleven sewage lift/pump stations that are used for pumping wastewater or sewage from areas with lower elevation than the treatment plant. Customers who are located in these areas shall be charged additional fees for the cost added to the services (see Table I & II).

Non-Lift Station Zone Customer: Customers who are located in the zone that do not need lift/pump station services.

Sewer System Dischargers (Sewer ONLY customers): Customers who use sewer service only shall be charged a monthly fee of \$5 plus sewer usage fee based on assessed volume of 3,000 gallons per month multiplied by the applicable sewage rate (see Table II). Kachemak City Local Improvement District (LID) members have contributed to the initial cost of the sewer treatment plant and the collection system. For Kachemak City LID dischargers connected within the LID, the City of Homer shall bill Kachemak City in one single bill at the Lift-Station Zone Rate of \$73.95 (\$67.20 +\$6.75) per month per customer. Kachemak City shall be billed a \$5 monthly service charge to cover all Kachemak City sewer customers and shall be responsible for payment to the City of Homer.

Domestic sewer service customers who use large quantities of City water in addition to their domestic use shall be allowed, with the Public Works Director's approval, to install an additional water meter on the domestic water use line for the purpose of metering and charging for domestic sewer system use. Sewer system use will be billed monthly.

The City will allow, upon approval by Public Works and a permit from the Public Works Department, a second water usage meter – called a seasonal sewer meter – for each customer that desires to measure the flow of City water that is not discharged to the sewer system during the summer growing season, June 15 through September 15. Rates noted above do not apply.

Seasonal Sewer Meter Fee is \$251.75.

This second meter will be read monthly during the summer and sewer charges will be credited monthly. The meter may not be subject to read during the fall and winter months. Any charges accrued during that period will be reflected the first billing cycle the meter is read.

WATER FEES:

A 4.85% of total charges charged to every customer outside of city limits in lieu of city sales tax will be applied to those water accounts outside city limits.

Water Connection Fee

Single Family \$30*

Multi-Family/Commercial \$375*

*** All other fees for delayed or deferred services, in lieu of assessments and necessary right-of-way permits, shall be in addition to the permit fee. A property owner installing a water connection which qualifies for a deferred assessment payment or makes a payment in lieu of assessment shall pay the assessment prior to issuance of the connection permit.**

Customer classification definitions for determining water connection and extension permit fees:

Single Family Residential – A unit providing housing for one household; with less than 25% of the building area used for business or commercial purposes.

Multi-Family Residential- A building or lot occupied by more than one household: contained within one building or several building within one complex. Examples of multi-family units includes duplexes, four-plexes and up, apartments, condominiums, co-housing projects, and multiple structures on one lot (where units are normally rented or occupied for longer than one month at a time). Examples of units not considered as multi-family include hotels, motels, B&B's seasonal rooms/cabins (where units are routinely rented or occupied for less than one month at a time.)

Commercial - Any user not defined as Residential.

Water Rate Schedule

All water utility services shall be billed according to the following schedule. This schedule is for monthly water service and is in addition to any charges for connecting or disconnecting the service, installation of the service or any assessment of the improvements.

Water Rates

Table III

Customer Classification	Monthly Service	Usage Charge/Gallon
Lift-Station Customer	\$13.00	\$0.0132
Non-Lift-Station Customer	\$13.00	\$0.0132
Multi-units (additional per unit)	\$ 5.00	
Bulk Water	\$13.00	\$0.0172

Customer classification definitions for determining water rates:

Bulk Water Customers: The bulk water customers are the resellers of water or water users who purchase water from the water plant directly and are not in the metered water distribution system.

Non-Bulk Customers: All customers who receive water from the metered water distribution system.

Multi-Units: An additional \$5 monthly charge shall apply to each of the units of a building or lot occupied by more than one household or commercial entity contained within one building or several buildings within one complex. Examples of multi-family units include duplexes, four-plexes and up, apartments, condominiums, co-housing projects, and multiple structures on one lot (where units are normally rented or occupied for longer than one month at a time). Examples of units not considered as multi-family include hotels, motels, and B&B's seasonal rooms/cabins (where units are routinely rented or occupied for less than one month at a time.)

This fee applies to all multi-unit structures defined in the sewer section of this for apartments, rental units or multi-unit buildings where each unit would have one or more restrooms and are intended to be rented on a monthly basis where there is only one meter installed, excluding a rental building restroom used for shared or public use.

Meter Size Deposits

<u>Size (inches)</u>	<u>Residential Users</u>	<u>Nonresidential Users</u>
5/8	\$75.00	\$220.00
3/4	\$80.00	\$230.00
1	\$90.00	\$250.00
1-1/2	\$115.00	\$310.00
2	\$150.00	\$370.00
3	\$220.00	\$525.00
4	\$310.00	\$730.00
6	\$520.00	\$1,225.00

\$750 meter deposit shall apply to metered fire hydrant connections. The deposit will be returned when the meter is returned undamaged. This deposit may be waived upon the recommendation of the Public Works Superintendent.

If a bulk water customer purchases a meter from the City for measuring the quantity of water purchased, it shall be exempt from the monthly meter service charge. It is the responsibility of the bulk water customer to maintain that meter so the City can accurately determine the amount of water being purchased. In the event the meter fails, it is the bulk water customer's responsibility, at its expense, to repair it or purchase a replacement meter from the City. The City may at any time test the meter for accuracy.

RESIDENTIAL HOLDING TANK FEES

(Resolution 02-23)

City of Homer will bill property owner/customer monthly for City service, not pumping contractor charge.

Each property owner/customer will be billed once each month, regardless of number of pumping, 1[one] Customer Charge \$3.98 + 1 [one] General Service Charge \$16.95 + Commodity Charge [\$12.00 per pumping]

Property owner/customer is responsible for payment to pumping contractor.

City of Homer monthly billing examples based on number of pumping per month:

<u>Type of Charge</u>	<u>No Pumping</u>	<u>1 mo. Pumping 3 mo. Pumping</u>	
Customer Charge	\$3.98	\$3.98	\$3.98
Gen. Svs. Charge	\$16.95	\$16.95	\$16.95
Commodity Charge	\$0	\$12.00	\$36.00
Total Monthly Bill	\$20.93	\$32.93	\$56.93

LEGISLATIVE BODY

MAYOR

Ken Castner – 2020
Commission

COUNCILMEMBERS

~~Shelly Erickson—2019~~
~~Tom Stoozas—2019~~
Rachel Lord —2020
Caroline Venuti—2020
Donna Aderhold—2021
Heath Smith—2021

Storm P. Hansen-Cavasos-2022

Joey Evensen-2022

ADVISORY BODIES

Advisory Planning Commission
Parks Art Recreation & Culture Advisory
Port and Harbor Advisory Commission
Library Advisory Board
Economic Development Advisory Commission
ADA Compliance Committee

DEPARTMENTS

Located At:

City Hall

City Manager’s Office
Administration
Personnel
Economic Development & Special Projects

City Clerk’s Office
Records & Elections
Planning & Zoning
Finance

Public Works Facility

Public Works
Water & Sewer
Maintenance
City Engineer
Inspector

On the Spit

Port and Harbor

Public Library
Library

Police Department
Public Safety
Jail

Fire Hall

Fire Department
EMS

Homer High School

Community Recreation

- 30 -

06/2019-rt

ORDINANCE REFERENCE SHEET
2019 ORDINANCE
ORDINANCE 19-55

An Ordinance of the City Council of Homer, Alaska Amending Homer City Code Amending Homer City Code 2.08.040, Bylaws for Council Procedures to Establish that Newly Elected Members will be Seated at a Special Meeting Following the Canvass of the Election; and 4.35.404 Certification of Election to Clarify the Time for Certification of a Regular and Special Election.

Sponsor: Evensen/Hansen-Cavasos

1. City Council Regular Meeting November 25, 2019 Introduction

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 Evensen/
4 Hansen-Cavasos

5 **ORDINANCE 19-55**

6
7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
8 AMENDING HOMER CITY CODE 2.08.040, BYLAWS FOR COUNCIL
9 PROCEDURES TO ESTABLISH THAT NEWLY ELECTED MEMBERS
10 WILL BE SEATED AT A SPECIAL MEETING FOLLOWING THE
11 CANVASS OF THE ELECTION; AND 4.35.040 CERTIFICATION OF
12 ELECTION TO CLARIFY THE TIME FOR CERTIFICATION OF A
13 REGULAR AND SPECIAL ELECTION.

14
15 WHEREAS, Holding a special meeting to certify an election and swear in newly elected
16 members designates a time to celebrate the service of outgoing members and welcome new
17 members; and

18
19 WHEREAS, Certifying an election as soon as possible after the canvass board has
20 completed its work allows City business to proceed with as little disruption as possible ; and

21
22 WHEREAS, Holding a special meeting to certify election results and swear in newly
23 elected members on the same day of the regular meeting is a convenient and efficient use of
24 meeting time; and

25
26 WHEREAS, This ordinance also clarifies that special elections will be certified by special
27 meeting.

28
29 NOW THEREFORE, THE CITY OF HOMER ORDAINS:

30
31 Section 1. Homer City Code 2.08.040, Bylaws for Council Procedure is hereby amended
32 to read as follows:

33
34 2.08.040 Bylaws for Council procedure.

35
36 The following bylaws shall govern the procedures of the City Council of the City:

37
38 a. To abide by existing Alaska State laws pertaining to cities of the first class.

39
40 b. To abide by the current edition of Robert's Rules of Order insofar as this treatise is
41 consistent with these bylaws, other provisions of the Homer City Code, or unwritten

42 standing rules adopted by the City Council. In all other cases, bylaws, the code or the
43 standing rule shall prevail.

44
45 c. The Council's agenda format specified in the City of Homer City Council Operating
46 Manual, as the same may be amended from time to time, is incorporated herein by
47 reference.

- 48 1. The manual may be revised with Council approval;
49 2. A copy of the manual shall be available to the public during regular business
50 hours at the Homer City Hall and be available during City Council meetings.

51
52 d. Regular Meetings.

- 53 1. Second and fourth Mondays of each month at 6:00 p.m., unless otherwise
54 provided by two-thirds vote of the City Council;
55 2. The agenda shall be provided to each Council member 36 hours prior to
56 meeting, by City Clerk;
57 3. Adding items to or removing items from the agenda will be by unanimous
58 consent of the Council;
59 4. Public notice of a regular meeting shall be made as provided in Chapter 1.14
60 HCC.

61
62 e. Special Meetings.

- 63 1. Called by Mayor or majority of the Council;
64 **2. Held for certification of regular election results and swearing in newly**
65 **elected members following the completion of the canvass by the Election**
66 **Board, prior to convening Committee of the Whole.**
67 **3. Held for certification of a special election, when necessary, following the**
68 **completion of the canvass by the Election Board.**
69 ~~2~~ **3.** If a majority of members are given at least 36 hours' oral or written notice
70 and reasonable efforts are made to notify all members, a special meeting may
71 be held at the call of the presiding officer or at least one-third of the members;
72 ~~3~~ **4.** Agenda shall be as per subsection (c) of this section;
73 ~~4~~ **5.** Public notice of a special meeting shall be made as provided in Chapter 1.14
74 HCC.

75
76 f. Emergency Meetings.

- 77 1. By unanimous consent of quorum;
78 2. Required justifiable reason;
79 3. Informal agenda – limited to emergency;
80 4. Public notice shall be made as provided in Chapter 1.14 HCC.

81
82 g. Teleconference participation in meetings may be authorized pursuant to HCC
83 2.08.100 through 2.08.120.

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h. Quorum – Voting. Four Council members shall constitute a quorum. Four affirmative votes are required for the passage of an ordinance, resolution, or motion. A member of the Council acting as Mayor Pro Tem shall not lose his vote as the result of serving in such office. The Mayor is not a Council member and may vote only in the case of a tie. The final vote on each ordinance, resolution, or substantive motion may be a roll call vote or may be done in accordance with subsection (k) of this section (see AS 29.20.160(c)(d)).

i. Motions to Reconsider. A member of the Council who voted with the prevailing side on any issue may move to reconsider the Council’s action at the same meeting or at the next regular meeting of the body. Notice of reconsideration shall be given to the Mayor or City Clerk within 48 hours from the time the original action was taken.

j. Abstentions. All Council members present shall vote unless abstention is required by law (AS 29.20.160(d)).

k. Consensus. The Council may, from time to time, express its opinion or preference concerning a subject brought before it to consideration. The statement, representing the will of the body and a meeting of the minds of the members, may be given by the presiding officer as the consensus of the body as to that subject without taking a motion and roll call vote.

l. Vacancies. An elected municipal office is vacated under the following conditions and upon the declaration of vacancy by the Council. The Council shall declare an elective office vacant when the person elected:

1. Fails to qualify or take office within 30 days after his election or appointment;
2. Resigns and his resignation is accepted;
3. Is physically or mentally unable to perform the duties of the office as determined by two-thirds vote of the Council;
4. Is convicted of a felony or misdemeanor described in AS 15.56 and two-thirds of the members of the Council concur in expelling the person elected;
5. Misses three consecutive regular meetings unless excused;
6. Is convicted of a felony or of an offense involving a violation of the oath of office;
7. Is convicted of a violation of AS 15.13 concerning Alaska Public Offices Commission reporting requirements;
8. No longer physically resides in the municipality and the City Council by two-thirds vote declares the seat vacant; and
9. Is physically absent from the municipality for 90 consecutive days unless excused by the City Council.

126 m. Salaries of Elected Officials.

127 1. The Mayor and each Council member shall be paid a stipend of \$75.00 for each
128 council-meeting-day in which the person participates in person, or \$50.00 per
129 council-meeting-day in which a majority of the person's participation time is
130 telephonic. A council-meeting-day is any calendar day in which the person
131 participates in any one or more of the following:

132
133 a. A scheduled and publicly noticed meeting of the City Council,
134 including without limitation a regular meeting, special meeting,
135 committee of the whole meeting and meeting in executive session.

136 b. A scheduled and publicly noticed meeting of the Board of Adjustment,
137 Board of Ethics, or other board or commission that is composed of the
138 Mayor and Council members.

139 c. Training or continuing education programs, and work sessions, that
140 are required by law or commonly recognized best practice to perform the
141 duties of Mayor or Council member.

142
143 The City shall not spend any funds for elected officials' membership in
144 the Public Employees Retirement System. An elected official may not
145 receive any other compensation for service to the City unless specifically
146 authorized to do so by ordinance. Per diem payments or
147 reimbursements for expenses are not compensation under this section.

148
149 Section 2. Homer City Code 4.35.040 Certification of election is hereby amended to read
150 as follows:

151
152 4.35.040 Certification of election.

153
154 ~~The Council shall certify the results of the election at the next regular Council meeting~~
155 ~~following completion of the canvass by the Canvass Board~~

156
157 **a. The Council shall certify the results of a regular election at a special**
158 **meeting scheduled prior to Committee of the Whole following completion**
159 **of the canvass by the Canvass Board.**

160 **b. The Council shall certify a special election at the next regular Council**
161 **meeting or a special Council meeting following completion of the canvass**
162 **by the Canvass Board.**

163
164 Section 3: This ordinance is of a permanent and general character and shall be
165 included in the City Code.

166

167 ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER THIS __ DAY OF _____,
168 2019.

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175

CITY OF HOMER

KEN CASTNER, MAYOR

176 ATTEST:

177
178

MELISSA JACOBSEN, MMC, CITY CLERK

180
181 YES:
182 NO:
183 ABSTAIN:
184 ABSENT:

185
186

187 First Reading:
188 Public Hearing:
189 Second Reading:
190 Effective Date:

191

192 Reviewed and approved as to form:

193
194

195

Katie Koester, City Manager

Michael Gatti, City Attorney

197

198 Date: _____

Date: _____

ORDINANCE REFERENCE SHEET
2019 ORDINANCE
ORDINANCE 19-56

An Ordinance of the City Council of Homer, Alaska, Moving Expenditures in the Amount of \$92,852.24 Previously Allocated from the General Fund Operating Fund to now be Allocated from the Natural Gas Line Capital Project Fund for Legal and Travel Related Expenses Associated with ENSTAR Tariff Filing 310-4.

Sponsor: Mayor

1. City Council Regular Meeting November 25, 2019 Introduction

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 Mayor

4 **ORDINANCE 19-56**

5
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
7 MOVING EXPENDITURES IN THE AMOUNT OF \$92,852.24
8 PREVIOUSLY ALLOCATED FROM THE GENERAL FUND OPERATING
9 FUND TO NOW BE ALLOCATED FROM THE NATURAL GAS LINE
10 CAPITAL PROJECT FUND FOR LEGAL AND TRAVEL RELATED
11 EXPENSES ASSOCIATED WITH ENSTAR TARIFF FILING 310-4
12

13 WHEREAS, Together with the City of Kachemak and the Kenai Peninsula Borough, the
14 City of Homer intervened in Enstar Tariff Filing TA310-4 to protect the interests of Southern
15 Peninsula Ratepayers; and
16

17 WHEREAS, Kachemak City Ordinance 2019-02 authorized the City of Kachemak to
18 intervene in the Enstar Natural Gas Company Homer Extension Surcharge Tariff TA310-4 and
19 pledged to contribute 10% of legal fees up to \$10,000; and
20

21 WHEREAS, The Kenai Peninsula Borough joined as a one-third partner with the Cities of
22 Homer and Kachemak via Resolution 2019-028 and Ordinance 2018-19-35; and
23

24 WHEREAS, Legal Counsel billed Kachemak City and the Kenai Peninsula Borough
25 directly; and
26

27 WHEREAS, In large part due to the participation and alignment of the three Southern
28 Peninsula municipalities, the intervention was successful and the parties were able to get the
29 Regulatory Commission of Alaska to approve a negotiated settlement that provided certainty
30 for all Southern Peninsula rate payers; and
31

32 WHEREAS, The legal and travel related expenses associated with the Enstar case were
33 originally allocated to the General Fund Operating Fund. However, these expenditures
34 resulted in a benefit to all Southern Peninsula ratepayers, and, therefore, it would be
35 appropriate to reallocate these costs to the Natural Gas Line Capital Project Fund.
36

37 NOW, THEREFORE, The City of Homer Ordains:
38

39 Section 1. That the legal and travel related expenses associated with the RCA Tariff
40 Filing TA310-4 are reallocated from the General Fund Operating Fund to the Natural Gas Line
41 Capital Project Fund, as follows:
42

43 Current Allocation:

44	Account No.	Description:	Amount:
45	100-0100-5210	Professional Services	\$86,210.63
46	100-0100-5236	Transportation	\$1,769.93
47	100-0100-5237	Subsistence	\$434.00
48	100-0110-5236	Transportation	\$555.72
49	100-0110-5237	Subsistence	\$3,881.96

50

51 New Allocation:

52	175-0375-5210	Professional Services	\$92,852.24
----	---------------	-----------------------	-------------

53

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

56

57 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ___ day of _____, 2019.

58

59

60

CITY OF HOMER

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62

63

KEN CASTNER, MAYOR

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ATTEST:

65

66

67

MELISSA JACOBSEN, MMC, CITY CLERK

68

69

YES:

70

NO:

71

ABSTAIN:

72

ABSENT:

73

74

First Reading:

75

Public Hearing:

76

Second Reading:

77

Effective Date:

78

79

Reviewed and approved as to form:

80

81

82

Katie Koester, City Manager

83

Michael Gatti, City Attorney

84

Date: _____

Date: _____



City of Homer

www.cityofhomer-ak.gov

Office of the City Manager

491 East Pioneer Avenue
Homer, Alaska 99603

citymanager@cityofhomer-ak.gov

(p) 907-235-8121 x2222

(f) 907-235-3148

Memorandum

TO: Mayor Castner and Homer City Council
FROM: Katie Koester, City Manager
DATE: November 21, 2019
SUBJECT: City Manager's Report

Cyber Security

A few weeks ago, an employee clicked on a link in a phishing email and activated our virus detection software. Luckily our systems worked like they should and we were able to isolate the intrusion and keep it from doing any damage. This has prompted Councilmembers to ask questions about our cyber security.

From IT Manager Poolos: The City of Homer has implemented antivirus product that in the most current third party testing period (July/August 2019) blocked 100% of all malware samples in the test. This test include 368 emerging malware samples attacking known security flaws and an additional 13,521 samples that were widespread and prevalent in the prior 4 weeks. City IT has implemented all features of antivirus product in accordance with the vendor's recommended best practices. Recently a City user was tricked into clicking on a link within a phishing email. The City antivirus software isolated and contained the infection to that user's PC. City IT was able to remove the PC from the network with no further damage.

The antivirus product includes machine learning features that detect a ransomware attack encrypting files and can immediately restore the encrypted files with an unencrypted copy. City IT has these features tuned in such a manner that they have to use a manual process to update an application since the built-in update system tries to overwrite a large enough number of network files to trip this advanced detection.

The City of Homer has subscribed to an external email security service (a "cloud service"). Email from outside users pass through this service which inspects the message and attachments for malware. Additionally, the service inserts a warning that the email came from an external sender and to exercise caution. All City employees have completed a basic phishing and cybersecurity training so they have basic skills to inspect correspondence. City employees are scheduled to refresh this training yearly along with the other yearly safety training. City IT is augmenting this training with an ongoing targeted phishing test provided by a third party. IT will share the results of this testing with Council once results become available.

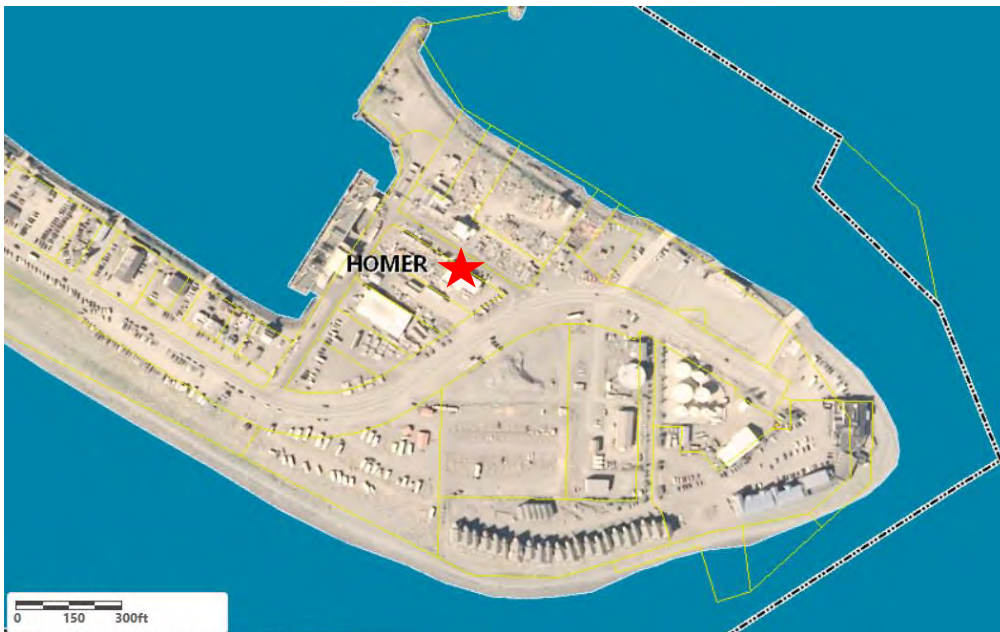
If the anti-malware software fails and an infection occurs, the City has implemented multiple layers of data protection and access controls. Recovery time will depend on how widespread and how long the attack may have laid dormant in the City networks.

The City keeps an offsite back up of all files that is never more than a week old. While it could take some time to reboot this system to an operational status, records will not be lost. The City is hoping to apply for a grant for disaster recovery planning and will incorporate a recovery plan for a cyber-attack into that analysis, if the grant is successful. If we are not successful with the grant, it may be something Council wants to consider funding independently.

City of Homer State wide Professional Representation

I am proud to share with Council how engaged our employees are with their professional organizations on a statewide basis. Not only does this contribute to furthering the profession, it is an excellent opportunity for City of Homer employees to network and have resources available to them to help solve the complex problems their jobs send their way.

- Bryan Hawkins, President, Alaska Port and Harbor Association
- Melissa Jacobsen, President, Alaska Municipal Clerks Association
- Katie Koester, President, Alaska Municipal Manager's Association
- Mike Illg, President-Elect, Alaska Parks and Recreation Association
- Chief Kirko, Secretary/ Treasurer of Alaska State Fire Chiefs Associations
- Chief Robl, Member, Police Standards Council



Auction Block Update

Alaska Growth Capital (AGC), the bank that assumed the Auction Block property* after the previous owner declared bankruptcy, has been marketing the improvements with Spire Commercial in Anchorage. You can view the listing here:

www.spirecommercial.com.

The improvements were initially listed for \$750,000 but AGC recently reduced the asking price to \$650,000. AGC has expressed difficulty in

securing a tenant for the improvements. The building has been unoccupied for over a year, and although AGC has assumed the lease payments, it is in the best interest of the City to have the building functioning and contributing to the local economy.

Continuing Discussion Regarding the Seawall

In my October 14th Manager's Report, I shared information with Council on increasing the Ocean Drive Loop Service Area (ODLSA) mil rate, expanding the ODLSA to include more properties, and a map showing the rate of erosion in the areas based on 2016 data. Input from Council on the body's appetite to explore taking on debt (or forward fund somehow) improvements to the Seawall, and under what terms and conditions, would help me respond to the ODLSA constituents. I welcome feedback from Council on potential next

steps and am happy to spend some time going over Seawall 101 for a member that wants take on this nuanced project.

Returning Olga Hallock's Rock to Kachemak Bay

My office received a request from Vermont residents Lionel and Ardys Fisher in regards to their dear friend Olga Hallock. Olga was a municipal employee for the Town of Huntington, Vermont who served as Town Clerk from 1969-2000 (please see the attached dedication). She first visited Alaska in the late 1990's and always knew she wanted to return, so in May of 2001 she and her two friends Lionel and Ardys ventured up to Homer. Lionel and Ardys shared that the Homer Spit seems to be a very special place for Olga and that she wanted to come back to Homer but was unable to do so and has since passed away. As such, these two friends asked if the City could assist them in returning a rock engraved with Olga's name to Kachemak Bay so that she may enjoy Homer in perpetuity. Last week, Harbormaster Hawkins did just that. May we take this moment to recognize just how lucky we are to call this beautiful place Home – it is a refuge for more than just our residents.



ISO Ratings for City of Homer

The City of Homer received our fire protection class rating back from the International Standards Organization (ISO) this week and I am pleased to report that we are remaining a 4/4Y rating, which means we should not see an increase to our insurance premiums. Next week, the Fire and Water Departments will be getting together to review the findings in detail and compare them to the previous rating conducted in 2014 to see where we need to focus our attention in order to prepare for the next visit. Administration's goal will be to continue to focus on lowering the rating to provide as much cost savings to the community as possible. After staff conducts an in-depth review of the report, Chief Kirko will develop a plan to determine next steps in preparation for the next ISO visit in 2024. I would like to acknowledge all the hard work that was put into the preparation of this review process by the City staff at the Fire Department, Water Division, and HPD Dispatch. 2024 will be here before we know it!

Spit Erosion

Staff has been working with ADOT and the Army Corps on solutions to mitigate erosion on the west side of the Homer Spit. One result of those conversations has been taking dredged materials from the Harbor and reintroducing them to the system near Mariner Park to help build the beaches back up over the long term ("beach re-nourishment"). The next step is to engage Army Corps in a Planning Assistance to States (PAS) study to explore long term solutions. A letter of engagement was included in my last report and an ordinance will be introduced at the next meeting to fund the City match for that effort. ADOT is actively involved as they are concerned about the threat to the Sterling Highway and sent a coastal engineer

this summer to assess coastal erosion on the Spit and also explore long term solutions. This report is attached. I will be traveling to Anchorage in December with Harbormaster Hawkins to meet with ADOT on this topic. We are hopeful the State will be able to participate in the PAS grant with the Corps.

Alaska Municipal League

I am finishing up an action packed week in Anchorage with Alaska Municipal Manager's Association and Alaska Municipal League. I will provide a full travel report on the breakout sessions and take-aways in the next manager's report.

Project Updates for HERC Demolition Study and Airport Roof Replacement

HERC Demolition Cost Estimate

City staff are convinced that a hazardous materials survey is necessary to understand the cost of properly disposing of hazardous materials under the different demolition scenarios being considered. To this end, this month staff will be preparing an RFP to hire a firm to complete the survey. These services would include sampling, testing, and estimation of the cost to deal with hazardous waste during demolition. The City will consult with a project manager to manage the work of the selected firm and coordinate cost estimation of general demolition work.

Schedule:	December 1	Advertise RFP
	January 1	Select Firm
	January 10	Award Survey Contract
	March 15	Results of Haz. Material Survey Complete
	April 1	Complete Demolition Cost Estimate

(Note: The additional project management funds provided for in the 2019 mid-year adjustment expires at the end of the year. The project manager's efforts will extend into 2020. Additional authorization will be needed.)

Airport Roof Replacement

Nelson Engineering, under our term contract, is under contract to complete the preparation of the drawings needed to bid the roof replacement project. The City will consult with a project manager to manage the project and provide direction to Nelson Engineering regarding technical input/scope.

Schedule:	NTP	November 13, 2019
	Base Map Drawings Complete	November 26, 2019
	City Marks Up Base Map	December 4, 2019
	Incorporate City Markups (65% design)	December 13, 2019
	City Review of 65% design Complete	December 31, 2019
	100% Bid Ready Plans	January 15, 2020

(Note: The project manager's efforts will be complete before the end of the year. No additional budget authorization will be required.)

Enc:

Letter from ISO

Olga Hallock Dedication

Memo RE: Coastal Erosion Assessment on Homer Spit

Letter to Governor Dunleavy's Office regarding the Large Vessel Harbor Expansion Project

RCA Notice of Complete Application

Homer Trunk Line Surcharge Update for Quarter Ending September 30, 2019

Homer Foundation Quarterly Report

November Employee Anniversaries

2020 City of Homer Facility Tours Flyer



RECEIVED
NOV 01 2019

1000 Bishops Gate Blvd. Ste 300
Mt. Laurel, NJ 08054-5404

t1.800.444.4554 Opt.2
f1.800.777.3929

October 23, 2019

Mrs. Katie Koester, City Manager
Homer & Kachemak
491 E. Pioneer Ave
Homer, Alaska, 99603

RE: Homer & Kachemak, Kenai Peninsula County, Alaska
Public Protection Classification: 04/10, 4
Effective Date: February 01, 2020

Dear Mrs. Katie Koester,

We wish to thank you Chief Robert Ciciarella and Mr. Mark Kirko for your cooperation during our recent Public Protection Classification (PPC) survey. ISO has completed its analysis of the structural fire suppression delivery system provided in your community. The resulting classification is indicated above.

If you would like to know more about your community's PPC classification, or if you would like to learn about the potential effect of proposed changes to your fire suppression delivery system, please call us at the phone number listed below.

Please note that as part of our analysis it was determined that the following fire station(s) did not meet the minimum requirements for recognition: Homer FS 2 Fire Station is not recognized.

ISO's Public Protection Classification Program (PPC) plays an important role in the underwriting process at insurance companies. In fact, most U.S. insurers – including the largest ones – use PPC information as part of their decision-making when deciding what business to write, coverage's to offer or prices to charge for personal or commercial property insurance.

Each insurance company independently determines the premiums it charges its policyholders. The way an insurer uses ISO's information on public fire protection may depend on several things – the company's fire-loss experience, ratemaking methodology, underwriting guidelines, and its marketing strategy.

Through ongoing research and loss experience analysis, we identified additional differentiation in fire loss experience within our PPC program, which resulted in the revised classifications. We based the differing fire loss experience on the fire suppression capabilities of each community. The new classifications will improve the predictive value for insurers while benefiting both commercial and residential property owners. We've published the new classifications as "X" and "Y" – formerly the "9" and "8B" portion of the split classification, respectively. For example:

- A community currently graded as a split 6/9 classification will now be a split 6/6X classification; with the "6X" denoting what was formerly classified as "9."

- Similarly, a community currently graded as a split 6/8B classification will now be a split 6/6Y classification, the "6Y" denoting what was formerly classified as "8B."
- Communities graded with single "9" or "8B" classifications will remain intact.
- Properties over 5 road miles from a recognized fire station would receive a class 10.

PPC is important to communities and fire departments as well. Communities whose PPC improves may get lower insurance prices. PPC also provides fire departments with a valuable benchmark, and is used by many departments as a valuable tool when planning, budgeting and justifying fire protection improvements.

ISO appreciates the high level of cooperation extended by local officials during the entire PPC survey process. The community protection baseline information gathered by ISO is an essential foundation upon which determination of the relative level of fire protection is made using the Fire Suppression Rating Schedule.

The classification is a direct result of the information gathered, and is dependent on the resource levels devoted to fire protection in existence at the time of survey. Material changes in those resources that occur after the survey is completed may affect the classification. Although ISO maintains a pro-active process to keep baseline information as current as possible, in the event of changes please call us at 1-800-444-4554, option 2 to expedite the update activity.

ISO is the leading supplier of data and analytics for the property/casualty insurance industry. Most insurers use PPC classifications for underwriting and calculating premiums for residential, commercial and industrial properties. The PPC program is not intended to analyze all aspects of a comprehensive structural fire suppression delivery system program. It is not for purposes of determining compliance with any state or local law, nor is it for making loss prevention or life safety recommendations.

If you have any questions about your classification, please let us know.

Sincerely,

Alex Shubert

Alex Shubert

Manager -National Processing Center

cc: Mrs. Jona Lee Focht, Communications Supervisor, Homer Dispatch Center
Mr. Todd Cook, Water Superintendent, Homer Public Works
Chief Robert Ciccirella, Chief, Kachemak Emergency Services
Mr. Mark Kirko, Chief, Homer Fire Department

October 27, 2019

Katie Koester, City Manager
Homer City Hall
491 East Pioneer Ave.
Homer, AK 99603

Dear Ms. Koester,

We'd like to introduce you to a very special friend of ours, Olga Hallock.
(Please see the write up from the 1998 Huntington Town Report)

The following is a quote from the 1999 Huntington Town Report: "Olga Hallock is the only person in Vermont who has been named both Clerk of the Year (1999) and Treasurer of the Year (1995)."

Prior to her going to Holland for the International Clerks, Treasurers and Municipal Employees Convention in 2000, sometime in the late 1990's, Olga went to the same Conference held in Anchorage, AK. After the meetings she got a chance to tour the state with fellow clerks and completely fell in love with Alaska.

After her 2000 retirement she talked my husband and I into traveling there with her. So in May of 2001, we spent an incredible 3 weeks doing that — one week aboard a cruise ship from Vancouver to Anchorage and two weeks with a rental car on the George Parks, Richardson, Glen and Sterling Highways, ending up on the Homer spit just before returning to Vermont. She especially wanted to return to Homer and the spit. It seemed to a very special place for her. We have a picture of her standing on the beach by the Land's End Resort Hotel (on her birthday!) not seeming to get enough of the bay and the snow capped mountains in the distance.

The reason we're writing to you is to ask if you could do a special favor for us.

We have an oval, 7lb. granite rock from Scoodic Point, ME that we had engraved with the letters OLGA. We gave it to her as she also had a strong affinity for the ocean off Maine. It was returned to us after her passing in Nov. of 2004. My husband and I are 84 and 79 and aren't able to come to Alaska again. Is it at all possible that you could have one of your fishermen who go out on the bay on a regular basis toss "the rock" into the bay far enough out so it won't wash up? The symbolism of this act would mean so much to us.

An aside — Olga knew John Teal (associated with the Palmer Musk Ox Farm). She and my husband attended John's memorial service and burial in Huntington, VT where he had housed a pair of musk ox for several years on his farm.

Sincerely,

Lionel + Ardys Fisher
Lafisher@gmavt.net

Olga Hallock



When she retires in 2000, Olga Hallock will hold the record for the 20th century for time served as Huntington Town Clerk. She has held this office longer than any clerk in Huntington's recorded history except George W. Sayles (1874-1906), who served a year longer. In her time in this office, she has seen many changes.

Olga Hallock was the first woman to be elected Huntington Town Clerk. When she received the position in 1969, the clerk provided all her own materials (including pencils) and equipment. Olga bought two safes from her predecessor in which she stored town records going back 40 years. (She sold these to the Town in the 1980s.) The rest were stored in the vault located in the back third of the unheated building on the green in the lower village that later also housed the Town Library.

Photo courtesy of Roderick Ross

Until 1981, when the Huntington Center School was converted into the Town Office, the Clerk dealt with the business of the town in her home. Olga lived on the Roy Cleveland farm in Huntington Center until 1974 and the dining room was converted into an office for her. The Town Clerk had office hours, but Olga can't remember what hers were when she first started. She said, "When you have it in your home, it's different...they were there before breakfast and they were there when I was in my pajamas."

When the farm was sold, she and her employer moved into a mobile home next to the farmhouse; she put on an addition to house the town's business. She later initiated the move into the now Town Office.

Olga was really the first full-time clerk/treasurer Huntington had and her expertise evolved with the times. Said Roderick Ross, Huntington Selectman for 18 years, "Olga is one of the brightest people. She got there through self-education."

When the town business had to modernize, Olga attacked learning the computer with great determination. Ross points out that "when Olga learned this, computers were a different world. There weren't the programs that there are today." He went on, "it wasn't that long ago when even books were kept in a shoebox." The newest member of the selectboard also served as its clerk. When Ross was first elected in 1975, he received everything in a box from his predecessor.) All town ledgers for payments and other accounts were handwritten. Compare this to today's computer-generated receipts and fast-paced records retrieval.



Olga and John Hallock on Grandfather Hallock's place (now owned by the MacIsaacs) around 1942. Photo courtesy of Lorraine Hallock

The office has gotten much busier. Huntington land records are now into Volume 59. When Olga began as clerk, she started in Volume 25.

Olga Hallock was born "on the hill" in the Starksboro part of Hanksville. She attended the one-room school house in Hanksville, now the home of Penny Albright on Carse Road. Olga grew up with two brothers, Wayne and John. Her sister died in infancy before Olga was born. She walked to school with her brother, John, sometimes catching a ride down to the Parker Beane farm on the milk wagon. High school was not an option for her as Huntington

students usually attended either high school in Richmond or Bristol, which meant boarding in the town. She went to work on the Cleveland farm in Huntington Center after eighth grade. She helped Hazel Cleveland with the tasks associated with running the household for a large dairy farm, complete with live-in farmhands. She lived and worked there for 24 years. Later, she took and passed her General Equivalency Diploma exam in 1980 when she was 43.

As you can imagine, Olga has a great many stories of life on the farm. She tended to the poultry, which included dressing the birds as well as feeding them. There were incubators in the basement of the house. She remembers well the year (1957) that Roy Cleveland broke his leg on the hill and she incubated, hatched and cared for 97 goslings until they were prepared and delivered for Christmas dinner sales at Colodny's Market (now Burlington College) and Verrett's Market on Shelburne Road.

She decided to run for Town Treasurer in 1979, succeeding Nellie Jaques. When the Selectboard decided it needed an assistant to field calls for town-related business, Olga was their choice. She knows more intimate details of Huntington and its residents than anyone can imagine. Her institutional memory for the town's history makes her an invaluable resource when putting together newspaper articles or documents like the Town Report.

Details are her specialty. She runs a tight ship at the polls. Huntington has never had a vote recount where the number was any different than it was the first time.

Olga is active professionally and has served on the State Board of the Vermont Town Clerks and Treasurers Association. She is one of the few certified Town Clerks/Treasurers in the State of Vermont, an honor of which she is extremely proud (the license plate on her car reads CVC/CVT). She regularly attends conferences for town clerks and already has her hotel reservation for the conference in Amsterdam (yes, Holland) in 2000.

Olga's contribution to Huntington goes far beyond her elected offices. She was the moving force behind the Huntington holiday food boxes for many years. Every spring, she places the flags out on the veterans gravestones in all the town's cemeteries. For many years, she was a primary force in the Huntington Volunteer Fire Department Ladies Auxiliary. Olga, together with Edith Baughman, started the Friends on Richmond Rescue in 1979. She helped start *The Huntingtonian*, which later merged with *The Richmond Times*, spending many evenings for 11 years with a few neighbors collating, stapling and labelling the newsletters for mailing. The list is impossible to complete here.

Mention her name and people just can't say enough about her generosity and personal kindnesses.

Says Roderick Ross, "Olga weaves the fabric of the community together. She makes everybody feel like a friend."

When asked recently what her favorite part of being Huntington's Town Clerk for over 30 years has been, she answers without hesitation, "meeting with people."



Thanks to Roderick Ross and Lorraine Hallock for their help with this "surprise" dedication.

—H Racht



Olga, with brothers, Wayne (left) and John (right) prepare to go hunting

Huntington Town Clerks*

1969-2000	Olga Hallock
1964-1969	Sheridan A. Coveau
1935-1964	P.C. Jaques
1916-1935	H.A. Alger
1906-1916	Bert Morrill
1874-1906	George W. Sayles
1871-1874	R.C. Bromley
1868-1871	George E. Johnson
1853-1868	J.M. Johnson
1848-1853	Royal Firman
1846-1848	Alexander Ferguson
1815-1846	James Ambler
1796-1815	William Hills
1793-1796	Ebenezer Ambler
1792-1793	Jehiel Johns
1791-1792	Ebenezer Ambler

*List derived from signatures on land records back through Volume I

Memo

Date: Monday, September 30, 2019

Project: Coastal Erosion Assessment of Sterling Highway Termini on Homer Spit

To: Joselyn Biloan, Kenai Area Planner (DOT&PF)

From: Ruth Carter, PE, Coastal Engineer (HDR)

Subject: Analysis and Concept Alternative

The purpose of this technical memorandum is to provide a Coastal Erosion Assessment of Sterling Highway Termini on Homer Spit (herein referred to as the “Spit”) as well as provide concepts for long-term solution to help reduce maintenance costs and extend the functional life of the highway.

Metocean Conditions and Sediment Transport

The following provides a brief description of the meteorological and oceanographic (metocean) conditions as well as sediment transport trends along the Spit.

Tide

Tide datums for the area were gathered from the NOAA tide station located at Seldovia, AK and are provided in Table 1. Although this station is located across Kachemak Bay, the tide datums provide a good representation of conditions along the Spit.

Table 1. Tidal Datums at Seldovia NOAA Tide Gauge (NOAA 2019)

	Elevation, FT (MLLW)	Elevation, FT (NAVD88)
Mean Higher High Water	18.1	12.7
Mean High Water	17.2	11.9
Mean Sea Level	9.6	4.3
Mean Low Water	1.7	-3.6
Mean Lower Low Water (MLLW)	0.0	-5.3
North American Datum of 1988 (NAVD88)*	5.3	0.0

**NAVD88 conversion calculated using Alaska Department of Natural Resources – Alaska Tidal Datum Portal (DGGs 2019).*

Wind

Figure 1 provides a wind rose from data gathered at the Homer airport. The wind rose graphically shows the wind direction, magnitude, and frequency of occurrence. A silhouette of the Homer spit is also included in the figure in the background. This provides a graphical orientation of the Spit shoreline in relation to the wind trends. From the figure, it can be seen that annually wind predominantly blows in two primary directions: northeast and west southwest.



[PAHO] HOMER MUNICIPAL (ASOS)
 Windrose Plot [All Year]
 Period of Record: 01 Jan 1970 - 27 Sep 2018

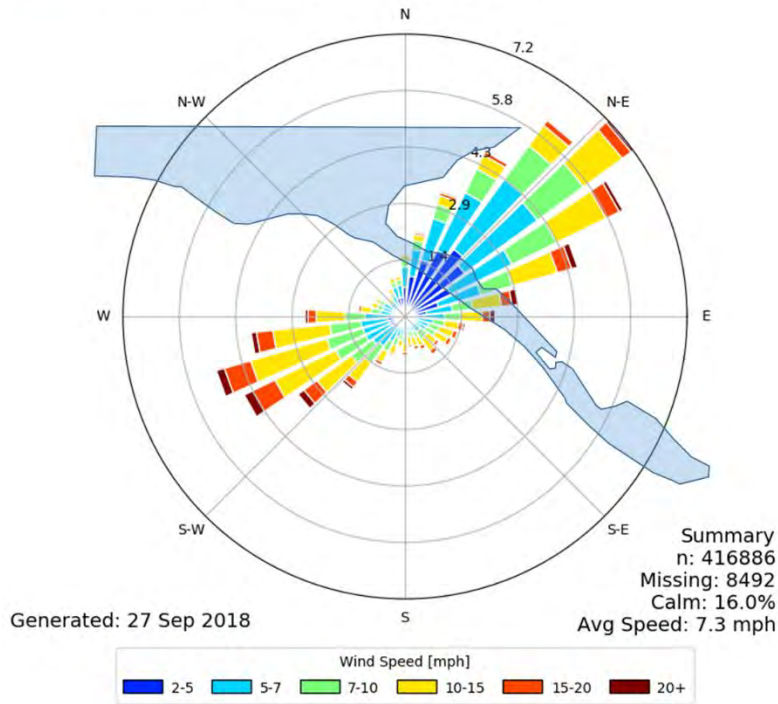


Figure 1. Wind rose showing predominant wind direction, frequency, and magnitude at Homer, AK (ISU 2019).

Waves

Kachekmak Bay is relatively shielded from open ocean swell coming from the Gulf of Alaska. Waves generated that impact the Spit are primarily wind-generated waves that have developed within the Kachekmak Bay/Cook Inlet water bodies. Because of this, wave directional trends will closely align with directional trends of the winds shown in Figure 1.

Homer Spit and the highway are partially protected by the Archimandritof Shoals, which forms off the terminus of the spit. The largest waves break offshore on the shoal. Nearshore, breaking waves form “offshore bars” that are visible at low tides; channels form on the beach from the strong return currents of these breaking waves.

Sediment Transport

For discussion purposes, sediment transport can be simplified as cross-shore transport and long shore transport.

Cross-shore transport is the movement of sediment up and down the beach profile. In typical open-ocean beaches, wave action from winter storms will cause cross-shore sediment transport to the lower part of the beach profile creating a skinner beach or lower beach elevations. During calmer summer periods, cross-shore transport will move this sediment back up into the higher portions of the beach profile creating a seasonally wider beach. This trend or some variation is likely occurring as seasonal variations of the Homer beach elevations are typical.

Long shore sediment transport is the movement of sediment parallel to the shoreline. Sediment will move along the shoreline as waves approach a shoreline from an oblique angle. The more oblique the angle and more wave energy, the more sediment is transported. Based on the wave directional trends and orientation along the Homer Spit, the beach experiences waves impacting the shoreline from a consistent oblique angle, thus a net sediment transport is southeastwardly as it moves around the tip of the Spit on incoming tides; outgoing tides send material westward off the end of the spit contributing to the Archimandritof Shoals. A 200 meter deep submarine trough at the end acts as a sediment trap limiting further spit extension.

Existing Observations

A site visit was conducted on September 17, 2019 with the Homer Port Administrator/ Harbormaster to observe the condition of the highway along the Spit. The state's Maintenance Superintendent also attended briefly while in the area. Photographs included represent the conditions present at the time of the site visit.

Background: The Homer Spit is a 4.5 mile long glacial spit composed of sands and gravel that offers recreational, commercial, industrial, and residential use. It is a valuable asset to the City of Homer and the State due to its economic and recreational opportunities. It is also a unique, coastal feature and a valuable environmental resource with its extensive bird and marine habitat.

While typically in equilibrium, it is apparent that the spit is undergoing a long period of erosion. This is evidenced by observing the piling structures located on the Spit, which are exposed an estimated ten feet more than three years ago, according to observations by the Harbormaster. Near Land's End, buried piling were exposed up to about 10-feet about three years ago, however only about one foot of piling was visible at the time of this site visit. Beach areas once used for camping and other recreation are now gone. Changes in storm patterns the past few years with milder summers and fewer strong southeasterly events may be affecting the sediment movement along the spit allowing greater erosion and less seasonal accretion (pers. comm. Bryan Hawkins, Homer Harbormaster).

The U.S. Army Corps of Engineers (USACE) rock revetment (Figure 2) appears exposed almost in its entirety (Figure 3), where in the past a greater portion of rock was buried. Originally, the Corps constructed 1000 feet of revetment in 1992, and extended it an additional 3700 feet in 1998. It is suspected that placement of the rock sections by the USACE affected the supply of

sediment, which impacted the overall littoral drift on the Spit. This caused beach lowering adjacent to the rock revetment and further south along the spit (i.e., down drift erosion).

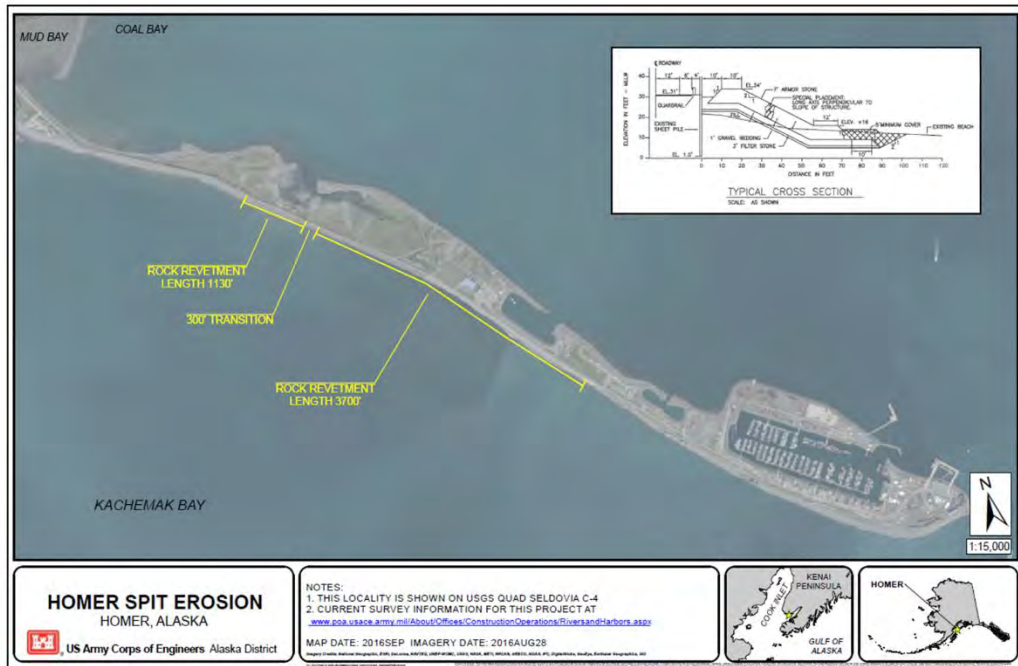


Figure 2. USACE rock revetment location maps (USACE 2019).



Figure 3. Condition of USACE revetment along the Spit.

Further to the south the Alaska Department of Transportation and Public Facilities (ADOT&PF) has armored the highway in two emergency projects. These areas are known to be subject to periodic overtopping; visible damage to the asphalt on the roadway shoulders was observed. The transition from USACE to the DOT&PF revetment projects is shown in Figure 4.



Figure 4. Transition of USACE and DOT&PF revetment projects.

A large lens of sand/gravel was noted near the DOT&PF revetment; it appears to be migrating southeast on the upper beach. The sand lens is shown in Figure 5.



Figure 5. Sand lens observed along DOT&PF revetment.

Dredged materials have been placed on the beach in various locations. This material was observed to be naturally sorted. Larger cobbles remain on the upper beach, while fines are washed out, migrate and are transported offshore or alongshore. This often leaves an escarpment that can be perceived as erosion, however it is a natural sorting effect that occurs when type of material is placed and exposed to wave/currents. Photograph of typical escarpment associated with eroding dredged material is shown in Figure 6.



Figure 6. Escarpment along Spit demonstrating natural sorting of placed dredged material.

Area between the boardwalk businesses near the end of the spit was damaged in a March 2019 storm, according to Bryan Hawkins. The City of Homer plans to place an estimated 40,000 cubic yards of dredged material from a privately-owned barge basin into this area to try to partially reclaim their city camping sites. Currently there is no camping area. It is expected that placement of this material will also provide a buffer for the highway embankment in this area. Figure 7 shows a former camping area; utility pole now exposed about 10-feet more than one year ago.



Figure 7. Former camping area along the Spit.

Near Land's End, a perched beach was created by placing large boulders on the upper beach and back-filling with dredged material (Figure 8). Only the cobbles remain and provide a more stable beach profile. The large rocks also act as a small groin and have helped rebuild the upper beach in this area. It is estimated that 10 to 30 percent of the material in dredged spoils is cobbles; the remainder is fines that get moved offshore or alongshore. Photo perched beach concept.



Figure 8. Boulders placed along Land's End.

Figure 9 provides an overall view of Homer Spit from the air with cruise ship at City of Homer dock.



Figure 9. Oblique aerial of the Homer Spit during the time of the site visit.

Coordination

State, federal and local agencies were contacted for this study. This included the DOT&PF Planning and Maintenance Sections, the U.S. Army Corps of Engineers Operations Branch, and the City of Homer Harbor Department. While this list is not extensive, sufficient information was gathered to address the needs herein.

In May of this year, there was a meeting held in Homer to address long term erosion concerns on Homer Spit; a copy of the meeting notes is attached. Overwhelmingly, the conclusion was

that a Long Term Management Plan is needed for material on the Spit and that there needs to be a Working Group involving state, federal and local agencies along with other interested parties.

Meeting on the Spit with the Homer Harbormaster and DOT&PF Maintenance Superintendent provided a view of city and state concerns. Additionally, efforts of both parties to address erosion were discussed onsite.

Highway Embankment Protection Concept

A number of concepts for improving the longevity of the existing roadway embankment were considered. Including a perched beach, a groin field, offshore breakwater, sediment management (beach nourishment), a traditional rock revetment and a combination of a revetment with sediment management.

Due to the importance of access on Homer Spit, a traditional revetment is recommended; however it is strongly encouraged to couple any rock project with a sediment management plan for long term viability of the spit. If the cost is similar, concrete armor units may be considered in lieu of rock to further reduce run-up and overtopping.

Armor Stone Revetment and Sediment Management

This concept is essentially a 'belt and suspenders' approach to protecting the department infrastructure and maintaining the recreational beach. This concept proposes to extend the existing armor stone revetment along the roadway and building the beach seaward of the larger rock.

The revetment would use at least two stone material classes: a filter stone and a primary armor stone. Filter stone would be placed between the primary armor stone and the road embankment. The larger primary armor stone would protect the roadway from large storm events; the beach nourishment would provide a buffer protecting the roadway from smaller events. A vertical cutoff wall would prevent undercutting of the asphalt on the shoulder of the road.

Figure 10 provides a schematic of this concept.

This concept include the following assumptions: Design High Water +18 feet, Design Low Water -3 feet, Design Wave Height 6 feet, Beach Slope 8H:1V, Highway Elevation +31 feet. 2H:1V revetment slope. Average weight armor stone 3,000 lb.; filter stone 300 lb.

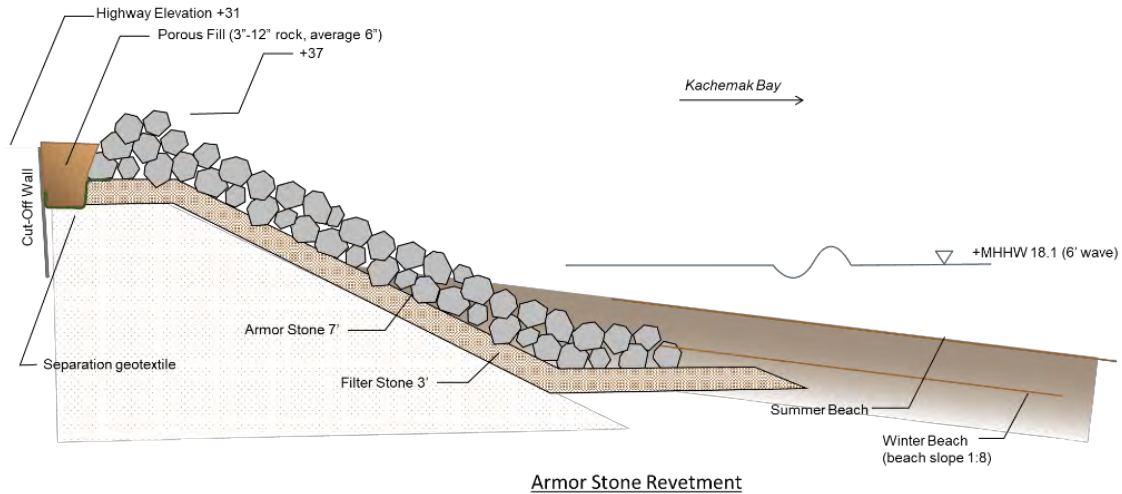


Figure 10. Armor stone revetment concept schematic.

Advantages

- Armor stone structures can be designed to have a long service life.
- Makes use of dredged materials; keeping them on the Spit.
- Reduce damage to edge pavement.

Disadvantages

- Armor stone can have a high construction cost.
- May require guardrail.
- Beach elevation will continue to lower in front of the rock revetments due to effect sediment cross-shore transport, so would need to be maintained.
- Down drift erosion will continue to occur due long-shore sediment transport.

Maintenance

- Conduct periodic surveys (every three to five years) to identify potential settlement of the structure and displaced stones.

Permits

Anticipated permits that would be required for this concept include: USACE 404/10, USACE 408, City of Homer, ADEC, U.S. Fish & Game Habitat, Endangered Species Act, Nation Marine Fisheries Service (NMFS)/Marine Mammal Compliance.

Rough Order Magnitude Costs

A rough order of magnitude (ROM) cost for this concept was developed. Quantities were determined through conceptual design and assumed rough unit rates were applied to develop the ROM costs. Note, no design has been performed to determine quantities, and comparable project costs were not reviewed. ROM costs should be used as a general “order of magnitude”

and not used for financial planning purposes. Costs associated with design and permitting of the concepts is include in the ROM cost values.

While in Homer there was a discussion with Bryan Hawkins, Homer Harbormaster, and Carl High, ADOT&PF Kenai Maintenance Superintendent, of rock availability and pricing briefly. Ouzinkie rock was used for a recently constructed Seward breakwater, according to Bryan Hawkins. Bryan also mentioned that there's a new quarry being tested in Kodiak. Carl stated that Dibble Creek out of Jakalof is producing crushed rock which is used to produce D-1 for highway projects. In addition, it was noted by both Bryan and Carl that there is the new Diamond Cape Quarry across the Inlet from Homer that may be able to provide armor rock.

The cost of this revetment would be roughly \$1.1M to \$1.5M per 100-foot station. Maintenance would be about 5% of cost of the revetment every three years.

Recommendations

The following provides some recommendations for advancing improvements to the Sterling Highway Terminus on Homer Spit.

- Due to the current state of erosion along the Spit, the roadway embankment should be protected with a hard structure. To develop an armor stone or concrete armor unit revetment, recommend advancing the project through a traditional design/bid/build or construction manager/general contractor (CM/GC) delivery project.
- The hard structure should be coupled with a Long Term Sediment Management Plan to improve the overall stability of the spit by keeping dredged materials in the system.
- Research and document historical and current studies to develop lessons learned prior to design.
- Work with City of Homer to establish a local observer network to install staffs to visibly measure the relative seasonal and annual changes in beach elevations. This could be as simple as a graduated staff attached to existing piling and was discussed with the Homer Harbormaster.
- Establish Working Group: City of Homer, DOT&PF, USACE, others, to meet annually and address immediate and long term needs.
- Develop a Long-Term Sediment Management Plan
 - Sediment Transport – determine where beach nourishment material is ending up and how long it takes to move from where it's placed.
 - Perform a Sediment Budget – determine how much material is needed to maintain the spit. Understand its origination. Determine the optimum placement and quantity for beach nourishment.
 - The Long-Term Sediment Management Plan should include extensive modeling and performance analyses to inform potential for erosion impacts. In addition, the plan should also include potential impacts/benefits of the Homer Harbor Expansion Project.

- Explore benefits of extending USACE revetment through a General Investigation as a Cooperative Project with state (ADOT&PF) and City of Homer as partners.

Attachments

- 2019-9-29 SUMMARY Homer Spit Erosion Tech Memo
- HOMER - May 21 Meeting Notes - USACE et al.
- 9-4-2019 Telephone Record-RCarter to JBiloon
- 9-16-2019 Telephone Record-RCarter to CHigh
- 9-16-2019 Teleconference Record-RCarter BHawkins JAnderson MTencza
- 9-17-2019 RAC Meeting Minutes - Field Observations-updated

References

- DGGS, 2019. Alaska Department of Natural Resources, Division of Geological & Geophysical Surveys, Alaska Tidal Datum Port. Webpage, <http://dggs.alaska.gov/sections/engineering/ak-tidal-datum-portal/calculator.php>
- ISU, 2019. Iowa State University, Iowa Environmental Mesonet. Webpage, <http://mesonet.agron.iastate.edu/sites/locate.php>
- NOAA, 2019. Center for Operational Oceanographic Products and Services (CO-OPS), webpage, <http://tidesandcurrents.noaa.gov/>
- USACE, 2019. United States Army Corps of Engineers, Alaska District. Webpage, <https://www.poa.usace.army.mil/>.



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(f) 907-235-3148

November 8th, 2019

Mr. Brett Huber, Sr.
Senior Policy Analyst
Executive Office of Governor Dunleavy
550 W 7th Ave.
Anchorage, AK 99501
Submitted electronically: Brett.Huber@alaska.gov

Mr. Huber,

Honorable Governor Dunleavy recently visited Homer to attend the Alaska State Home Builders Association conference but he also was able to share some of his time with Homer Mayor Ken Castner, Port and Harbor Advisory Commission Chair Steve Zimmerman, and myself to discuss the City of Homer's Large Vessel Harbor Expansion Project. During our meeting, the Governor recommended we continue our conversation with you as our next point of contact.

Brief background information: the Large Vessel Harbor Expansion Project is a regional economic development initiative that will allow vessels up to 250 feet in length safe moorage in Alaskan waters. The outcome will be hundreds of thousands of dollars in savings for large vessel owners that currently have to moor their boats elsewhere while letting Alaska keep more dollars in-state. Industries that have so far expressed interest in having central gulf region operations include oil and gas, commercial fishing, commercial transportation, research, enforcement, and adventure cruise ships. Homer's large vessel harbor will also provide safe moorage for the US Coast Guard, and result in high paying jobs for Alaska marine tradesmen since vessels could now be worked on and in Alaska instead of Washington.

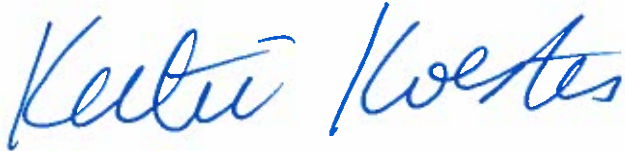
The State of Alaska has long been a partner with the City of Homer in the Large Vessel Harbor Expansion Project. In 2007, a General Investigation Study for the new harbor was initiated with funding shared 25% City, 25% State through the Alaska Department of Transportation (ADOT), and 50% Army Corps (see attached agreement). In 2009, this study was shelved due to project cost and demand however there is good news to share. The US Army Corps Planning Assistance to States (PAS) grant completed this year has determined variables like cost and demand have significantly improved, making this a feasible project. During their upcoming budget cycle, the Corps will be recommending funding to reinstate the General Investigation Study. The Study will be a three year commitment with a total cost of \$3 million dollars.

The City of Homer is asking for the State of Alaska to continue our longstanding partnership in this transportation project by contributing a 25% match over 3 years, totaling \$750,000. ADOT staff in the Central Region Planning office have recommended cruise ship passenger vessel tax dollars as the State's funding source for this match.

Given the positive momentum behind this project, I would appreciate any opportunity to further discuss the Large Vessel Harbor Expansion Project with you and the Governor as soon as possible. It would be a significant accomplishment to line out potential next steps to initiate the General Investigation Study with ADOT and reaffirm the City's important partnership with the State regarding this endeavor.

Thank you for your time and attention.

Best regards,



Katie Koester
Homer City Manager

Enc:

2007 MOA between ADOT and City of Homer for Payment of Matching Funds for Homer Harbor Feasibility Study

2020-2025 Capital Improvement Plan, New Large Vessel Moorage Facility

Memorandum of Agreement
 between the
 Alaska Department of Transportation and Public Facilities
 and the
 City Of Homer
 for
 Payment of Matching Funds
 For Homer Harbor Feasibility Study

This Memorandum of Agreement is by and between the Alaska Department of Transportation and Public Facilities, hereafter referred to as the Department, and the City of Homer, hereafter referred to as the City.

The City, as local sponsor, has requested State assistance in the funding of the feasibility study for a harbor expansion project in Homer.

The Alaska legislature in Chapter 82, SLA 2006, has appropriated funds that may be used as matching funds for the Army Corps of Engineers Harbor projects.

The Department has agreed to provide these funds in the amount of \$150,000 for the City's matching fund requirement.

The City requests the Department make payments directly to the Corps of Engineers.

Therefore, the Department agrees to issue payment directly to the Army Corps of Engineers, not to exceed \$150,000.

The City agrees that the Department has no obligation on the Homer Harbor Expansion Project beyond that specifically agreed to in this Memorandum of Agreement.

City Of Homer

Steve Dew, Acting City Manager

Date

11/28/07

Alaska Department of Transportation
& Public Facilities

Patricia M. Hetherington

Date

11.27.07

**State-Municipality Cooperation Agreement
Between the
State of Alaska Department of Transportation and Public Facilities
and**

The City of **Homer**

Project Name: **Homer** Navigation Improvements

Project No. #####

The Municipality and the State are entering a long term working relationship with the Corps of Engineers (hereinafter called the Corps) on the above reference project. The Municipality as project sponsor has requested State assistance.

This cooperation agreement is effective upon execution by the State of Alaska, Department of Transportation and Public Facilities, (hereinafter called the State) and City of **Homer**, Alaska (hereinafter called the Municipality). The State and Municipality are entering this Agreement pursuant to AS 35.15.080 et. seq. and any regulations promulgated thereunder.

The Municipality's coordinator for this Agreement is **Steve Dean, Harbormaster**. The State's coordinator for this Agreement is **Harvey Smith**, State Harbors Engineer. Each party agrees to notify the other party of any change in the coordinator.

1. This agreement defines and formalizes the State's role during the Corps' Feasibility Study process. It is our intent that the State's engineer will be a Technical Consultant to the Municipality and liaison between the State and the Corps. This function is reserved for a department representative on any project anticipating state funding for either design or construction, or for any project that may affect an existing state harbor facility.
2. The Municipality recognizes that:
 - a) It will be required to provide access, uplands, and tidelands sufficient to support construction, operation, and maintenance of the proposed facility and that the State will not participate in land acquisition and right of way purchases.
 - b) If not already in place, the Municipality shall adopt harbor ordinances that provide for the administration, management, operation, and maintenance of the completed facility for public purposes as a condition of receiving State construction funds for the proposed project.
 - c) The Corps process seeks to satisfy National Economic Development (NED) criteria to determine the national interest, which may not include local or state interest.
 - d) The State has unique professional coastal and harbor engineering expertise and considerable experience as sponsor that can provide substantial technical and administrative strength to the project.
3. The Municipality and the State agree to appoint members as appropriate to the project study team and one member each to the project executive committee.
4. The Municipality agrees to a joint review with the State of the draft Project Feasibility Cost Share Agreement (FCSA) before signature by the Municipality.

5. The Municipality agrees to a joint review of intermediate work products, study recommendations and final draft report.
6. The Municipality agrees to promote the project, support the team effort, and actively participate as a team member.
7. The State agrees to:
 - a) Provide review and consultation during FCSA development.
 - b) Act as technical advisor and consultant to the Municipality. This includes taking information presented by the study team and, working cooperatively with the Corps and Municipality, compile it into an optimum design representing the interests of the Municipality while conforming with State Policy and Corps' National Economic Development (NED) requirements.
 - c) Look at the whole harbor concept by integrating the necessary uplands, mooring basin, and protective structures into a fully functional harbor. This effort will strive to create harmony with the Corps' NED plan. The NED plan normally focuses on the General Navigation Features (GNF), consisting of only breakwaters and primary navigation channels. The harbor area recommended for upland development is approximately equal to that required for moorage and may have similar, or greater, potential for economic benefits.
 - d) Work in cooperation with state planning personnel providing technical guidelines for planning decisions. The planning objectives are to identify local and State benefits in addition to national benefits and to help the Municipality develop facilities that maximize the economic opportunities for the Municipality and the State.
 - e) Work with the study team to develop measurable criteria from which to evaluate harbor alternatives.
 - f) Work with environmental and other groups to resolve issues that may cause delay in the design development.
8. Subject to appropriation by the Legislature, the State will provide in-kind services. Financial obligations are understood to be obligations of the Municipality. Where State financial assistance is approved, payment (less in-kind services) will be made directly to the Corps of Engineers. Prepayment, when required by the federal program, will be made upon receipt of requests for payment accompanied by documentation submitted by the District Engineer, Alaska District Corps of Engineers, or his authorized representative. The required documents are the signed FCSA between the Corps of Engineers and the Municipality, and a letter from the District Engineer requesting payment.
9. In the event the final total amount of the local Municipality's financial obligation is less than the total amount estimated at the time of signing this agreement, then the State shall receive its proportionate share of any unused portion of the local Municipality funding returned by the Corps of Engineers at the completion of the project.

10. The State and Municipality will make no commitment for subsequent project development costs unless this agreement is amended in writing and signed by both parties.
11. If, due to changed circumstances, the State or the Municipality wishes to terminate this Agreement prior to its completion, the initiating party shall notify the other party in writing of its reasons for requesting the early termination. To terminate, both parties must agree in writing that it is in their mutual best interests to terminate. If the State and Municipality agree to terminate, the State assumes no further liability to the Municipality, the Corps of Engineers or any other party.
12. Before any party to this agreement may bring suit in any court concerning an issue relating to this agreement, such party must first seek in good faith to resolve the issue through negotiation or other forms of non-binding alternative dispute resolution mutually acceptable to the parties.
13. Unless changed by prior written notice, any correspondence required by this Agreement must be sent to the following addresses:

STATE:

Office of the State Harbors Engineer
 Department of Transportation and Public Facilities
 3132 Channel Drive
 Juneau, AK 99801

MUNICIPALITY:

City of Homer
 491 East Pioneer Avenue
 Homer, Alaska 99827

APPROVALS:

Authorized Signature for Municipality, Title	Date
(Director of Design and Engineering Services	Date

APPENDIX A

Scope of Project:

1. Description of Project: The Municipality plans to enter into a project feasibility cost share agreement (PFCSA) with the Corps of Engineers, Alaska District to investigate and report on the proposed project feasibility.
2. The Municipality has requested State assistance by letter dated August 27, 1998

APPENDIX B

Payment Schedule:

For Corps of Engineers Matching Funds

There is no appropriation for the Homer Navigation Improvements project at this time, however, the State agrees to transfer funds, if appropriated by the Legislature and approved by the Commissioner, for the project to a special account in the State Treasury. The funds transferred to this special account for the Municipality shall not exceed a total of \$ ##### or the amount actually appropriated by the Legislature for this project, whichever is less. In no case shall the amount expended on this project be more than 50% of the total non-federal cost including in-kind services. State will charge directly to this account for in-kind services provided under this agreement and the PFCSA.

Payment, less State incurred in-kind costs, will be made directly to the Corps of Engineer at FINANCE AND ACCOUNTING OFFICE, ALASKA DISTRICT, US ARMY CORPS OF ENGINEERS, PO BOX 898, ANCHORAGE AK 99506-0898. The check will be pay to the order "FAO, USAED, ALASKA"; memo "Homer Navigation Improvements"; Or, in the case where the Municipality has advance funded the project, the State may make payment directly to the Municipality.



2. Homer Port & Harbor: New Large Vessel Moorage Facility

Project Description & Benefit: This project will construct a new large vessel moorage facility to the north of Homer's existing Port and Harbor. It will enhance port capabilities by:

- Accommodating large commercial vessels (fishing vessels, work boats, landing craft, tugs, etc.) outside the small boat harbor. Currently, large vessels are moored at System 4 and System 5 transient floats. Due to shortage of moorage space, large vessels are rafted two and three abreast constricting passage lanes, creating traffic congestion and overstressing the floats. The new facility will address overcrowding and associated navigational safety concerns and high maintenance costs in Homer's small boat harbor,
- Enabling Homer to moor an additional 40 to 60 large commercial vessels that potentially would use Homer Port & Harbor as a home port, but have been turned away due to their overall size, draft, or that the systems are working beyond capacity and we simply lack the space;
- Positioning Homer's Port and Harbor to meet the demands of emerging regional and national economic opportunities such as the Cook Inlet Oil & Gas industry, a possible LNG export plant in Nikiski, the opening of the Arctic for research, transportation and resource development and the US Coast Guard's long-term mooring needs. Currently, the USCGC *Hickory* moors at the Pioneer Dock which provides inadequate protection from northeasterly storm surges. The large vessel harbor will be built to provide protected and secure moorage suitable to accommodate USCG assets.

Centrally located in the Gulf of Alaska, Homer's Port & Harbor is the region's only ice-free gateway to Cook Inlet, the port of refuge for large vessels transiting the Gulf of Alaska, Cook Inlet, and Kennedy Entrance, and is the marine industrial and transportation system hub for central and Western Alaska. The new moorage facility will fill the unmet needs of large commercial vessels operating in the maritime industrial, marine transportation and commercial fishing industries.

Plans & Progress: The City, State of Alaska ADOT, and Army Corps of Engineers (ACOE) partnered on a port expansion feasibility study in 2004. At that time, preliminary results indicated the project's Benefit to Cost ratio would be non-competitive for Federal funding so the study was put on hold. High demand and favorable changes in cost drivers since then prompted the City and the ACOE to reexamine feasibility utilizing a Section 22 Planning Assistance to States Program Study grant in 2018. The study's positive results led to a recommendation by the ACOE to resume work on the Navigational Improvement Feasibility Study to dredge and build the new moorage facility. The City has formally expressed its intent to work with the ACOE on the Study and renew our partnership with the State of Alaska for technical expertise and funding, with the understanding that costs are shared 50% Federal, 25% City, 25% State.

Total Project Cost: \$124,233,000

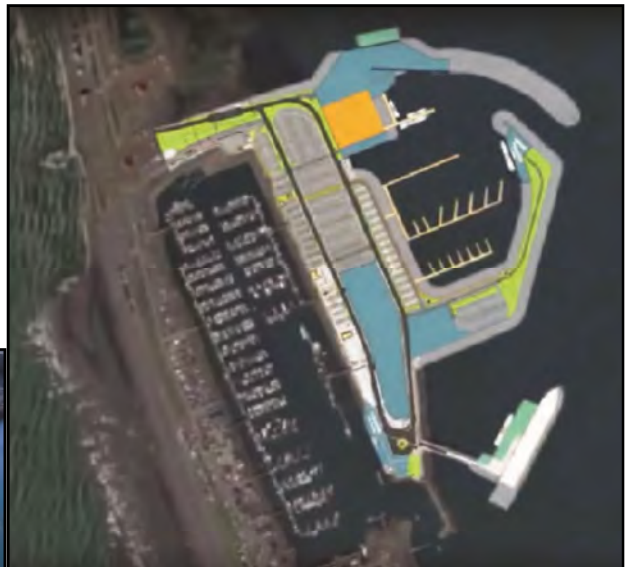
Design and Permitting: \$10,258,000

Breakwater Construction and Dredging: \$90,275,000

Inner Harbor Improvements: \$23,700,000

FY2021 State Request: \$10,258,000

(City of Homer 10% Match: \$1,025,800)



The large vessel port expansion adds a new basin with its own entrance adjacent to the existing Small Boat Harbor. It will relieve large vessel congestion in the small boat harbor and will provide secure moorage compatible with the USCG's assets .

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STATE OF ALASKA

THE REGULATORY COMMISSION OF ALASKA

Before Commissioners:

Robert M. Pickett, Chairman
Stephen McAlpine
Antony G. Scott
Daniel A. Sullivan
Janis W. Wilson

In the Matter of the Application Filed by the CITY)
OF HOMER to Amend Certificate of Public)
Convenience and Necessity No. 140)

U-19-092

ORDER NO. 1

ORDER ADDRESSING TIMEINE FOR DECISION, DESIGNATING COMMISSION
PANEL, AND APPOINTING ADMINISTRATIVE LAW JUDGE

BY THE CHAIRMAN:

The City of Homer (Homer) filed an application to amend its Certificate of Public Convenience and Necessity (Certificate) No. 140 by expanding its authorized water public utility service area to provide water to a single lot upon which a low income housing development will be built.¹ We issued public notice of the Application with comments due by November 15, 2019.

Decision Timeline

The commission is required by AS 42.05.175(a)(2) to issue a final decision regarding an application to amend a certificate not later than 180 days after the date a complete application is filed. The Application was reviewed under 3 AAC 48.648. The Application was complete as filed. Therefore, the commission will issue a final order in this proceeding no later than April 14, 2020.

¹Application for New or Amended Certificate of Public Convenience and Necessity filed October 17, 2019 (Application).

1 Commission Panel

2 I designate Commissioners Stephen McAlpine and Daniel A. Sullivan and
3 myself as the commission panel² and further designate Commissioner Sullivan as the
4 commission docket manager.

5 Administrative Law Judge

6 Under AS 42.04.070(b), the chairman appoints Administrative Law Judge
7 Jeffrey F. Davis to facilitate conduct in this docket. The administrative law judge will issue
8 procedural orders in this docket, unless the commission docket manager determines that
9 a particular procedural order should be issued by the commission panel.³ Orders issued
10 by the administrative law judge will be considered orders of the commission for purposes
11 of petitions for reconsideration under AS 42.05.171.

12 ORDER

13 THE CHAIRMAN FURTHER ORDERS:

14 1. Commissioners Stephen McAlpine, Robert M. Pickett, and Daniel A.
15 Sullivan are designated as the commission panel.

16 2. Commissioner Daniel A. Sullivan is designated as the commission
17 docket manager.

24 ²Under AS 42.04.080(a), the chairman designates a commission panel to hear, or,
25 if a hearing is not required, to otherwise consider and decide docketed matters.

26 ³The commission docket manager, after consultation with other members of the
panel, may delegate to the administrative law judge whatever authority to issue
procedural orders he or she considers necessary or advisable in this docket.

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3. Jeffrey F. Davis is appointed to serve as administrative law judge.

DATED AND EFFECTIVE at Anchorage, Alaska, this 12th day of November, 2019.



Robert M. Pickett, Chairman



Regulatory Commission of Alaska
701 West Eighth Avenue, Suite 300
Anchorage, Alaska 99501
(907) 276-6222; TTY (907) 276-4533



3000 Spenard Road
PO Box 190288
Anchorage, AK 99519-0288
www.enstarnaturalgas.com

October 31, 2019

Regulatory Commission of Alaska
701 West Eighth Avenue, Suite 300
Anchorage, Alaska 99501

Re: 2019 Third Quarter Homer Surcharge Reconciliation

Dear Commissioners:

In compliance with Order No. U-19-014(9), ENSTAR Natural Gas Company, a division of SEMCO Energy, Inc. submits its Homer Surcharge Reconciliation to the Commission for the quarter ending September 30, 2019

Please contact me at 334-7620 if you have any questions concerning this filing.

Sincerely,

A handwritten signature in black ink that reads "Chelsea Guintu".

Chelsea Guintu
Senior Financial Analyst
Phone: 907-334-7620
Fax: 907-334-7657
Chelsea.Guintu@enstarnaturalgas.com

Enclosures:
Homer Surcharge Reconciliation ending September, 2019

CERTIFICATE OF SERVICE

I hereby certify that on October 31, 2019, a true and correct copy of the foregoing document was served by electronic mail on the following:

Janet Fairchild-Hamilton
Janet.fairchild-hamilton@alaska.gov

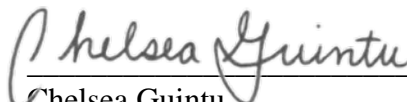
Lew Craig
Lew.craig@alaska.gov

Jeff Waller
Jeff.waller@alaska.gov

City of Homer Clerks
clerk@cityofhomer-ak.gov

Kachemak City Clerks
kachemak@xyz.net

Kenai Peninsula Borough Clerks
assemblyclerks@kpb.us



Chelsea Guintu
Senior Financial Analyst

**ENSTAR Natural Gas Company
Homer Line Extension Surcharge
Calculation Example Schedule**

Updated Homer Extension Surcharge Example			Funded by	Funded by	Amount over	
<u>Line #</u>		<u>Total Cost</u>	<u>State Grant</u>	<u>Surcharge</u>	<u>TA 226-4 Est</u>	<u>TA 226-4 Est</u>
1	Cost of Pipeline as of 10/31/2013	\$ 11,710,421.39	\$ 8,150,000.00	\$ 3,560,421.39		
2	Final Cost of Pipeline	\$ 11,780,072.22	\$ 8,150,000.00	\$ 3,630,072.22	\$ 2,550,000.00	\$ (1,080,072.22)
			<u>Rate of Return</u>	<u>Income Tax Recovery Rate</u>		
3	Prior to Oct 2017 (From Docket U-99-69)		9.25%	4.50%		
4	Effective Oct 2017 (Order U-16-066(19) issued on 9-22-2017)		8.59%	4.29%		
5	Federal Tax Rate Change Effective Jan 2018 (2017 TCJA)		8.59%	2.44%		
6	Proposed methodology change Effective January 1, 2019		5.06%	1.04%		
7	Line Extension Surcharge =	\$ 1.00				
8	Balance at 12/31/18	\$ 5,862,076				
9	Final Cost Funded by Surcharge	\$ 3,630,072				
10	Unrecovered Carrying Costs at 12/31/18	\$ 2,232,004	\$ 467,177	\$ 336,098.50		
11	Excess ADIT-Grossed Up	\$ 1,074,827				
	Unrecovered Net of Excess ADIT	\$ 1,157,177				
	Adjustment	\$ (400,000)				
12	Adjusted Unrecovered Net of Excess ADIT	\$ 757,177	Est. Amort. Period (Years)	13.5	Monthly Amort. =	\$ 4,673.93

		Beginning	Additional	Rate of	Income Tax	Total	Mcf Sales	Surcharge	Amortization of	Ending
		<u>Balance</u>	<u>Costs</u>	<u>Return</u>	<u>Recovery</u>	<u>Carrying Cost</u>		<u>Receipts</u>	Unrecovered	<u>Balance</u>
		<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	<u>Net of Excess ADIT</u>	<u>H</u>
										<u>I</u>
16	1/31/2019	\$ 2,550,000.00	\$ -	\$ 10,658.65	\$ 2,193.19	\$ 12,851.84	\$ 44,511.64	\$ (44,511.64)	\$ 4,673.93	\$ 2,523,014.14
17	2/28/2019	\$ 2,523,014.14	\$ -	\$ 10,572.61	\$ 2,175.49	\$ 12,748.10	\$ 31,352.03	\$ (31,352.03)	\$ 4,673.93	\$ 2,509,084.14
18	3/31/2019	\$ 2,509,084.14	\$ -	\$ 10,519.19	\$ 2,164.49	\$ 12,683.68	\$ 28,829.62	\$ (28,829.62)	\$ 4,673.93	\$ 2,497,612.13
19	4/30/2019	\$ 2,497,612.13	\$ -	\$ 10,483.29	\$ 2,157.11	\$ 12,640.40	\$ 22,914.11	\$ (22,914.11)	\$ 4,673.93	\$ 2,492,012.35
20	5/31/2019	\$ 2,492,012.35	\$ -	\$ 10,453.82	\$ 2,151.04	\$ 12,604.86	\$ 25,692.60	\$ (25,692.60)	\$ 4,673.93	\$ 2,483,598.53
21	6/30/2019	\$ 2,483,598.53	\$ -	\$ 10,441.20	\$ 2,148.45	\$ 12,589.65	\$ 14,848.88	\$ (14,848.88)	\$ 4,673.93	\$ 2,486,013.24
22	7/31/2019	\$ 2,486,013.24	\$ -	\$ 10,461.47	\$ 2,152.62	\$ 12,614.09	\$ 10,062.26	\$ (10,062.26)	\$ 4,673.93	\$ 2,493,239.00
23	8/31/2019	\$ 2,493,239.00	\$ -	\$ 10,490.13	\$ 2,158.51	\$ 12,648.64	\$ 10,922.31	\$ (10,922.31)	\$ 4,673.93	\$ 2,499,639.26
24	9/30/2019	\$ 2,499,639.26	\$ -	\$ 10,520.47	\$ 2,164.76	\$ 12,685.23	\$ 9,333.98	\$ (9,333.98)	\$ 4,673.93	\$ 2,507,664.44

HOMER FOUNDATION
 Quarterly Report to Fund Holders
Homer Foundation Fund Details - July through September 2019

Fund Holder City of Homer
 Fund City of Homer Fund

Fund Type: FIELD OF INTEREST
 Fund Code: 1305

PORTFOLIO SHARE (Corpus)

Beginning Balance	205,704.77
FY20 ATS	(6,570.47)
Contributions	-
Withdrawals	-
Quarterly Portfolio Change	1,610.19
Ending Balance	200,744.49

AMOUNT AVAILABLE TO SPEND (ATS)

Beginning Balance	7,012.80
FY19 ATS (posted annually in September quarter)	6,570.47
Grants Total	-
Transfer to restricted fund	-
Ending Balance	13,583.27



City of Homer

www.cityofhomer-ak.gov

Office of the City Manager

491 East Pioneer Avenue
Homer, Alaska 99603

citymanager@cityofhomer-ak.gov

(p) 907-235-8121 x2222

(f) 907-235-3148

Memorandum

TO: Mayor Castner and Council
FROM: Katie Koester
DATE: November 25, 2019
SUBJECT: November Employee Anniversaries

I would like to take the time to thank the following employees for the dedication, commitment and service they have provided the City and taxpayers of Homer over the years.

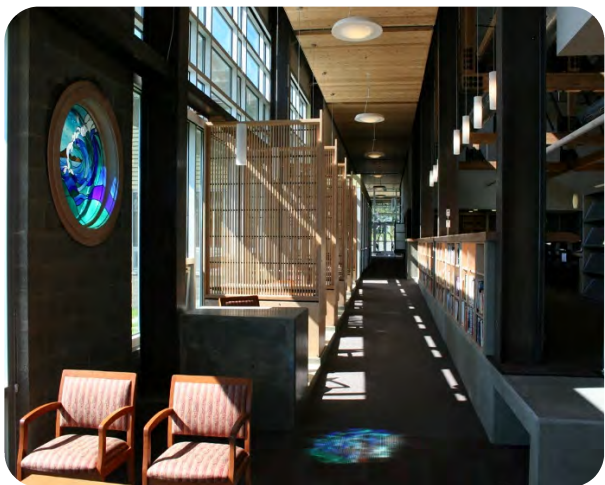
Dave Shealy,	Police	22	Years
Lisa Ellington,	Port	13	Years
Jenna deLumeau,	Finance	10	Years
Ian Overson,	Police	8	Years
Rachel Friedlander,	Admin	1	Year
Bill Noomah,	Library	1	Year



Old Police Station



Water Treatment Plant



Public Library

2020 CITY OF HOMER FACILITY TOURS

JANUARY

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
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FEBRUARY

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MARCH

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1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 City Manager/
4 Finance Director

5 **RESOLUTION 19-071**

6
7 A RESOLUTION OF THE HOMER CITY COUNCIL ACCEPTING THE
8 2018 BASIC FINANCIAL STATEMENTS AND ACKNOWLEDGING THE
9 MANAGEMENT LETTER SUBMITTED BY THE CITY'S INDEPENDENT
10 AUDITOR, BDO USA, LLP AND AUTHORIZING THE CITY MANAGER
11 TO EXECUTE THE FINANCIAL REPORT.
12

13 WHEREAS, BDO USA, LLP conducted the annual audit, submitted the 2018 Basic
14 Financial Statements, and the management letter was delivered for review and distributed to
15 the Mayor and City Council October 2019; and
16

17 WHEREAS, BDO USA, LLP made a public presentation during the Regular Meeting of
18 October 14, 2019.
19

20 NOW, THEREFORE, BE IT RESOLVED by the City Council of Homer, Alaska, that the 2018
21 Basic Financial Statements is accepted and that the management letter is acknowledged as
22 submitted by BDO USA, LLP, the City's independent auditor.
23

24 PASSED AND ADOPTED by the Homer City Council this 14th day of October, 2019.
25

26 CITY OF HOMER
27

28
29
30 _____
KEN CASTNER, MAYOR

31 ATTEST:
32
33

34 _____
35 MELISSA JACOBSEN, MMC, CITY CLERK
36
37

38 Fiscal Note: N/A



City of Homer

www.cityofhomer-ak.gov

Finance Department

491 East Pioneer Avenue
Homer, Alaska 99603

finance@cityofhomer-ak.gov

(p) 907-235-8121

(f) 907-235-3140

Memorandum 19-149

TO: Mayor Castner and Homer City Council
THROUGH: Katie Koester, City Manager
FROM: Elizabeth Walton, Finance Director
DATE: November 8, 2019
SUBJECT: Finance Response to Questions Issued to BDO

The purpose of this memo is to provide the Finance Department's response to the list of questions that were submitted to our auditors, BDO.

Question 1: On page 14 of the audit, 4 projects are listed as having been completed in 2018. Did the auditors track the projects from appropriation to return of excess funds? (See attached Chart 1 for typical path of project funding.)

Finance Response: Management created the list of projects referenced on pages 14 under the title "Capital Projects Completed" to detail those projects that experienced significant capital asset events and were completed within fiscal year 2018. BDO can respond on their process for walking through a capital project within a fund, but it is our understanding that they review any ordinances/resolutions that passed within the fiscal year in question to confirm that the directions contained in those documents were followed.

Please reference the following context from page 2 of our financial statements for specific language on what the scope of work is for the auditors on the Management's Discussion and Analysis section.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 6 through 16, the budgetary comparison schedules on pages 64 and 65, and the schedules of the city's information on the net pension and OPEB liability and City contributions to the pension and OPEB plans on pages 66-69, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Question 2: Also beginning on page 14, and continuing on to page 15, there is a list of “On-Going Projects”. The assumption would be made that any project that has not been closed out, would be open and on-going. Is this a complete list of open (and on-going projects)?

Finance Response: Management created the list of “On-Going Projects” referenced on pages 14 and 15 to detail those projects that experienced significant capital asset events during fiscal year 2018. These lists do not detail all of the projects we have open in our books, as not all of them experienced activity within FY18. This list represents the list of active (on-going) projects and does not provide reference to the projects that are open in our books that should be closed.

Please reference the aforementioned context from page 2 of our financial statements for specific language on what the scope of work is for the auditors on the Management’s Discussion and Analysis section.

Question 3: Why have you continued to combine the Water and Sewer Enterprise Fund with the Homer Accelerated Water/Sewer Projects (HAWSP) Fund?

Finance Response: This was a management decision made several years ago to include HAWSP as part of the Water and Sewer Special Revenue Fund. The Utility Fund is no longer considered an Enterprise Fund, but even when it was classified as such the HAWSP fund was included within. The primary reason for including HAWSP in the utility fund is due to the fact that the projects pursued within HAWSP create assets (infrastructure) that belongs to the water and sewer fund. It would not seem appropriate to classify HAWSP in any other manner. It is important to note that even though HAWSP is grouped within the Utility Fund, it is accounted for individually and separately from the other components of the fund.

Question 4: On page 90, Exhibit H-3 indicates the fund took in \$1,788,095 and paid out \$1,180,999 leaving a balance of \$607,096. The balance was transferred out of the HAWSP Fund to reduce some prior debt; where were those funds transferred to? (See attached Chart 2 for HAWSP Fund annual accounting).

Finance Response: Page 90 of the financial statements does indeed show total revenues of \$1,788,095 and total expenditures of \$1,180,999 for the HAWSP fund. The net change in fund balance for FY18 was \$607,096. This amount was not transferred out and the “surplus” remained within the fund, thus improving HAWSP fund balance. Council can make the decision to utilize this “surplus” in a different manner, but without such direction the excess revenue remains within the fund and contributes to fund balance.

Question 5: Why is the HAWSP Fund not listed as a special revenue fund on page 72?

Finance Response: Page 72 of the financial statements provides a list of Nonmajor Governmental Funds with the classification of Special Revenue Funds. HAWSP is a part of the Governmental Funds at the major level (rolled into the Utility Special Revenue fund). If you look at our combining governmental statements you will see a

column representing the Utility Special Revenue fund and these figures include HAWSP. If you are interested in seeing HAWSP's share of the overall fund, you will need to reference Exhibit H-1 (page 88) and Exhibit H-3 (page 90) of our financial statements.

Question 6: Why is the HAWSP Fund not listed as a capital project fund on page 73?

Finance Response: Page 73 of the financial statements provides a list of Nonmajor Governmental Funds with the classification of Capital Project Funds. HAWSP is a part of the Governmental Funds at the major level (rolled into the Utility Special Revenue fund). If you look at our combining governmental statements you will see a column representing the Utility Special Revenue fund and these figures include HAWSP. If you are interested in seeing HAWSP's share of the overall fund, you will need to reference Exhibit H-1 (page 88) and Exhibit H-3 (page 90) of our financial statements.

Question 7: Please identify the locations of the \$4,507,855 of assigned non-major funds shown on page 49.

Finance Response: Page 49 of the financial statements contains a chart illustrating fund balances for our major and nonmajor governmental funds. The \$4,507,855 is the fund balance for nonmajor funds within the capital and land assigned constraint. To find more detail on what this number represents, you will need to reference the Nonmajor Governmental Funds section of our statements beginning on page 74. Page 74 represents the balance sheet for the Nonmajor Special Revenues Funds and page 75 represents the balance sheet for the Nonmajor Capital Project Funds. If you add the total capital and land constraint from the Special Revenue Fund (\$27,686) to the Capital Project Fund (\$4,480,169) you get a total of \$4,507,855. The detail of what makes up this total is provided on pages 74 and 75.



Tel: 907-278-8878
Fax: 907-278-5779
www.bdo.com

3601 C Street, Suite
600
Anchorage, AK 99503

November 15, 2019

Ken Castner
Mayor, City of Homer, Alaska

Dear Mr. Castner,

In response to the questions stated in the letter from you to BDO USA, LLP dated October 29, 2019, please see our answers below:

Question 1: On page 14 of the audit, 4 projects are listed as having been completed in 2018. Did the auditors track the projects from appropriation to return of excess funds? (See attached Chart 1 for typical path of project funding.)

The Management Discussion and Analysis is developed and is the representation of management, it is not subject to auditing procedures as noted in the audit opinion. As part of the audit, we do compare the information to the financial statements and make inquiries of management to ensure it does not directly contradict the audited financial statements. Our audit procedures does not involve tracking the projects from appropriation to return of excess funds since the excess amounts would result in an increase in fund balance in the capital projects funds where all the projects are tracked.

Question 2: Also beginning on page 14, and continuing on to page 15, there is a list of "On- Going Projects". The assumption would be made that any project that has not been closed out, would be open and on-going. Is this a complete list of open (and on-going) projects?

See discussion of Management Discussion and Analysis in question 1. As part of the audit, we compare the information to the financial statements and make inquiries of management. Generally Accepted Accounting Principles (GAAP) does not require financial reporting on project-specific basis. We did audit both additions to and deletions from construction in progress and found the amounts to be materially correct.

Question 3: Why have you continued to combine the Water and Sewer Enterprise Fund with the Homer Accelerated Water/Sewer Projects (HAWSP) Fund?

Decisions about combining funds and presentations are made by management. Our responsibility is to audit the information as provided. We do not determine which funds are combined or presented separately, as long as the presentation is in accordance with Generally Accepted Accounting Principles (GAAP). The breakout of the information is presented in Exhibit H-1, H-2 and H-3 as supplementary information by management.

Question 4: On page 90, Exhibit H-3 indicates the fund took in \$1,788,095 and paid out \$1,180,999 leaving a balance of \$607,096. The balance was transferred out of the HAWSP Fund to reduce some prior debt; where were those funds transferred to? (See attached Chart 2 for HAWSP Fund annual accounting.)

The City did not report an accounting transfer out from the debt service fund to another fund. The \$1,180,999 comprised of \$137,309 water hydrant expenditures and debt service in the amount of \$1,043,690 paid directly to the State of Alaska Department of Environmental Conservation (please see exhibit H-3 column 2 in the audited financial statements).

Question 5: Why is the HAWSP Fund not listed as a special revenue fund on page 72?

Page 72 only lists out the nonmajor special revenue funds. HAWSP is included in the Utility Special Revenue Fund which is presented as a major fund as it meets the definition of a major fund in accordance with GASB Statement 34. See page 31 of the financial statements for listing of major funds.

Question 6: Why is the HAWSP Fund not listed as a capital project fund on page 73?

HAWSP is reported as part of the Utility Special Revenue fund and was not classified as a capital project fund.

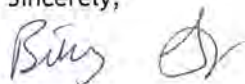
Question 7: Please identify the locations of the \$4,507,855 of assigned non-major funds shown on page 49.

GAAP requires presentation of the assigned fund balance in the notes to the financial statements by major funds. All nonmajor funds are combined together and presented as one line item. The funds that makeup the balance of \$4,507,855 do not meet the criteria for presentation as major funds. As such, page 74-75 Exhibit F-1 of the financial statements shows the combining balance sheet for the nonmajor funds which does breakout the assigned fund balance by fund.

If you have any questions concerning this letter, please feel free to call or email me. My office number is (907) 770-2234. My email address is bshrestha@bdo.com.

Thank you,

Sincerely,



Bikky Shrestha,
Assurance Partner



City of Homer

www.cityofhomer-ak.gov

Office of the Mayor

491 East Pioneer Avenue
Homer, Alaska 99603

mayor@ci.homer.ak.us

(p) 907-235-3130

(f) 907-235-3143

October 29, 2019

BDO USA, LLC
3601C Street
Suite 600
Anchorage, AK 99503
Sent Electronically

Dear Auditors:

At the Homer City Council work session of October 14, 2019, I stated I had several questions concerning the 2018 audit performed by your firm. These questions are derived from three areas of City accounting but all would generally fall into the category of compliance with the legal level of budgetary control. Each will be separately addressed below, following the specific questions.

Question 1: On page 14 of the audit, 4 projects are listed as having been completed in 2018. Did the auditors track the projects from appropriation to return of excess funds? (See attached Chart 1 for typical path of project funding.)

Question 2: Also beginning on page 14, and continuing on to page 15, there is a list of "On-Going Projects". The assumption would be made that any project that has not been closed out, would be open and on-going. Is this a complete list of open (and on-going) projects?

Question 3: Why have you continued to combine the Water and Sewer Enterprise Fund with the Homer Accelerated Water/Sewer Projects (HAWSP) Fund?

Question 4: On page 90, Exhibit H-3 indicates the fund took in \$1,788,095 and paid out \$1,180,999 leaving a balance of \$607,096. The balance was transferred out of the HAWSP Fund to reduce some prior debt; where were those funds transferred to? (See attached Chart 2 for HAWSP Fund annual accounting.)

Question 5: Why is the HAWSP Fund not listed as a special revenue fund on page 72?

Question 6: Why is the HAWSP Fund not listed as a capital project fund on page 73?

Question 7: Please identify the locations of the \$4,507,855 of assigned non-major funds shown on page 49.

Discussion:

Project Budgeting: Questions 1 and 2 are derived from the job cost accounting for projects that go back over 10 years. It appears that few projects have ever been closed out even though they have been long completed. Projects that had a balance of unexpended funds have left those funds in limbo; that is to say that since the funds were never, as required by Homer City Code, returned to the originating fund, they never became available for new appropriations by the City Council.

Moreover, many of the projects accumulated deficits to the project account, but the deficit amounts were covered by central treasury payments. This is problematic on three fronts. First, there is no opportunity for the City Council to choose a path for preventing deficit spending; second, there is no accountability for carrying a project beyond the appropriation; and third, by covering deficit spending through a mechanism of central treasury payment, the project manager essentially has self-appropriated funds without Council approval.

It would seem that a single project that showed a significant deficit would have caught the attention of the audit team, but this is a long-lived practice and has never been commented upon.

The "Utility Fund": The Utility Fund is a fund containing two funds (HAWSP and the Water and Sewer Utility Fund) that have been combined together for no apparent reason. The two funds have no relationship with one another.

In 2010, the then City Manager told the Council: "That this is one of the confusions the Auditor is that he has mixed the operating funds with the funds segregated to pay this debt and the funds collected through assessments. The Water and Sewer Enterprise fund is paid by the water and sewer customers." (Minutes of the Special Meeting of the Homer City Council, July 19, 2010, page 8.)

Why, 8 years later, do we still harbor this "confusion"?

The operations and maintenance of the water and sewer systems are funded by commodity tariffs that are carefully modeled to fairly allocate those costs. While the City as a whole plays a part in sharing some of those costs (i.e. paying a larger portion of hydrant maintenance because the hydrant system requires over-sized water lines and the system plays an important role in a fire rating that benefits the entire town) the payment for that participation is not made with HAWSP revenues (see page 90 of the audit).

The "confusion" has also led to the HAWSP fund somehow slipping into having annual income that is insufficient to support any new projects. Somewhere in time, and no one can say when, the fund accepted a debt that must be paid back with all available cash. The debt is not described in the schedule of long term liabilities (pages 44 and 45 of the audit). The payment out of the HAWSP fund is made to a negative fund balance, but these are real dollars and the money went... where? What created the negative fund balance?

Other Funds: On page 21, there is a \$4,591,652 value for assigned (non-major) funds. I asked the auditor where a summary might be found listing the funds that comprise that number. He directed me to page 74 where there is a partial list of funds, but on page 49 it is apparent that the vast majority of that value (\$4,507,855) has no explanation as to the number of additional funds, the fund balance for each of those funds, and the fund activity for 2018 in each of those funds. Is there a

reason to not disclose the location of ~\$4.5mm? If the City has policy requirements to create such an assortment of funds, there is then an associated duty of reporting. If the funds are combined to lend accounting and audit convenience then that compilation should be reported, not ignored. The annual budget places money into each of these funds, but those funds are not for discretionary spending. Any expenditure requires an appropriation by the Council.

In summary, while there are other sections of the 2018 audit that are not entirely clear, the three items above are thematic: fiscal policy and appropriations are the responsibility of the Homer City Council, and any deviation from that should be discovered through a cautionary examination of the books by our auditor.

If you have any questions concerning this letter, please feel free to call or email me. My office number in Homer is 907.235.9028. My email address is kencastner@ci.homer.ak.us.

Thank you.

Sincerely,



Ken Castner
Mayor, City of Homer, Alaska

Attachments (2)

Distribution:

- K. Koester, City Manager
- E. Walton, Finance Director
- M. Gatti, City Attorney
- M. Jabobsen, City Clerk for Council Distribution

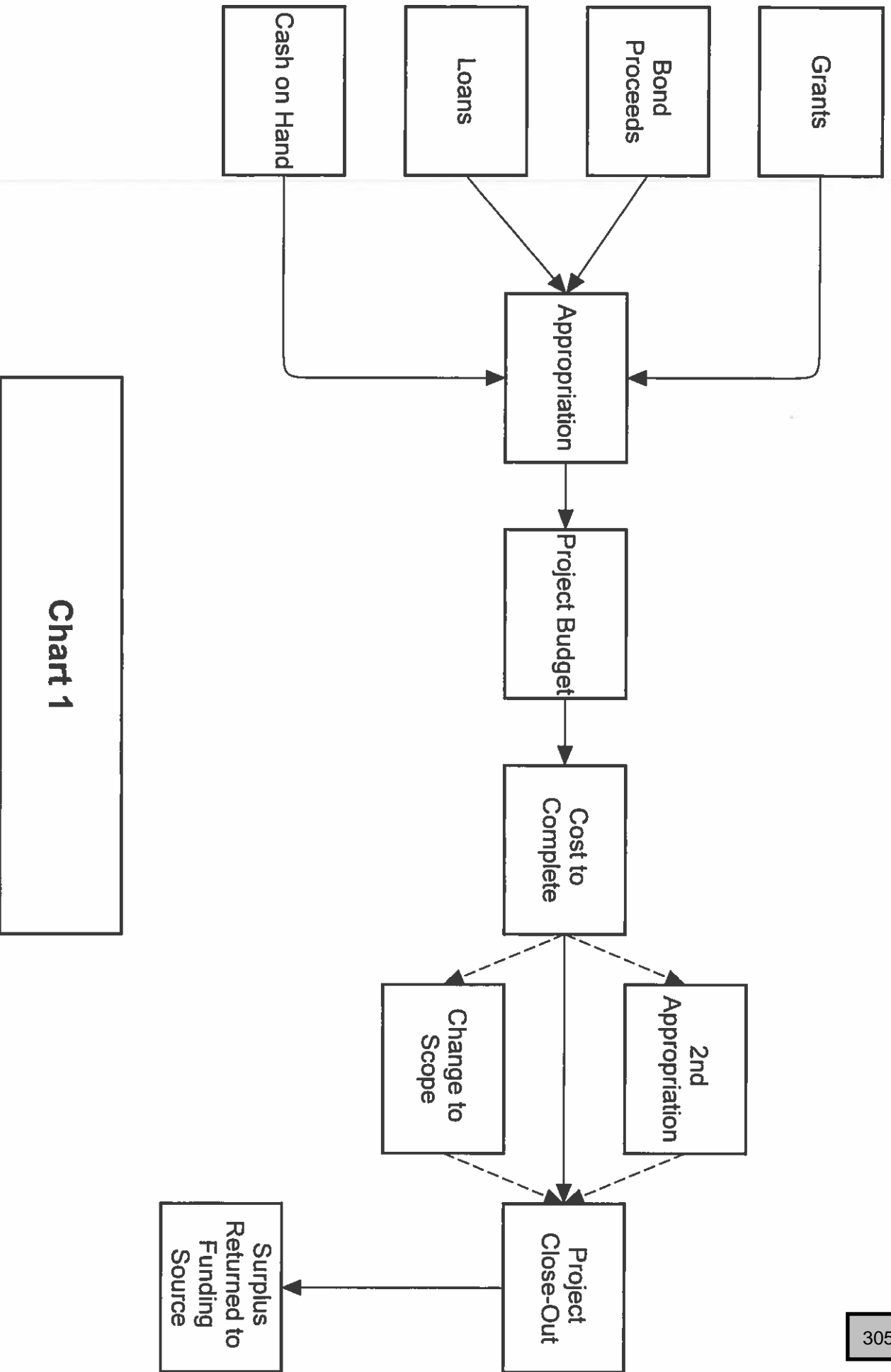


Chart 1

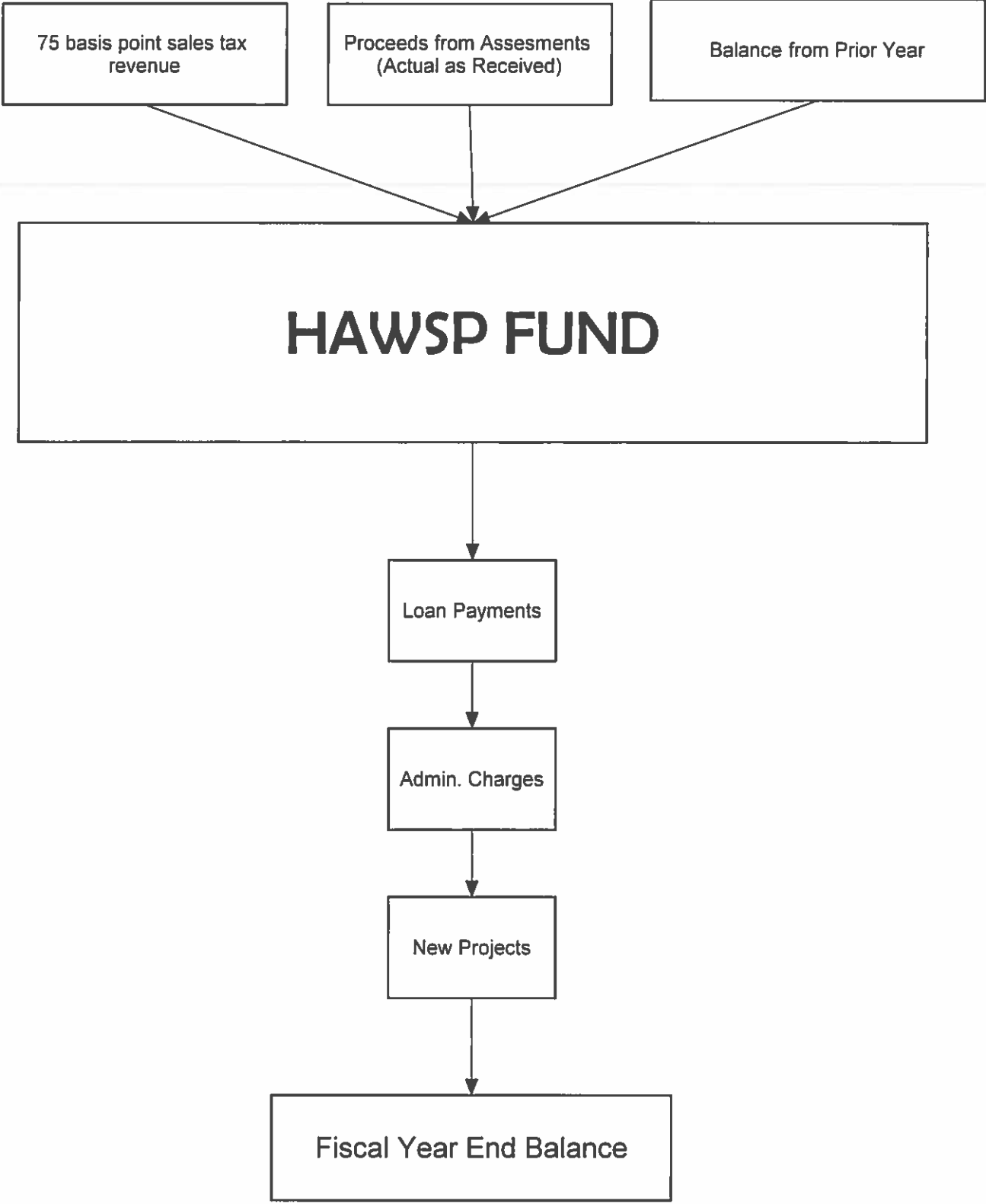


Chart 2



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Memorandum 19-150

TO: MAYOR CASTNER AND CITY COUNCIL

FROM: MELISSA JACOBSEN, MMC, CITY CLERK

DATE: NOVEMBER 15, 2019

SUBJECT: RIGHT OF WAY POLICY EVALUATION TEAM

Resolution 19-073(S) was adopted by Council on October 14, 2019 and it directs that the City Council of Homer Alaska will evaluate the City's ROW maintenance policy by appointing two Council members to work with the City Manager and appropriate staff, as determined by the City Manager, to propose alternative ROW maintenance policies to City Council no later than the last Council meeting in March, 2020.

Mayor Castner has recommended Councilmembers Smith and Evensen to participate on the evaluation team.

RECOMMENDATION: Discuss and make a motion to name two Councilmembers to participate on the Right of Way Policy Evaluation Team.



Memorandum 19-151

TO: Mayor Castner and Homer City Council
FROM: Councilmembers Aderhold and Venuti
DATE: November 20, 2019
SUBJECT: City Council Retreat Planning Update

The purpose of this memo is to update Council on the progress for planning a Council retreat in 2020, provide an opportunity for members to ask questions, and continue to get specific feedback on goals and objectives of the retreat.

WHEN: Saturday, January 11 8:30am-12:30pm (breakfast snacks will be served)

WHERE: Kachemak Bay Campus of the Kenai Peninsula College, Pioneer Hall

WHO: Homer Mayor, City Council and Manager (participation of all members is crucial for success). The event will be open to the public, however active participation will be limited to members with a chance for public comment at the end.

WHAT: Council retreat to establish council priorities for 2020 and a system to report on, change and keep track of those priorities.

We met with Susie Amundson, the facilitator for the upcoming retreat, on November 7 to go over goals of the retreat and possible homework assignments that can be done in advance of the half-day session to make sure members make the most of our time together. In preparation for the retreat we discussed establishing a tiered system of Council legislation for priorities that could be shifted and updated. To facilitate the broader conversation with Council, we propose organizing legislation into 3 Tiers.

We propose scheduling a worksession on this topic for December 9th. To get the conversation started, we have outlined a proposed tiered system (attached) as to how this system might look and operate. The tier system, as we envision it at least in the beginning, is limited to projects and initiatives Council sponsors and does not include legislation initiated by Administration or routine City business to control the focus and scope. Please understand this list and approach is intended as a starting place and suggestions for improvements or alternative ideas are encouraged. In preparation for the worksession on the 9th, please review the attached worksheet, considering where you might place Council initiated projects and how you think this system could be improved.

Enc: Prioritization Worksheet in Preparation for December 9 Council Worksession

Prioritization Worksheet in Preparation for December 9 Council Worksession

The purpose of this exercise is to provide Administration a rubric to report back progress on Council priorities. It also provides important context for members as they advocate for their goals and priorities. It is important to keep in mind that there is no bright line between tiers; rather, this list should be seen as a work in progress and projects or initiatives could easily flux between different categories. The objective is to organize the Council's work flow, provide a communication tool between administration and Council, and ensure the City has enough resources to accomplish its priorities.

In preparation for the Council retreat, Administration will be preparing a list of ongoing projects to provide additional context to Council when considering their priorities. It may be that some of these items are high priorities for councilmembers, or conversely that they would benefit from a chance for Council to weigh in on ongoing initiatives that take significant City resources.

Things to consider:

- How regularly does Administration report out (every manager's report?)
- Do we need a separate tier for the mega projects?
- The tiered list is not inclusive of all city business- there is a lot of routine things administration has to do, but still may be very time consuming (lease management, for example).
- It is important to remember that this rubric is about city resources for drafting and implementing legislation. This might not adequately reflect the seriousness of the project to Council. For example, commenting on a piece of legislation may be very controversial for the community and Council, but require little of city resources.

Tier 1

CRITERIA	EXAMPLE
Large Capital Project	New Police Station
Needs multiple ordinances/council action to complete	
Engages multiple departments, commissions and/or the City Attorney	Title 14/17 rewrite; Biennial budget and CARMA rewrite; Ord 19-19(S) Extraterritorial Services
Derelict City Facilities	What to do with the old police station?

Tier 2

CRITERIA	EXAMPLE
Establishes a Task Force or working group with follow up goals	Reso 19-073(S) moratorium on ROW clearing and working group
Requires coordinating outside assistance	Memo 19-128 Third party analysis of HAWSP

Ordinance requires some project management, scoping and follow up	Ord 19-031 Ice plant feasibility study
Council direction to a commission	
Small but staff intensive capital project	Traffic Calming at Karen Hornaday Park

Tier 3

CRITERIA	EXAMPLE
On average, is less than 10 hours staff time to draft and or implement	
Ordinance requires some policy discussion and follow up	19-067 amending the HART policy manual
Funding a small project mostly completed by others	Ord 19-36 authorizing \$1,500 for work on Woodard Creek Trail
Pass through of funding to another organization	Ordinance 19-29 passing through \$13,900 from HART to Kach. Heritage Land Trust for ADA trail construction

Legislation Not Included in a Tier. Not included in this workflow analysis is legislation that requires very little follow up or work by staff outside of perhaps helping draft and/or format legislation, issue a check request, etc. These tasks or projects would not be included in a regular report to Council viewed as a matter of course at the wishes of councilmembers. Think of these as items that could easily be on the consent agenda (though not necessarily).

CRITERIA	EXAMPLE
A simple statement in support of an outside organization	Reso 19-073(S) objecting to AMHS cuts
Transferring funds to an outside organization for a project or match	
Ordinance for a simple one time purchase	
Award of contract (authorization for expenditure/ effort may be higher tier)	Reso 19-065 Awarding Legal Counsel Services



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Memorandum 19-152

TO: MAYOR CASTNER AND HOMER CITY COUNCIL

FROM: MELISSA JACOBSEN, MMC, CITY CLERK

DATE: NOVEMBER 21, 2019

SUBJECT: TRAVEL REIMBURSEMENT FOR COUNCILMEMBER VENUTI'S ATTENDANCE AT THE ALASKA MUNICIPAL LEAGUE ANNUAL LOCAL GOVERNMENT CONFERENCE IN ANCHORAGE, ALASKA NOVEMBER 20 & 21, 2019

At the October 14, 2019 Regular City Council Meeting, Council approved Memorandum 19-135 authorizing travel for Mayor Castner, up to three Councilmembers, and two newly elected Councilmembers to attend the Alaska Municipal League (AML) 69th Annual Local Government Conference in Anchorage, Alaska, November 19-22, 2018.

Councilmember Venuti attended the annual conference sessions on November 20 and 21, 2019 and is requesting reimbursement.

Cost for travel included round trip airfare from Homer to Anchorage at \$298.00, hotel room rate of \$117.60 for one night, and conference registration was \$350. Per diem is \$58.00 per day, for three meals.

There is adequate funding in the transportation, training, and subsistence accounts of the City Council's budget to reimburse Councilmember Venuti's costs for attendance, and post travel requests have been approved in the past.

RECOMMENDATION:

Approve reimbursement for Councilmember Venuti's attendance at the AML Annual Conference.



Memorandum 19-153

TO: Mayor Castner and Homer City Council
FROM: Councilmember Rachel Lord
DATE: November 12, 2019
SUBJECT: Traffic Calming Policy

The purpose of this memo is to get Council approval to work on a policy for the Homer Police Department when addressing neighborhood speeding concerns, including when Council may allocate additional City resources to address neighborhood speeding concerns.

Current practice is when the police department receives a speeding complaint, the area is posted for extra patrols. If two complaints are received within a week of each other in the same neighborhood, the area is posted for more aggressive and regular extra patrols. Three or more complaints will result in the speed monitoring unit being deployed to the area (see below). Council may, given certain circumstance, want to allocated additional resources for traffic mitigation.

In 2018 the City purchased a traffic monitoring device that can be placed on any signpost and collect data on the speed and frequency of passing vehicles. This device has been placed at Ben Walters Avenue, Kachemak Drive, and Mountain View. According to Homer Police Department, significant speeding was not observed at Mountain View or Ben Walters, though Kachemak Drive presented concerns that triggered dispatching additional patrol.

I would like Council to develop a policy that provides some context and metrics regarding how HPD addresses significant speeding concerns, including data interpretation from the traffic monitoring device, how Council could respond to elevated concerns, and what resources would likely be required.

This memo authorizes City staff (Public Works, Planning and Homer Police Department) to work on a traffic calming policy to bring before Council. The policy would encompass the following:

- 1) What triggers placement of a monitoring device, or other recommendations to gauge traffic concerns, in a neighborhood. Current practice is to deploy the speed monitoring unit to an area that we have received three or more speeding complaints from within a short period of time, generally one to four weeks.
- 2) Narrative on how to analyze metrics, including contextual information and how to interpret it (residential neighborhood, dangerous winding road, etc)

- 3) A list of potential traffic calming measures Council/HPD could implement and the resources required. Examples include permanent traffic monitoring signage to physical barriers.