



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

City of Homer Agenda

**City Council Regular Meeting
Monday, December 14, 2020 at 6:00 PM
City Hall Cowles Council Chambers via Zoom**

Dial: +1 669 900 6833 or +1 253 215 8782 or Toll Free 877 853 5247 or 888 788 0099

Webinar ID: 205 093 973 Password: 610853

CALL TO ORDER, PLEDGE OF ALLEGIANCE

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

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. Homer City Council unapproved Regular Meeting Minutes for November 23, 2020 and Special Meeting Minutes of November 25, 2020. City Clerk. Recommend adoption.
- b. Memorandum 20-198 from Deputy City Clerk Re: Liquor License Renewal Fat Olives and Land's End. Recommend approval.
- c. Memorandum 20-204 from Councilmember Venuti Re: Moving Forward on the Wayfinding Streetscape Capital Project in 2021. Recommend approval.
- d. Ordinance 20-92, An Ordinance of the City Council of Homer, Alaska Amending the 2020 Capital Budget and Authorizing Expenditure of \$18,696 from the Sewer Reserve Fund and \$16,546 from the Water Reserve Fund to Retrofit High Energy Light Fixtures at the Sewer Treatment Campus and at the Water Treatment Plant. City Manager/Public Works Director. Recommended dates Introduction December 14, 2020 Public Hearing and Second Reading January 11, 2021.

Memorandum 20-199 from Public Works Director
Memorandum 20-200 from Public Works Director

- e. Ordinance 20-93, An Ordinance of the City Council of Homer, Alaska Amending the 2021 Operating Budget to Provide for Necessary Mid-Biennium and 2021 Truncated Budget Adjustments. City Manager. Recommended dates Introduction December 14, 2020 Public Hearing and Second Reading January 11, 2021
- f. Ordinance 20-94, An Ordinance of the City Council of Homer, Alaska Amending the FY2021 Operating Budget by Appropriating Funds in the Amount of \$78,579 in order to fund Emergency Temporary Hires at the Homer Volunteer Fire Department for an Additional 6-Months, Associated with COVID-19 Response. City Manager. Recommended Dates Introduction December 14, 2020 Public Hearing and Second Reading January 11, 2021
- g. Resolution 20-128, A Resolution of the City Council of Homer, Alaska Establishing the 2021 Regular Meeting Schedule for City Council, Economic Development Advisory Commission, Library Advisory Board, Parks Art Recreation and Culture Advisory Commission, Planning Commission, Port and Harbor Advisory Commission, and Americans with Disabilities Act (ADA) Compliance Committee. Recommend adoption.

Memorandum 20-203 from City Clerk as backup

- h. Resolution 20-129, A Resolution of the City Council of Homer, Alaska Extending the City of Homer Disaster Emergency Declaration to March 9, 2021 due to Current and Expected Impacts of the COVID-19 Novel Coronavirus Pandemic. Mayor. Recommend adoption.
- i. Resolution 20-130, A Resolution of the City Council of Homer, Alaska Supporting and Encouraging all forms of Outdoor Recreation Especially during the 2020-2021 Winter with the Ongoing COVID-19 Pandemic. Lord. Recommend adoption.
- j. Resolution 20-131, A Resolution of the City Council of Homer, Alaska Urging Businesses and Individuals to Employ Basic COVID-19 Safety Measures such as Masking and Social Distancing to Reduce the Spread of COVID-19 and Protect our Public Healthcare Systems and Healthcare Workers. Lord. Recommend adoption.
- k. Resolution 20-132, A Resolution of the City Council of Homer, Alaska Accepting the 2019 Basic 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. Recommend adoption.
- l. Resolution 20-133, A Resolution of the City Council of Homer, Alaska Expressing Intent to Participate in the Purchase of Kenai Peninsula Borough Parcel Number 17936032, T06S R13W SEC 22 Seward Meridian HM 2017050 Hodnik Subdivision Lot 4, by Kachemak Bay Moose Habitat, Inc. and Directing the City Manager to Negotiate the City's Financial Contribution and Assure the Binding Public Purpose Conditions are met. Mayor. Recommend adoption.

VISITORS

- a. BDO Audit Report (10 minutes)
- b. Cook Inlet Aquaculture Report - Dan Miotke and Dean Day (10 minutes)
- c. Unified Command Report (20 minutes)

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

- a. Committee of the Whole Report
- b. Worksession Report
- c. Mayor's Report
- d. Borough Report
- e. Library Advisory Board
- f. Planning Commission
- g. Economic Development Advisory Commission
- h. Parks Art Recreation and Culture Advisory Commission
- i. Port and Harbor Advisory Commission
- j. Americans with Disabilities Act Compliance Committee
- k. Economic Relief Grant Report

PUBLIC HEARING(S)

- a. Ordinance 20-89, An Ordinance of the City Council of Homer, Alaska Amending Homer City Code Chapter 3.05 Budget; Section 3.01.010 Fiscal Year, Section 3.05.050, Budget Assumptions and Section 3.05.010 Budget Submission-Content, Regarding a Fiscal Year Budget Schedule. Smith. Introduction November 23, 2020 Public Hearing and Second Reading

Memorandum 20-202 from City Manager as backup
Memorandum 20-192 from Finance Director as backup

- b. Ordinance 20-90, An Ordinance of the City Council of Homer, Alaska Accepting and Appropriating a Donation from Friends of Woodard Creek in Karen Hornaday Park in the Amount of \$7,025 for Woodard Creek Nature Trail Maintenance and Improvements in Karen Hornaday Park. City Manager. Introduction November 23, 2020 Public Hearing and Second Reading December 14, 2020
- c. Ordinance 20-91, An Ordinance of the City Council of Homer, Alaska Amending the 2020 Operating Budget and Authorizing the Expenditure of \$42,000 for the Purpose of Contracting with a Lobbyist for the City of Homer. Smith. Introduction November 23, 2020 Public Hearing and Second Reading December 14, 2020

ORDINANCE(S)

CITY MANAGER'S REPORT

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

PENDING BUSINESS

- [a.](#) Resolution 20-077(S), A Resolution of the City Council of Homer, Alaska Adopting a Reserve Fund Policy for the Collection and Use of Water and Sewer Depreciation Reserve Funds **Capital Asset Repair And Maintenance Allowance Fund.** Lord/Aderhold. (Postponed from November 23rd)

Memorandum 20-205 from Public Works Director as backup

Memorandum 20-165 from Finance Director as backup

- [b.](#) Resolution 20-078, A Resolution of the City Council of Homer, Alaska Amending the Homer Accelerated Water and Sewer Program (HAWSP) Policy Manual to Modernize the Language and Clarify Qualifying Criteria for using HAWSP Funds. Lord/Aderhold. (Postponed from November 23rd)
- [c.](#) Resolution 20-119, A Resolution of the City Council of Homer, Alaska Acknowledging the 2021 Budget will be Truncated to January 1 to June 30, 2021 to Accommodate the Transition from a Calendar Year Budget to a Fiscal Year Budget. Smith. (Postponed from November 23rd)

NEW BUSINESS

RESOLUTIONS

- [a.](#) Resolution 20-134, A Resolution of the City Council of Homer, Alaska Supporting Regional Aquaculture Associations and Strongly Opposing Proposed Changes to Management Plan of Kachemak Bay State Park and State Wilderness Park that would Disproportionately and Negatively Impact the Homer Community. Evensen/Hansen-Cavasos/Mayor.
- [b.](#) Resolution 20-135, A Resolution of the City Council of Homer, Alaska Approving the Lease Assignment Originally held by Harbor Leasing LLC and Assumed by Alaska Growth Capital BIDCO, Inc. to Salmon Sisters Holding LLC and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents for a 20 Year Lease with Options for two Consecutive Five Year Renewals for Lot 12C, Port Industrial Subdivision No. 4, Plat 99-43. City Manager.

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, January 11, 2021 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.

Session 20-34 a Regular Meeting of the Homer City Council was called to order on November 23, 2020 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: COUNCILMEMBER ADERHOLD, EVENSEN, HANSEN-CAVASOS, LORD, SMITH, VENUTI

STAFF: CITY MANAGER DUMOUCHEL
CITY CLERK JACOBSEN
SPECIAL PROJECTS & COMMUNICATIONS COORDINATOR CARROLL
PUBLIC WORKS DIRECTOR KEISER
FINANCE DIRECTOR WALTON
CITY ATTORNEY GATTI
PORT DIRECTOR/HARBORMASTER HAWKINS

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: **MAYORAL RECOGNITIONS/PROCLAMATIONS** Alaska Association of Municipal Clerks Clerk of the Year - Melissa Jacobsen, MMC, Written public comment; **ANNOUNCEMENTS/PRESENTATIONS/REPORTS** Economic Relief Grant Programs Written Reports; **PENDING BUSINESS** **Resolution 20-077(S)**, A Resolution of the City Council of Homer, Alaska Adopting a Reserve Fund Policy for the Collection and Use of ~~the~~ Water and Sewer Depreciation Reserve Funds **Capital Asset Repair and Maintenance Allowance (CARMA) Funds**. Lord/Aderhold and Updated Draft Policy, **Resolution 20-078(S)**, A Resolution of the City Council of Homer, Alaska Amending the Homer Accelerated Water and Sewer Program (HAWSP) Policy Manual to Modernize the Language and Clarify Qualifying Criteria for using HAWSP Funds. Lord/Aderhold, and Updated Draft Policy; **Resolution 20-117**, and **Resolution 20-117(S)**, Regarding the Approving a Lease Assignment Originally held by Harbor Leasing, LLC and Assumed by Alaska Growth Capital BIDCO, Inc. to Salmon Sisters Holdings LLC, there is Written Public Comments and copy of Salmon Sisters Presentation to Port & Harbor Advisory Commission. City Manager.

LORD/VENUTI MOVED TO ADOPT THE AGENDA AS AMENDED

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

MAYORAL PROCLAMATIONS AND RECOGNITIONS

- a. Recognition of Carey Meyer, PE, MPA for 21 Years of Service to the City of Homer
- b. Alaska Association of Municipal Clerks Clerk of the Year - Melissa Jacobsen, MMC

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. Homer City Council Unapproved Special Meeting Minutes of November 9, 2020. City Clerk. Recommend adoption.
- b. Memorandum 20-190 from Mayor Re: Appointment of Jay Cherok to the Economic Development Advisory Commission. Recommend Approval.
- c. Memorandum 20-191 from City Clerk Re: Liquor License Renewals for Fresh Catch Cafe, La Baleine, Grog Shop, Homer Liquor and Wine Company, Patel's, Patel's #2, and Rum Locker. Recommend approval.
- d. Ordinance 20-89, An Ordinance of the City Council of Homer, Alaska Amending Homer City Code Chapter 3.05 Budget; Section 3.01.010 Fiscal Year, Section 3.05.050, Budget Assumptions and Section 3.05.010 Budget Submission-Content, Regarding a Fiscal Year Budget Schedule. Smith. Recommended Dates Introduction November 23, 2020 Public Hearing and Second Reading

Memorandum 20-192 from Finance Director as backup

- e. Ordinance 20-90, An Ordinance of the City Council of Homer, Alaska Accepting and Appropriating a Donation from Friends of Woodard Creek in Karen Hornaday Park in the Amount of \$7,025 for Woodard Creek Nature Trail Maintenance and Improvements in Karen Hornaday Park. City Manager. Recommended Dates Introduction November 23, 2020 Public Hearing and Second Reading December 14, 2020
- f. Ordinance 20-91, An Ordinance of the City Council of Homer, Alaska Amending the 2020 Operating Budget and Authorizing the Expenditure of \$42,000 for the Purpose of Contracting with a Lobbyist for the City of Homer. Smith. Recommended Dates Introduction November 23, 2020 Public Hearing and Second Reading December 14, 2020
- g. Resolution 20-119, A Resolution of the City Council of Homer, Alaska Acknowledging the 2021 Budget will be Truncated to January 1 to June 30, 2021 to Accommodate the Transition from a Calendar Year Budget to a Fiscal Year Budget. Smith. Recommend adoption.

Moved to Resolutions Item b. Aderhold

- h. Resolution 20-120, A Resolution of the City Council of Homer, Alaska Approving a Lobbyist Contract with J & H Consulting, LLC of Juneau, Alaska, for a Term of One Year commencing on December 15, 2020 and ending on December 15, 2021, in the Amount of \$42,000 and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. Smith/Aderhold. Recommend adoption.

Memorandum 20-193 from City Clerk as backup

Moved to Resolutions Item c. Aderhold

- i. Resolution 20-121, A Resolution of the City Council of Homer, Alaska Approving Amendment Two to the Emergency Management Communications Services and Related Matters Contract between the City of Homer and Kenai Peninsula Borough. City Manager. Recommend adoption.
- j. Resolution 20-122, A Resolution of the City Council of Homer, Alaska Approving a Memorandum of Agreement Between the City of Homer and the Kenai Peninsula Borough Office of Emergency Management Regarding the Replacement and Maintenance of Emergency Sirens. City Manager. Recommend adoption.
- k. Resolution 20-123, A Resolution of the City Council of Homer, Alaska Amending the CARES Act Project Close Out Plan to Provide a \$6,000 Direct Grant to Kachemak Bay Equestrian Association to Cover Eligible Costs Incurred due to the COVID-19 Pandemic. Venuti. Recommend adoption.
- l. Resolution 20-124, A Resolution of the City Council of Homer, Alaska Amending the CARES Act Project Close Out Plan to Provide a Direct Grant in the Amount of \$44,250 to Kachemak Ski Club to Expand COVID-Conscious Outdoor Winter Recreation Opportunities. Evensen. Recommend adoption.

Moved to Resolutions Item c. Aderhold

- m. Resolution 20-125, A Resolution of the City Council of Homer, Alaska Creating a Public Works Campus Task Force and Establishing a Scope of Work and Parameters under which the Task Force will Conduct its Work. City Manager/Public Works Director. Recommend adoption.

Memorandum 20-194 from Public Works Director as backup

Items g. h. and l. moved to Resolutions items b. c. and d. Aderhold.

City Clerk Jacobsen read the consent agenda and recommendations.

LORD/ADERHOLD MOVED TO ADOPT THE RECOMMENDATIONS OF THE CONSENT AGENDA AS READ.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

VISITORS

a. Unified Command Report (20 Minutes)

Lorne Carroll, Public Health Nurse, commented regarding point of dispensing (POD) planning for COVID vaccine when it becomes available, and that many partners have ramped up planning for access to the vaccine. He shared a slide from the Center for Disease Control that suggests when the vaccine is available it will come in limited amounts and availability will increase over time. Major unknowns are when the vaccine will be available and when it will be available to us on the Southern Kenai Peninsula. He explained challenges with contact tracing with case counts of 500-700 per day, and contact tracers are prioritizing efforts toward long term care and other congregate settings where chance of transmission is very high. When a COVID test is positive, the medical facility reports it to the Division of Public Health and contacting the individual, who then needs to go home and isolate and let those they've been in contact with know they've tested positive and that the close contacts need to isolate as well.

Christine Anderson, South Peninsula Hospital (SPH) Liaison, reported on COVID activity since the last report to Council, including hospital admissions, emergency room activity, clinic services, and COVID specific treatments that are available. She noted continued regular testing of long term care residents due to positive tests for staff members and visitation restrictions remain in place. So far local health care capacity has been able to handle the influx of patients in their COVID ready spaces. Staffing is becoming an issue with close to 30 members out due to COVID infection, close contacts, or awaiting test results; and strict return to work protocols are in place. Partners up the road at Central Peninsula Hospital and in Anchorage are very busy with COVID activity, we rely on them for transfers of patients from SPH so they're urging everyone to practice safe COVID activity to keep people out of the hospitals. Regarding testing, SPH is averaging 106 tests per day over the past seven days and a positivity rate has been 9% up from 8% over the previous week. The swabbing station is open daily from 9:00 a.m. to 6:00 p.m.

Jenny Carroll, City of Homer Public Information Officer (PIO), shared that today is Public Health Thank You Day, and she took the opportunity to thank all the public health professionals in our community and around the State who have committed themselves to health improvement for individuals, families, and on the community level as well. She's been working a great deal with

public health professionals since the pandemic began and has learned a great deal from all them. She's inspired by their commitment, caring, and creativity in working with community partners to encourage healthy practices through COVID and everything else we deal with in our community. She encouraged everyone to continue with best practices. We know that masking works to cut down the spread along with social distancing, keeping a small social bubble and notifying them if you test positive helps curb the spread. She's standing by as PIO to learn how the City can support with POD when a vaccine becomes available. She thanked the public for doing their best, it's all any of us can do in supporting everyone's physical and mental health in the community.

Mark Kirko, City of Homer Fire Chief, echoed others comments. Cases are rising so we need to do our best to social distance and keep mitigation plans in place. We've been working hard at this and he applauds the health organizations for doing a wonderful job and working through some difficult times. He believes our resources are in a reasonable position, and is hoping to purchase more personal protective equipment (PPE) because we don't know what's going to happen after the first of the year, and the duration of need out there. He shared a report about local Fire Departments partnering with the home school program Connections to do online program for the students to do exit drills in the home. These are typically done at the schools, but can't right now, so they're promoting an online public education experience for the students.

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

a. Worksession Report

City Manager Dumouchel reported Finance Director Walton walked Council through the water and sewer rate model and rates proposed in Resolution 20-118(S). They also worked with Public Works Director Keiser and discussed updates to the HAWSP Policy Manual and the Water and Sewer Fund Policy.

b. Committee of the Whole Report

Councilmember Lord reported Council discussed the change of the City's fiscal year, CARES Act Grants and CARES Act financial summary, and the Salmon Sister's lease process.

c. Special Meeting Report

d. Mayor's Report

i. ACoM Resolution - COVID Mitigation

Mayor Castner reported on several items. He attended the Alaska Conference of Mayors two day meeting where they had training on learning from errors called Failing Forward, and also

review of crisis management. They passed a resolution about addressing COVID and how the State may go about doing it.

There was a press for the North Pacific Management Council to come up with a management plan for an area of Federal Waters south of Kalgin Island down to the latitude of Anchor Point that accounts for the first two weeks of fisheries. They're surprise solution for the management plan was to completely close the fishery. It cuts out the first two weeks of the fishery and all the Homer deliveries associated when the fleet is working the fish as they move up the inlet. The Kenai City Council is having an emergency meeting tonight to address this and he got the notice too late to add it to this agenda. It's a big deal for Homer because a good part of our Cook Inlet landings come in that first two week period.

There's some interest by a private company in low income housing for Homer that's looking for land to be donated or leased within the city, and they say their housing is for seasonal workers to support summer activities. He provided information the City Manager.

There was a request from Moose Habitat, Inc. regarding purchasing easements with HAWSP funds for conservation purposes, and waiving the assessments against the property. They're now dealing with the Land Trust.

He spoke to the auditors last week regarding the 2019 audit and they said it should be completed by the end of the month.

Council discussed scheduling an emergency meeting to address the North Pacific Management Council proposal and bring forward a Resolution opposing the closure. A Special Meeting was scheduled for November 25th at 3:30 p.m.

e. Borough Report

f. Library Advisory Board

The Library Advisory Board prepared a written report that was provided as a laydown item.

g. Planning Commission

i. Memorandum from Planning Commission Re: Revisiting Medical District Building Heights

h. Economic Development Advisory Commission

i. Memorandum from Economic Development Advisory Commission Re: Request to Move Forward on Wayfinding Streetscape Capital Project.

Karin Mark, Economic Development Advisory Commission Chair, reported the Commission is delighted with the appointment of Debbie Speakman and appreciates tonight's appointment of Jay Cherok. At their last meeting they discussed actions that will fit under each goal of their strategic plan. They decided to set up an outreach to local businesses to see what will be needed in the future due to COVID. They also addressed community outreach regarding the Comprehensive Economic Development Strategy. Both of these topics will be addressed further at their December meeting. Deputy City Planner Engebretsen provided input on two items that Planning is looking at, Green Infrastructure and a revised Community Design Manual. The Commission voted to move forward on the Wayfinding Streetscape project in 2021 as seen in the memorandum in the packet. Since Council approved HART funds for the project, the Commission would like to move forward on it. It's important to continue to look to the future of Homer, others are moving forward on their projects, and having a plan for coordination is in the City's best interest.

Councilmember Venuti wanted to make sure they have a head nod to proceed with this in next year's budget. She'd like to sponsor a memo at the next meeting, outlining that Council would like this to continue.

i. Parks Art Recreation and Culture Advisory Commission (PARCAC)

Ingrid Harrald, Parks Art Recreation and Culture Advisory Commissioner, reported at their last meeting the Public Works Director talked to them about public restrooms, the need for funding and proposed tapping the HAWSP fund, which the Commission supports. Karen Hornaday Park is having a new topographic study done to help understand the scope of work for improvements for the parking lot and drainage, there's also a tree study to determine the value of trees in our area, and the Main Street Sidewalk design is at 30% completion. The Community Recreation report included new ideas including sport equipment lending program, and using CARES funding for new registration software. There are five electronic fee stations being located, 3 at campgrounds, one at the RV dump station, and one at the airport parking lot. There's an idea of an 18-hole disc golf course in the Diamond Creek Rec area being discussed, and more sanding and increased lighting on the more urban trail. There's a big uptick in ice skating on Beluga and Lampert Lakes. The Rotary is putting in four memorial benches, one at WKFL Park in memory of Gary Thomas, also at Bishops Beach, Fishin Hole, and Ben Walter's Park. PARCAC is looking at establishing an Endowment Fund, similar to what the Library has done. The heard public comment about the Beach Policy, beach use, and increased traffic. They've scheduled a worksession to review the Beach Policy.

j. Port and Harbor Advisory Commission

k. Americans with Disabilities Act Compliance Committee

Councilmember Aderhold reported at their last meeting they spent time talking with Public Works Director Keiser about the current status of our ADA Transition Plan, what's been

accomplished, what's on the short list, and what will take more time to accomplish. They also talked about moving forward on a Transition Plan for parks and trails.

I. Economic Relief Grant Update

Sara Perman reported on the Non-Profit Relief Grant (NERG) and Fisherman's Economic Relief Grant (FERG) Programs. NERG closed November 8th and gave out \$367,000 in CARES Act funding and just under \$150,000 is remaining in the amount allocated. The FERG runs through November 29th. Of the \$1.3 million allocated about \$1.1 million requested so far. That money is set to be awarded on a first come first serve basis and if it's distributed before the program ends, they won't be accepting the last applicants. As of today 220 FERG applications have been received. One challenge with this program is the amount of documentation being requested which has put a lot of strain on the applicants and the review process.

Special Projects and Communications Coordinator Carroll reported on the Small Business Economic Relief Grant (SBERG) on behalf of Jody Mastey, who was having audio issues. Ms. Carroll noted there were 268 total applications for SBERG 2 equaling just over \$4 million in requests, and she reviewed the payment schedule. In compiling the requests the City will be able to close out the Kenai Peninsula Borough CARES Act funds. She's been working on identifying unencumbered City CARES Act funds because spending plan Council pass asked for any available funds to go toward SBERG applicants if there were more applicants than funds, so \$1,038,662 is being added to funding SBERG 2 applicants. She said Ms. Mastey recommended setting aside \$400,000 for the appeals process and there are several coming in that they'll be looking at. She reviewed the reward scale being used that's based on percentage of revenue loss and explained they're able to spread the funds to all deserving business and follow Council's intent to prioritize the highest loss businesses that applied.

PUBLIC HEARING(S)

- a. Ordinance 20-86, An Ordinance of the City Council of Homer, Alaska Accepting and Appropriating an Arts and Culture CARES Act Matching Grant from the Rasmuson Foundation in the Amount of \$50,000 and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Introduction November 9, 2020 Public Hearing and Second Reading November 23, 2020.

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

LORD/VENUTI MOVED TO ADOPT ORDINANCE 20-86 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- b. Ordinance 20-87, An Ordinance of the City Council of Homer, Alaska Extending the Suspension of Homer City Code Chapter 5.42 Single-Use Plastic Bags to December 31, 2020 and Affirming January 1, 2021 as the date in which Merchants Shall Discontinue Providing Single-Use Plastic Carryout Bags. Aderhold/Venuti. Introduction November 9, 2020 Public Hearing and Second Reading November 23, 2020.

Mayor Castner opened the public hearing.

Karin Marks, city resident, commented that the increase of COVID going on, she questioned if this action might be premature because of concern of spread from using recyclable bags.

Kalliste Edeen commented in support of re-instating the ban. To this point it's said the virus lives on plastic longer than paper so a reusable bag is one of the issues, but going back to paper bags as an option absolutely needs to happen.

There were no further comments and the hearing was closed.

LORD/EVENSEN MOVED TO ADOPT ORDINANCE 20-87 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

Councilmember Aderhold comment there were a lot of unknowns with COVID in the beginning, and setting the bag ban aside for that period was valid. A lot of questions have been answered and we're at a time when things are flowing smoothly, we know how to act personally and socially, so she believes it's time to return to the plastic bag ban.

Councilmember Venuti added the store can provide paper bags for those who need them.

Councilmember Smith noted regardless of this there are still a lot of sources of plastic that impact our environment, paper bags create a larger carbon footprint and cost the stores more to put into place. Ultimately we need to stick with what the voters did and getting back to this is the right thing to do. He encouraged notification to business owners right away so they're aware and can properly plan for the transition.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- c. Ordinance 20-88, An Ordinance of the City Council of Homer, Alaska Accepting and Appropriating an FY 2020 State Homeland Security Program Grant in the Amount of \$65,685 to Upgrade the City's Radio Communication System with the Purchase and

Deployment of Portable Radios and Mobile Repeaters for the Homer Volunteer Fire Department and Authorizing the City Manager to Execute the Appropriate Documents.
.City Manager. Introduction November 9, 2020 Public Hearing and Second Reading November 23, 2020.

Memorandum 20-188 from Fire Chief as backup

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

LORD/ADERHOLD MOVED TO ADOPT ORDINANCE 20-88 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

Mayor Castner called for a recess at 7:45 p.m. and the meeting resumed at 7:55 p.m.

ORDINANCE(S)

CITY MANAGER'S REPORT

a. City Manager's Report

City Manager Dumouchel congratulated City Clerk Jacobsen for receiving the Clerk of the Year award. Several of the City staff step up at the State level to participate and take leadership roles, he's excited and proud about that. He noted the COVID framework review he had listed in his report. At an organizational level, he's moved us to a red status due to the increase in case counts locally in an effort to protect staff so we can continue to provide high quality service to the public.

Councilmember Lord congratulated City Clerk Jacobsen and also Rachel Friedlander on her new job as City Manager in Seldovia. She's enjoyed working with Ms. Friedlander she's been a really great help in supporting information needs for Council. She noted she's had a lot of contact regarding ice skating, and feels anything we can do to support outdoor recreation this winter will be great.

City Manager Dumouchel responded that he'd inclined to push toward more of a community driven solutions for maintaining the ice. The City doesn't control or maintain the lake, and from a liability perspective with the fluctuations in weather, we'd have to commit a lot of attention on the safety side.

Councilmember Smith shared that he's fully supportive of people recreating out there, but agrees with the City Manager's position.

Councilmember Evensen noted concerns of pilot acquaintances who don't fly to Homer in the winter because of the vehicular traffic on the lake. He also commented about Soundview and Sterling Highway, and the schools. He recalled prior conversation from DOT's that Homer Middle School doesn't front the highway and they weren't interested in putting up a stop light. In his mind it fulfills the spirit of their policy on that, and hopes this time there's success in showing the value added to our community.

PENDING BUSINESS

- a. Resolution 20-077, A Resolution of the City Council of Homer, Alaska Adopting a Reserve Fund Policy for the Collection and Use of Water and Sewer Depreciation Reserve Funds. Lord/Aderhold.

Memorandum 20-165 from Finance Director as backup

Resolution 20-077(S), A Resolution of the City Council of Homer, Alaska Adopting a ~~Reserve Fund~~ Policy for the Collection and Use of ~~the~~ Water and Sewer ~~Depreciation Reserve Funds~~ **Capital Asset Repair and Maintenance Allowance (CARMA) Funds**. Lord/Aderhold.

Mayor Castner explained that there's a motion on the floor to adopt Resolution 20-077 that was postponed from the October 12th meeting and opened the floor for discussion or a motion to substitute.

LORD/ADERHOLD MOVED TO SUBSTITUTE RESOLUTION 20-077(S) FOR 20-077.

There was no discussion.

VOTE (substitution): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

Councilmember Smith expressed his preference to postpone and work on it some more because he thinks some policy decisions have yet to be made. He thinks further discussion of components that comprise our rate structure are needed to better understand what's going to be required to drive what the Homer Accelerated Water and Sewer Policy (HAWSP) will be used for and also what it won't be. He noted the section "Qualifying Project Material or Criterion" item b. and suggested removing "located in city limits" because it's a given it's in the city and that it meets one of the criteria listed.

Councilmember Lord responded we have the water reserve and the sewer reserve with no policy associated with them to help guide what they're used for. It's true that because we have HAWSP, they work together in some way and how we look at one impacts how we look at the other. She looks forward to moving something forward and doesn't know if they'll get hung up on philosophical beliefs and encouraged finding a way to work together to compromise and move past the same conversation they keep having at the table.

Mayor Castner commented it's an apex policy with three things that feed into it. First, the money that goes into the fund and the money that's there now is collected through the tariff. Second, we have the policy about how we're funding the entire enterprise itself through the annual budget process. Those are tied together through the tariff, we looked at the fiscal requirements for the budget and matched the tariff to those fiscal requirements. Third, we have this concept of a self-writing tariff and it has to have numbers that are known, not unknown. To say we're going to take 15% as a surcharge, as an example, isn't acceptable as far as setting a tariff.

Councilmember Lord responded that she has yet to understand the Mayor's perspective on how to fund reserve type projects. From the conversation they keep having she's hearing they should have no reserves and the operating and maintenance annual budget should encompass every dollar that the water/sewer utility utilizes, with maybe a little extra cushion, but no built up pot of money. She questions how they are going to pay for those things.

Mayor Castner said he'll provide comments in writing if they postpone this tonight.

Councilmember Evensen agreed that the Mayor's concerns need to be addressed and it makes sense to him that they need to address what seems to be an excessive tariff. He doesn't think it's being argued that it's not a good place to be with \$4 million for projects, but the point is how we got here may not have been the best route.

Councilmember Lord responded that maybe the need to set a number, councils haven't done that before, and there also hasn't been any policy to guide how to use the fund. By going through this exercise, it gives everyone a better idea and also get to a same page on definitions, on how our system works and what it takes to run it, and then we can come up with some boundaries.

LORD/ADERHOLD MOVED TO POSTPONE TO OUR NEXT MEETING.

Mayor Castner noted their next regular meeting is December 14th.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- b. Resolution 20-078, A Resolution of the City Council of Homer, Alaska Amending the Homer Accelerated Water and Sewer Program (HAWSP) Policy Manual to Modernize the Language and Clarify Qualifying Criteria for using HAWSP Funds. Lord/Aderhold.

Resolution 20-078(S), A Resolution of the City Council of Homer, Alaska Amending the Homer Accelerated Water and Sewer Program (HAWSP) Policy Manual to Modernize the Language and Clarify Qualifying Criteria for using HAWSP Funds. Lord/Aderhold.

Mayor Castner explained that there's a motion on the floor to adopt Resolution 20-078 that was postponed from the October 12th meeting and opened the floor for discussion or a motion to substitute.

LORD/ADERHOLD MOVED TO SUBSTITUTE RESOLUTION 20-077(S) FOR 20-077.

There was no discussion.

VOTE (substitution): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

There was brief discussion confirming some technical items discussed at the worksession could be addressed in a revision that will come back to Council, given the understanding this will be postponed also.

Councilmember Smith noted Mayor Castner's comments at the worksession about there being some balance between the special assessment districts (SAD) and the capital projects, and how we establish what those might be. He's not sure how they address that without further discussion. Also g. in part 4, about changing to when financing a SAD project, it should remain as a HAWSP project because there will be projects outside the SAD's that the HAWSP will be on the hook for. We've talked about circumstances where we might have a match or percentage toward a grant that we have to provide, that could be done with cash, but HAWSP would be used to pay the loan.

Councilmember Evensen noted Public Works Directors comments at the worksession regarding public bathrooms falling under the health and safety category and that makes sense to him.

Councilmember Lord shared her understanding that the Mayor will provide his comments and staff will make revisions based on discussion at the worksession and this meeting. It would be great to get any further comments, particularly what members want to see, sooner than later to incorporate those and bring back in the revised policy manual.

Mayor Castner noted also having discussion with Counsel regarding bond reserve requirements, as it's an open issue that needs to be addressed.

LORD/ADERHOLD MOVED TO POSTPONE TO OUR NEXT MEETING.

Mayor Castner noted their next regular meeting is December 14th.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- c. Resolution 20-117, A Resolution of the City Council of Homer, Alaska Approving a Lease Assignment Originally held by Harbor Leasing, LLC and Assumed by Alaska Growth Capital BIDCO, Inc. to Salmon Sisters Holdings LLC and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents for a new Twenty Year Lease with Options for Two Consecutive Five Year Renewals for a Portion of Lot 12C, Port Industrial Subdivision No. 4, Plat 99-43, at an Annual Rate of \$29,785.32. City Manager.

Memorandum 20-189 from City Manager as backup

Resolution 20-117(S), A Resolution of the City Council of Homer, Alaska Approving a **Notice to Award for the** Lease Assignment Originally held by Harbor Leasing, LLC and Assumed by Alaska Growth Capital BIDCO, Inc. to Salmon Sisters Holdings LLC and Authorizing the City Manager to Negotiate **a Final Lease for Council Approval** and ~~Execute the Appropriate Documents for a new Twenty Year Lease with Options for Two Consecutive Five Year Renewals for a Portion of Lot 12C, Port Industrial Subdivision No. 4, Plat 99-43, at an Annual Rate of \$29,785.32. City Manager.~~ City Manager.

Memorandum 20-197 from Port and Harbor Advisory Commission as backup

Mayor Castner explained that there's a motion on the floor to adopt Resolution 20-077 that was postponed from the November 9th meeting and opened the floor for discussion or a motion to substitute.

LORD/ADERHOLD MOVED TO SUBSTITUTE RESOLUTION 20-117(S) FOR 20-117.

There were brief comments in support of the substitution.

Mayor Castner recognized Harbormaster Hawkins who noted a correction that the legal description should be amended to delete "a portion of" and explained the proposed lease is for the entire lot 12C.

VOTE (substitution): YES: VENUTI, SMITH, ADERHOLD, EVENSEN, HANSEN-CAVASOS, LORD

Motion carried.

Councilmember Aderhold shared concern of setting a precedence with this and asked for clarification as to why this lease for this parcel is being handled in this manner rather than putting it out for RFP.

City Attorney Gatti said before responding he'd prefer to talk separately with the Harbormaster and City Manager regarding this matter and would be willing to do so if Council wants to recess or defer to a later time. As he understands it there is lengthy history regarding the bankruptcy of the prior lessee, the bank is paying the rent on the lease for the land, the building has been vacant, and there hasn't been anyone stepping up with interest until now.

Councilmember Lord expressed that Council should have received these answers before this point. She supports getting the property leased and into profitable hands, but she doesn't feel she's been given the information needed to responsibly adopt this resolution.

Councilmember Smith reiterated that the bank holds the lease and the building. Whatever happens will have to move through the bank, it's not a typical situation, and he doesn't know if the RFP process works the same way in this situation. He doesn't have much of a problem proceeding in this manner since it's held by the bank and there are existing issues that need to be addressed. Salmon Sisters has taken the initiative to work through the bank in order to buy the facility and have the lease assigned and re-negotiated. He supports administration moving forward to see what comes out of the process and see if it fits with what we should or can do.

City Attorney Gatti noted the memoranda in the packet outlining the situation where the City responded to a request to move quickly on this transaction. The Harbormaster and City Manager did a good job on doing so, they'd been in discussion with the bank and thought the transaction was moving forward positively to accomplish the objective, but it wasn't satisfactory to the applicant seeking to lease the land. In going out to RFP, it becomes a two phase transaction in an applicant's ability to negotiate with the City and also the bank. It's his understanding this applicant has been negotiating with the bank, but doesn't know what that has entailed. The public policy Council has to consider is whether this should be a fair market rental transaction, or whether there are circumstances that would give Council confidence that having a less than fair market transaction meets a public purpose and there's defensible criteria to apply to the transaction. He and the administration will help them navigate through the process but that's the balancing point Council has to reach.

Council discussed concerns of the perception of fairness in providing this lease at less than fair market value. There were discussion points regarding the current condition of the building, the need for a sunset on a less than fair market rate and a plan on how to get to a fair market lease rate, and the need for better justification for determining the lease is valuable for public purpose or use. Since the substitute resolution identifies authorizing the City Manager to

negotiate the lease for Council approval, so the negotiate lease will come back to them, Councilmembers expressed willingness to support it.

LORD/ADERHOLD MOVED TO AMEND LINES 14 AND 54 TO DELETE THE WORDS “A PORTION OF”

There was no discussion.

VOTE (amendment): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

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

VOTE (main motion as amended): NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

- d. Resolution 20-118, A Resolution of the City Council of Homer, Alaska Amending the City of Homer Water and Sewer Rates and Updating the Homer Fee Schedule Accordingly. City Manager/Finance Director.

Resolution 20-118(S), A Resolution of the City Council of Homer, Alaska Amending the City of Homer Water and Sewer Rates and Updating the Homer Fee Schedule Accordingly. City Manager/Finance Director.

Memorandum 20-196 from Finance Director as backup

LORD VENUTI MOVED TO ADOPT RESOLUTION 20-118 BY READING OF TITLE ONLY.

LORD/VENUTI MOVED TO SUBSTITUTE RESOLUTION 20-118(S) FOR 20-118

There was no discussion.

VOTE (substitution): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

There were brief comments in appreciation of the information provided by Finance Director Walton who stepped them through this at the worksession, and for Council working through the rates.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

NEW BUSINESS

RESOLUTIONS

- a. Resolution 20-126, A Resolution of the City Council of Homer, Alaska Awarding a Term Contract for Professional Engineering Services to Seabold Consulting, LLC; and Authorizing the City Manager to Negotiation and Execute the Appropriate Documents. City Manager/Public Works Director.

Memorandum 20-195 from Public Works Director as backup

LORD/ADERHOLD MOVED TO ADOPT RESOLUTION 20-126 BY READING OF TITLE ONLY

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- g. Resolution 20-119, A Resolution of the City Council of Homer, Alaska Acknowledging the 2021 Budget will be Truncated to January 1 to June 30, 2021 to Accommodate the Transition from a Calendar Year Budget to a Fiscal Year Budget. Smith. Recommend adoption.

LORD/SMITH MOVED TO ADOPT RESOLUTION 20-119 BY READING OF TITLE ONLY.

There was discussion regarding postponing to have this follow Ordinance 20-89.

ADERHOLD/LORD MOVED TO POSTPONE TO DECEMBER 14TH.

There was brief discussion confirming this doesn't impact any of the work staff is doing regarding the potential budget transition.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- h. Resolution 20-120, A Resolution of the City Council of Homer, Alaska Approving a Lobbyist Contract with J & H Consulting, LLC of Juneau, Alaska, for a Term of One Year commencing on December 15, 2020 and ending on December 15, 2021, in the Amount of \$42,000 and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. Smith/Aderhold. Recommend adoption.

Memorandum 20-193 from City Clerk as backup

LORD/ADERHOLD MOVED TO ADOPT RESOLUTION 20-120 BY READING OF TITLE ONLY.

Councilmembers Aderhold and Smith sat on the review committee along with Harbormaster Hawkins and they commented the three all scored J & H Consulting as their top choice after independently reviewing the proposals.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

- I. Resolution 20-124, A Resolution of the City Council of Homer, Alaska Amending the CARES Act Project Close Out Plan to Provide a Direct Grant in the Amount of \$44,250 to Kachemak Ski Club to Expand COVID-Conscious Outdoor Winter Recreation Opportunities. Evensen. Recommend adoption.

LORD/EVENSEN MOVED TO ADOPT RESOLUTION 20-124 BY READING OF TITLE ONLY.

Councilmember Venuti had questions whether it's appropriate to provide this grant when the facility is outside city limits.

It was explained that the ski club was determined eligible to receive funds through the City's Non-Profit Economic Relief Grant Program, which opened the pathway for them to receive additional funds.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

COMMENTS OF THE AUDIENCE

Bob Shavelson, city resident, thanked Council for approving funds thanks for Kachemak Ski Club and commented regarding some of the KSC has been doing and increased recreating at the rope tow.

COMMENTS OF THE CITY ATTORNEY

City Attorney Gatti commented there was good discussion tonight and at the next meeting he can give more detail on the public purpose question at the next meeting and will confer with the City Manager and Harbormaster on some of the other issues associated with the lease transaction. He congratulated City Clerk Jacobsen on her award and City Engineer Meyer on his retirement.

COMMENTS OF THE CITY CLERK

City Clerk Jacobsen thanked everyone for the congratulations tonight, it's very humbling to receive the Clerk of the Year award from the Alaska Association of Municipal Clerks. There are over 100 members and many Clerks are deserving so it's an honor to be selected.

COMMENTS OF THE CITY MANAGER

City Manager Dumouchel reminded listeners that City Hall will be closed for the Thanksgiving holiday. On the topic of thankfulness for any staff that's listening he expressed his appreciation for everyone who works for the organization. Responding to COVID while also running a city is a hard thing to do. We have over 100 people out there doing a really good job in a tough situation, they're doing it well, and with a good attitude. He thanked everyone who listens to the Council meetings.

COMMENTS OF THE MAYOR

Mayor Castner shared the history of ice skating on Beluga Lake, which is a man-made lake, and the property under the lake is taxable and owned by private parties. When Tony Neal donated the parcel next to McDonalds where the bathrooms are, he made that portion under the lake part of the deal. Part of that deal is the City would maintain a skating rink on the frozen surface above it. While it's true the lake is also an airport, in the winter time it's bifurcated and the north side of the lake is used for recreation. On the south side they'd usually put in trees down the lake to help maintain depth perception for airplanes coming in to land. The history is that the City did maintain the ice skating rink near the side where the bathrooms are, but decided it was an onerous task, that they weren't obligated to meet that covenant, and abandoned that task.

He congratulated City Clerk Jacobsen and noted that 5 or so years ago former Clerk Jo Johnson was selected as Clerk of the Year, which is remarkable for a city the size of Homer.

COMMENTS OF THE CITY COUNCIL

Councilmember Smith thanked everyone for coming prepared to engage, it was a good meeting. Some of these things are weighty and need to be well thought out. He congratulated City Clerk Jacobsen for being recognized for the job she's doing. He congratulated Executive Administrative Assistant Friedlander, he recalled talking to her a year ago and her saying she had bigger plans, and here we are. She'll do a good job for Seldovia and he wishes her the best. He encouraged as we head into Thanksgiving, and even daily, to assess the things in your life to be grateful for, because there are a lot of things to be grateful for. He shared about his mother who had a hard time getting her mind off things she had zero control over, which was heavy on his heart because it really affected her happiness. He hopes people don't unduly saddle themselves with things they can't control and instead be continually grateful for the wonderful things in their lives and not take them for granted. He wished everyone happy Thanksgiving.

Councilmember Aderhold said she's been thinking a lot about what she's thankful for. In learning today is Public Health Professional's Thank You Day, she thinks the best thing we can do is stay healthy and maintain our physical distance, wear masks, and don't get sick. She's

thankful for City staff, it's amazing the high caliber of staff we have and she appreciates all the work they do. She congratulated City Clerk Jacobsen, she excited she's Clerk of the Year, it's very well deserved. It's going to be interesting to track Executive Administrative Assistant Friedlander's career, she's going to be a superstar. During our transition between City Managers Koester and Dumouchel, Ms. Friedlander kept things rolling in the City Manager's office. Many thanks to Carey Meyer for his 21 years with the City and for all he's done. She's also been thinking about the mentors she's had in her lifetime and how thankful she is for them, and one in particular who she lost last week, who was her advisor during her Master's work at Texas A&M. She shared about what an amazing and gifted man he was. She wished everyone a happy Thanksgiving.

Councilmember Hansen-Cavasos thanked Councilmember Evensen for bringing forward the Ski Club Resolution. She thinks back to their youth and the time the spent at the rope tow. She thinks their friend Rowan Springer, who's no longer with us, would be really happy. Last week Dave Brann was nominated as Volunteer of the Millennia. He was her favorite teacher and taught them so many things in Junior High. She's thankful to work at a place where when they're struggling with more positive cases in the workforce at the hospital and clinic, that staff is willing to help each other. She's working from home due to possible exposure and she appreciates those who step up and help cover for each other. She wished everyone a happy Thanksgiving.

Councilmember Evensen thanked all of our health care workers who are so professional and keep our community running during this time. He thanked the Mayor for the history for Beluga Lake and noted there are ideas floating around for an outdoor Zamboni that, in his mind, could live at Public Works and drive over. He congratulated City Clerk Jacobsen and underscored how meaningful Barbara Howard's letter was as it read with pride and no better congratulations could be given. He congratulated Executive Administrative Assistant Friedlander on her promotion. He thanked Councilmember Venuti for her question regarding the grant to the Kachemak Ski Club and the discussion to ensure it met the criteria for the funding. He thanked the KSC Board for their work on the proposal, and Special Projects and Communications Coordinator Carrol for her assistance. He also thanked Councilmember Hansen-Cavasos for mentioning Rowan Springer and noted at the conclusion of the season on the ski hill they have Rowan Day to celebrate him.

Councilmember Venuti congratulated City Clerk Jacobsen her award is well deserved and she's proud of her, and also Executive Administrative Assistant Friedlander, she'll be a good City Manager. She wished everyone a safe and healthy Thanksgiving. She agrees the best thing we can do for our public health workers is stay home and stay safe. She shared about Haven Houses need for toys to give to the children of the families who are under their care, and encouraged listeners to participate in the Toy Drive being put on by the Coast Guard, Homer United Methodist Women, and the college. If you want to make a difference for a child, deliver

an unwrapped new toy to the Haven House at 3776 Lake Street or call 235-7712 for more information. She wished everyone happy Thanksgiving.

Councilmember Lord congratulated City Clerk Jacobsen, City Engineer Meyer, and Executive Administrative Assistant Friedlander. She participated in the AML virtual conference and appreciated being able to connect with elected officials from all over the State and talking about big issues that affect us all. She wished everyone happy Thanksgiving and hopes everyone has a good time with as few people as possible. She thanked everyone who wears a mask because they do help, when she's out in the community and sees people wearing masks she feels she's on a team and we're all doing the little bit we can do and helps her kids see we're all in this together.

ADJOURN

There being no further business to come before Council Mayor Castner adjourned the meeting at 9:30 p.m. The next Regular Meeting is Monday, December 14, 2020 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 20-34 a Regular Meeting of the Homer City Council was called to order on November 23, 2020 by Mayor Ken Castner at 3:30 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: COUNCILMEMBER ADERHOLD, EVENSEN, HANSEN-CAVASOS, LORD, VENUTI

ABSENT: COUNCILMEMBER SMITH

STAFF: CITY MANAGER DUMOUCHEL
CITY CLERK JACOBSEN
CITY ATTORNEY GATTI

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

The agenda was approved by consensus of the Council.

PUBLIC COMMENT ON MATTERS ALREADY ON THE AGENDA (3 minute time limit)

Tad Russell commented in support of Resolution 20-127. He said he read the resolution carefully and it seems we're all on the same page. He's lived in Homer and commercial fish for 25 years, all his friends are fishermen, a lot of my neighbors are fishermen, and Homer is a fishing town. He thinks it's very important that we take the stand here.

Matt Haakenson, Fleet Manager for Pacific Star Seafood, thanked Council for bringing this forward and commented almost all the salmon landed in Homer from upper Cook Inlet are caught in the EEZ, so if EEZ was closed, it would mean pretty much that there would be no more salmon landings from upper Cook Inlet. It could also mean the closer of their facility in Kenai.

Dan Anderson commented in support of Resolution 20-127. Most of his comments were inaudible.

PENDING BUSINESS

NEW BUSINESS

- a. Resolution 20-127, A Resolution of the City Council of Homer, Alaska Strongly Opposing Alternative 4 in the Public Review Draft Environmental Assessment/Regulatory Impact Review for Proposed Amendment XX to the Fishery Management Plan for the Salmon Fisheries in the EEZ off Alaska that would Close all Federal Water in Cook Inlet to Commercial Salmon Fishing and Finding that Implementation of Alternative 4 would have a Significant Adverse Impact on the Economy of Homer. Mayor/City Council.

LORD/VENUTI MOVED TO ADOPT RESOLUTION 20-127 BY READING OF TITLE ONLY.

Councilmember Aderhold and

VOTE: YES: VENUTI, EVENSEN, ADERHOLD, LORD, HANSEN-CAVASOS

Motion carried.

Councilmember Aderhold thanked everyone for agreeing to meet today and for staffs and Evensen help in pulling this together quickly. She included information from the EARIR showed Homer would have the greatest impact the of any of the communities in the fishery. She also included language that this will be a significant adverse impact. That was very purposeful because that's language in the National Environmental Policy Act related to whether you need an environmental assessment or an environmental impact statement, and this is currently an environmental assessment. just letting them know letting the federal agency National Marine Fisheries Service know that that if they want to pursue this alternative seriously they, I believe, or we if we pass this we as the City believe that there would be significant impacts to our community and that would require them writing an environmental impact statement.

Councilmember Evensen thanked everyone who provided input and everyone who helped pull this together on short notice. He questioned if language should be added that the proposed closure would shorten the season and by shortening the season, it creates a logistical difficulty for fish processors to operate.

Mayor Castner responded that he feels the resolution contains all the necessary language supporting Council's position regarding the proposed amendment.

VOTE: YES: VENUTI, EVENSEN, ADERHOLD, LORD, HANSEN-CAVASOS

Motion carried.

COMMENTS OF THE AUDIENCE

Malcolm Milne, President of the North Pacific Fisheries Association, thanked Council for scheduling this meeting and adopting Resolution 20-127, he appreciates the document they came up with and that they're willing to stand up for the commercial fishing families here and on the peninsula.

Ian Pitzman thanked Council for adopting Resolution 20-127 and commented regarding the significant impact the proposed change could have on the commercial fishery.

ADJOURN

There being no further business to come before Council Mayor Castner adjourned the meeting at 3:50 p.m. The next Regular Meeting is Monday, December 14, 2020 at 6:00 p.m., Committee

HOMER CITY COUNCIL
SPECIAL MEETING
NOVEMBER 25, 2020

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: _____



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 20-198

TO: MAYOR CASTNER AND HOMER CITY COUNCIL
FROM: RENEE KRAUSE, MMC, DEPUTY CITY CLERK
DATE: DECEMBER 14, 2020
SUBJECT: LIQUOR LICENSE RENEWAL APPLICATIONS FOR FAT OLIVES AND LAND'S END

The City Clerk's Office has been notified by the Alcohol and Marijuana Control Office of Liquor License Renewal Applications within the City of Homer for the following businesses:

License Type: Beverage Dispensary
License #: 645
DBA Name: Land's End
Service Location: 4786 Homer Spit Road, Homer, AK 99603
Licensee: Land's End Acquisition Corporation
Contact Person: Jonathan Faulkner

License Type: Restaurant/Eating Place/Public Convenience
License #: 4315
DBA Name: Fat Olive's
Service Location: 276 Ohlson Lane Homer, AK 99603
Licensee: KELT, LLC
Contact Person: Steve Nolan

RECOMMENDATION

Voice non-objection and approval for the liquor license renewals.

Fiscal Note: Revenues



City of Homer

www.cityofhomer-ak.gov

Police Department

4060 Heath Street
Homer, Alaska 99603

police@cityofhomer-ak.gov

(p) 907-235-3150

(f) 907-235-3151/ 907-226-3009

Memorandum

TO: RENEK KRAUSE, MMC, DEPUTY CITY CLERK

FROM: MARK ROBL, POLICE CHIEF

CC: LISA LINEGAR, COMMUNICATIONS SUPERVISOR

DATE: DECEMBER 7, 2020

SUBJECT: LIQUOR LICENSE RENEWAL FOR FAT OLIVES AND LAND'S END –No Objection

Homer Police Department has no objection for Liquor License Renewal Applications within the City of Homer for the following businesses:

License Type: Beverage Dispensary
License #: 645
DBA Name: Land's End
Service Location: 4786 Homer Spit Road, Homer, AK 99603
Licensee: Land's End Acquisition Corporation
Contact Person: Jonathan Faulkner

License Type: Restaurant/Eating Place/Public Convenience
License #: 4315
DBA Name: Fat Olive's
Service Location: 276 Ohlson Lane Homer, AK 99603
Licensee: KELT, LLC
Contact Person: Steve Nolan



November 20, 2020

City of Homer

Kenai Peninsula Borough

Via Email: clerk@cityofhomer-ak.gov; j.blankenship@kpb.us; MJenkins@kpb.us; SNess@kpb.us;
tshassetz@kpb.us; shuff@kpb.us; jhindman@kpb.us;

Re: Notice of Liquor License Renewal Application

License Number	DBA	Type	City	Borough	Community Council
4315	Fat Olives	Restaurant/Eating Place-Public Consumption	Homer	Kenai Peninsula Borough	NONE
645	Land's End	Beverage Dispensary	Homer	Kenai Peninsula Borough	NONE

We have received a completed renewal application for the above listed licenses (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,

Glen Klinkhart, Director
amco.localgovernmentonly@alaska.gov

FORM CONTROL

XXXX

ISSUED
11/17/2020
ABC BOARD

LIQUOR LICENSE
2021 - 2022

645

LICENSE RENEWAL APPLICATION DUE
DECEMBER 31, 2022 (AS 04.11.270(b))

THIS LICENSE EXPIRES MIDNIGHT
FEBRUARY 28, 2023 UNLESS DATED BELOW

TYPE OF LICENSE: Beverage Dispenser

LICENSE FEE: \$2,500.00

1104

CITY / BOROUGH: Homer
Kenai Peninsula Borough

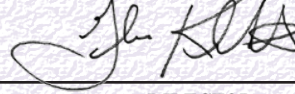
D/B/A: Land's End
4786 Homer Spit Road

Mail Address:
Land's End Acquisition Corporation
4786 Homer Spit Road
Homer, AK 99603

This license cannot be transferred without permission
of the Alcoholic Beverage Control Board

Special restriction - see reverse side

ISSUED BY ORDER OF THE
ALCOHOLIC BEVERAGE CONTROL BOARD



DIRECTOR

FORM CONTROL

XXXX

ISSUED
11/17/2020
ABC BOARD

LIQUOR LICENSE
2021 - 2022

645

LICENSE RENEWAL APPLICATION DUE
DECEMBER 31, 2022 (AS 04.11.270(b))

THIS LICENSE EXPIRES MIDNIGHT
FEBRUARY 28, 2023 UNLESS DATED BELOW

TYPE OF LICENSE: Beverage Dispenser

LICENSE FEE: \$2,500.00

CITY / BOROUGH: Homer
Kenai Peninsula Borough

D/B/A: Land's End
4786 Homer Spit Road

Mailing Address:
Land's End Acquisition Corporation
4786 Homer Spit Road
Homer, AK 99603

This license cannot be transferred without permission
of the Alcoholic Beverage Control Board

Special restriction - see reverse side

ISSUED BY ORDER OF THE
ALCOHOLIC BEVERAGE CONTROL BOARD

COPY

DIRECTOR



Alaska Alcoholic Beverage Control Board

Master Checklist: Renewal Liquor License Application

Doing Business As:	Land's End Resort	License Number:	645
License Type:	Beverage Dispensary		
Examiner:	OF	Transaction #:	1370361 & 1370366

Document	Received	Completed	Notes
AB-17: Renewal Application	11/7	11/17	
App and License Fees	11/7 & 11/9		

Supplemental Document	Received	Completed	Notes
Tourism/Rec Site Statement			
AB-25: Supplier Cert (WS)			
AB-29: Waiver of Operation			
AB-30: Minimum Operation			
AB-33: Restaurant Affidavit			
COI / COC / 5 Star			
FP Cards & Fees / AB-08a			
Late Fee			

Names on FP Cards:	
--------------------	--

	Yes	No
Selling alcohol in response to written order (package stores)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mailing address and contact information different than in database (if yes, update database)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
In "Good Standing" with CBPL (skip this and next question for sole proprietor)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Officers and stockholders match CBPL and database (if "No", determine if transfer necessary)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

LGB 1 Response: **City of Homer (KPB)**

LGB 2 Response:

Waive Protest Lapsed

Waive Protest Lapsed



Alaska Alcoholic Beverage Control Board

Form AB-17: 2021/2022 License Renewal Application

- This form and any required supplemental forms must be completed, signed by the licensee, and postmarked no later than 12/31/2020 per AS 04.11.270, 3 AAC 304.160, with all required fees paid in full, or a non-refundable \$500.00 late fee applies.
- Any complete application for renewal or any fees for renewal that have not been postmarked by 02/28/2021 will be expired per AS 04.11.540, 3 AAC 304.160(e).
- All fields of this application must be deemed complete by AMCO staff and must be accompanied by the required fees and all documents required, or the application will be returned without being processed, per AS 04.11.270, 3 AAC 304.105
- Receipt and/or processing of renewal payments by AMCO staff neither indicates nor guarantees in any way that an application will be deemed complete, renewed, or that it will be scheduled for the next ABC Board meeting.

Establishment Contact Information

Licensee (Owner):	Land's End Acquisition Corporation	License #:	645
License Type:	Beverage Dispensary		
Doing Business As:	Land's End		
Premises Address:	4786 Homer Spit Road, Homer, AK 99603		
Local Governing Body:	City of Homer (Kenai Peninsula Borough)		
Community Council:	None		

If your mailing address has changed, write the NEW address below:

Mailing Address:					
City:		State:		ZIP:	

Section 1 – Licensee Contact Information

Contact Licensee: The individual listed below must be listed in Section 2 or 3 as an Official/Owner/Shareholder of your entity and must be listed on CBPL with the same name and title.

This person will be the designated point of contact regarding this license, unless the Optional contact is completed.

Contact Licensee:	Jonathan Faulkner	Contact Phone:	907-399-3410
Contact Email:	landsendjdf@gmail.com		

Optional: If you wish for AMCO staff to communicate with anyone other than the Contact Licensee about your license, list them below:

Name of Contact:	Sara Faulkner	Contact Phone:	907-299-0570
Contact Email:	sara.m.faulkner@gmail.com		

Name of Contact:		Contact Phone:	
Contact Email:			

Name of Contact:		Contact Phone:	
Contact Email:			



Form AB-17: 2021/2022 License Renewal Application

Section 2 – Entity or Community Ownership Information

Sole Proprietors should skip this Section.

Use the link from Corporations, Business and Professional Licensing (CBPL) below to assist you in finding the Entity #.
<https://www.commerce.alaska.gov/cbp/main/search/entities>

Alaska CBPL Entity #:	42006D
-----------------------	--------

READ BEFORE PROCEEDING: Any new or changes to Shareholders (10% or more), Managers, Corporate Officers, Board of Directors, Partners, Controlling Interest or Ownership of the business license must be reported to the ABC Board within 10 days of the change and must be accompanied by a full set of fingerprints on FBI-approved card stock, AB-08a's, payment of \$48.25 for each new officer with a date-stamped copy of the CBPL change per AS 04.11.045, 50 & 55, or a Notice of Violation will be issued to your establishment and your application will be returned.

The only exception to this is a Corporation who can meet the requirements set forth in AS 04.11.050(c).

DO NOT LIST OFFICERS OR TITLES THAT ARE NOT REQUIRED FOR YOUR ENTITY TYPE.

- **Corporations** of any type including *non-profit* must list **ONLY** the following:
 - All shareholders who own 10% or more stock in the corporation
 - Each President, Vice-President, Secretary, and Managing Officer regardless of percentage owned
- **Limited Liability Corporations**, of any type must list **ONLY** the following:
 - All Members with an ownership interest of 10% or more
 - All Managers (of the LLC, not the DBA) regardless of percentage owned
- **Partnerships** of any type, including *Limited Partnerships* must list **ONLY** the following:
 - Each Partner with an interest of 10% or more
 - All General Partners regardless of percentage owned

Important Note: All entries below must match our records, or your application will be returned per AS 04.11.270, 3 AAC 304.105. You **must** list full legal names, all required titles, phone number, percentage of shares owned (if applicable) and a full mailing address for each official of your entity whose information we require. **If more space is needed: attach additional completed copies of this page. Additional information not on this page will be rejected.**

Name of Official:	Jonathan Faulkner			
Title(s):	President/Treasurer/Director	Phone:	907-399-3410	% Owned: 0
Mailing Address:	4621 West Hill Road			
City:	Homer	State:	AK	ZIP: 99603

Name of Official:	Sara Faulkner			
Title(s):	Vice President/Secretary/Director	Phone:	907-299-0570	% Owned: 0
Mailing Address:	4621 West Hill Road			
City:	Homer	State:	AK	ZIP: 99603

Name of Official:	Jonathan and Sara Faulkner Living Trust			
Title(s):	Shareholder	Phone:	907-235-6970	% Owned: 51.67
Mailing Address:	4621 West Hill Road			
City:	Homer	State:	AK	ZIP: 99603

AMCO

NOV 16 2020



Form AB-17: 2021/2022 License Renewal Application

Section 2 – Entity or Community Ownership Information

Sole Proprietors should skip this Section.

Use the link from Corporations, Business and Professional Licensing (CBPL) below to assist you in finding the Entity #.
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Alaska CBPL Entity #:	42006D
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 - All Managers (of the LLC, not the DBA) regardless of percentage owned
- **Partnerships** of any type, including *Limited Partnerships* must list **ONLY** the following:
 - Each Partner with an interest of 10% or more
 - All General Partners regardless of percentage owned

Important Note: All entries below must match our records, or your application will be returned per AS 04.11.270, 3 AAC 304.105. You **must** list full legal names, all required titles, phone number, percentage of shares owned (if applicable) and a full mailing address for each official of your entity whose information we require. **If more space is needed: attach additional completed copies of this page. Additional information not on this page will be rejected.**

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

Name of Official:	Charles Ryan			
Title(s):	Director/Shareholder	Phone:	907-444-8533	% Owned: 10.67
Mailing Address:	6101 West Tree Drive			
City:	Anchorage	State:	AK	ZIP: 99516

Name of Official:	Rebecca Alexander			
Title(s):	Shareholder	Phone:	907-444-8533	% Owned: 10.67
Mailing Address:	6101 West Tree Drive			
City:	Anchorage	State:	AK	ZIP: 99516



Form AB-17: 2021/2022 License Renewal Application

Section 2 – Entity or Community Ownership Information

Sole Proprietors should skip this Section.

Use the link from Corporations, Business and Professional Licensing (CBPL) below to assist you in finding the Entity #.
<https://www.commerce.alaska.gov/cbp/main/search/entities>

Alaska CBPL Entity #:	42006D
-----------------------	--------

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 - Each Partner with an interest of 10% or more
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Important Note: All entries below must match our records, or your application will be returned per AS 04.11.270, 3 AAC 304.105. You must list full legal names, all required titles, phone number, percentage of shares owned (if applicable) and a full mailing address for each official of your entity whose information we require. **If more space is needed: attach additional completed copies of this page. Additional information not on this page will be rejected.**

Name of Official:	Steve Agni				
Title(s):	Director/Shareholder	Phone:	907-229-0583	% Owned:	23.08
Mailing Address:	PO Box 244661				
City:	Anchorage	State:	AK	ZIP:	99524

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

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

AMCO

NOV 16 2020



Form AB-17: 2021/2022 License Renewal Application

Section 3 – Sole Proprietor Ownership Information

Corporations, LLC's and Partnerships of ALL kinds should skip this section.

READ BEFORE PROCEEDING: Any new or changes to the ownership of the business license must be reported to the ABC Board within 10 days of the change and must be accompanied by a full set of fingerprints on FBI approved cardstock, AB-08a's, payment of \$48.25 for each new owner or officer and a date stamped copy of the CBPL change per AS 04.11.045, or a Notice of Violation will be issued to your establishment and your application will be returned.

Important Note: All entries below must match our records, or your application will be returned per AS 04.11.270, 3 AAC 304.105. You must list full legal names, phone number, and mailing address for each owner or partner whose information we require.

If more space is needed, attach additional copies of this page. Additional owners not listed on this page will be rejected.

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 – License Operation

Check **ONE BOX** for **EACH CALENDAR YEAR** that best describes how this liquor license was operated:

- | | 2019 | 2020 |
|---|-------------------------------------|-------------------------------------|
| 1. The license was regularly operated continuously throughout each year. (Year-round) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. The license was only operated during a specific season each year. (Seasonal)
<i>If your operation dates have changed, list them below:</i>
_____ to _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. The license was only operated to meet the minimum requirement of 240 total hours each calendar year.
<i>A complete AB-30: Proof of Minimum Operation Checklist, and all documentation must be provided with this form.</i> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. 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 calendar years. <i>A complete 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.</i> | <input type="checkbox"/> | <input type="checkbox"/> |

If you have not met the minimum number of hours of operation in 2020, you are not required to pay the fees, however a complete AB-29 is required with Section 2 marked "OTHER" and COVID is listed as the reason.

Section 5 – Violations and Convictions

Have **ANY** Notices of Violation been issued for this license **OR** has **ANY** person or entity in this application been convicted of a violation of Title 04, 3AAC 304 or a local ordinance adopted under AS 04.21.010 in 2019 or 2020?

Yes	No
<input type="checkbox"/>	<input checked="" type="checkbox"/>

If you checked YES, you MUST attach a list of all Notices of Violation and/or Convictions per AS 04.11.270(a)(2)

If you are unsure if you have received any Notices of Violation, contact the office before submitting this form.



Form AB-17: 2021/2022 License Renewal Application

Section 6 – Certifications

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, are true, correct, and complete.

- I agree to provide all information required by the Alcoholic Beverage Control Board or requested by AMCO staff in support of this application and understand that failure to do so by any deadline given to me by AMCO staff will result in this application being returned and potentially expired if I do not comply with statutory or regulatory requirements.
- 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.
- I certify that this entity is in good standing with Corporations, Business and Professional Licensing (CBPL) and that all entity officials and stakeholders are current and accurately listed, and I have provided AMCO with all required changes of Shareholders (10% or more), Managers, Corporate Officers/Board of Directors, Partners, Controlling Interest or Ownership of the business license, and have provided all required documents for any new or changes in officers.
- I certify that all licensees, agents, and employees who sell or serve alcoholic beverages or check identification of patrons 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, if applicable for this license type as set forth in AS 04.21.025 and 3 AAC 304.465.
- 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 from what is currently approved and on file with the Alcoholic Beverage Control Board.

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.

Signature of licensee

Jonathan Faulkner

Printed name of licensee

Signature of Notary Public

Notary Public in and for the State of: Alaska



My commission expires: 4/24/2021

Subscribed and sworn to before me this 11th day of November, 2020.

Restaurant/Eating Place applications must include a completed AB-33: Restaurant Receipts Affidavit

Recreational Site applications must include a completed Recreational Site Statement

Tourism applications must include a completed Tourism Statement

Wholesale applications must include a completed AB-25: Supplier Certification

All renewal and supplemental forms are available online

Any application that is not complete or does not include ALL required completed forms and fees will not be processed and will be returned per AS 04.11.270, 3 AAC 304.105.

FOR OFFICE USE ONLY

License Fee:	\$	Application Fee:	\$ 300.00	Misc. Fee:	\$
Total Fees Due:					\$

Department of Commerce, Community, and Economic Development
**CORPORATIONS, BUSINESS & PROFESSIONAL
 LICENSING**

[State of Alaska](#) / [Commerce](#) / [Corporations, Business, and Professional Licensing](#) / [Search & Database Download](#) / [Corporations](#) / Entity Details

ENTITY DETAILS

Name(s)

Type	Name
Legal Name	LAND'S END ACQUISITION CORPORATION

Entity Type: Business Corporation

Entity #: 42006D

Status: Good Standing

AK Formed Date: 4/22/1988

Duration/Expiration: Perpetual

Home State: ALASKA

Next Biennial Report Due: 1/2/2022

Entity Mailing Address: 4786 HOMER SPIT RD, HOMER, AK 99603

Entity Physical Address: 4621 WEST HILL ROAD, HOMER, AK 99603

Registered Agent

Agent Name: JONATHAN FAULKNER

Registered Mailing Address: 4786 HOMER SPIT RD, HOMER, AK 99603

Registered Physical Address: 4786 HOMER SPIT RD, HOMER, AK 99603

Officials

Show Former

AK Entity			
#	Name	Titles	Owned
	Andrew Faulkner	Director	
	CHARLES RYAN	Director, Shareholder	10.67

AK Entity			
#	Name	Titles	Owned
	Jonathan and Sara Faulkner Living Trust dated 7/15/2013	Shareholder	51.67
	JONATHAN FAULKNER	Director, President, Treasurer	
	REBECCA ALEXANDER	Shareholder	10.67
	SARA FAULKNER	Director, Secretary, Vice President	
	STEVE AGNI	Director, Shareholder	23.08

Filed Documents

Date Filed	Type	Filing	Certificate
4/22/1988	Creation Filing	Click to View	
11/29/1989	Biennial Report		
2/29/1992	Biennial Report		
10/16/1992	Biennial Report	Click to View	
12/31/1993	Biennial Report	Click to View	
12/26/1995	Biennial Report	Click to View	
1/29/1998	Biennial Report	Click to View	
1/10/2000	Biennial Report	Click to View	
1/08/2002	Biennial Report	Click to View	
1/08/2004	Biennial Report	Click to View	
11/01/2005	Biennial Report	Click to View	
10/28/2009	Biennial Report	Click to View	
11/16/2009	Biennial Report	Click to View	
5/10/2010	Biennial Report	Click to View	
4/27/2012	Biennial Report	Click to View	
10/02/2013	Biennial Report	Click to View	
12/20/2013	Change of Officials	Click to View	
10/12/2015	Biennial Report	Click to View	
12/18/2017	Biennial Report	Click to View	
10/05/2019	Biennial Report	Click to View	

Alaska Department of Commerce, Community, and Economic Development

Division of Corporations, Business, and Professional Licensing
PO Box 110806, Juneau, AK 99811-0806

This is to certify that

LAND'S END RESORT

4786 HOMER SPIT ROAD, HOMER, AK 99603

owned by

LAND'S END ACQUISITION CORPORATION

is licensed by the department to conduct business for the period

October 3, 2020 to December 31, 2021
for the following line(s) of business:

72 - Accommodation and Food Services



This license shall not be taken as permission to do business in the state without having complied with the other requirements of the laws of the State or of the United States.

This license must be posted in a conspicuous place at the business location.
It is not transferable or assignable.

Julie Anderson
Commissioner



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

**Department of Commerce, Community,
and Economic Development**

ALCOHOL & MARIJUANA CONTROL OFFICE

550 West Seventh Avenue, Suite 1600
Anchorage, AK 99501
Main: 907.269.0350

November 17, 2020

Land's End Acquisition Corporation

DBA: Land's End

Via Email: sara.m.faulkner@gmail.com ; landsendjdf@gmail.com

Re: Beverage Dispensary License #645 DBA: Land's End

Dear Applicant:

I have received your application for renewal of your liquor license. Our staff has reviewed your application after receiving your application and required fees. Your renewal documents appear to be in order, and I have determined that your application is complete for purposes of AS 04.11.510, and AS 04.11.520.

Your application is now considered complete and will be sent electronically to your local governing body, your community council if your proposed premises is in Anchorage or certain locations in the Matanuska-Susitna Borough, and to any non-profit agencies who have requested notification of applications. The local governing body will have 60 days to protest the renewal of your license or waive protest.

A temporary license has been issued for this establishment.

Your application will be scheduled for the January 2021 board meeting for Alcoholic Beverage Control Board consideration. The address and call-in number for the meeting will be posted on our home page. The board will not grant or deny your application at the meeting unless your local government waives its right to protest per AS 04.11.480(a).

Please feel free to contact us through the alcohol.licensing@alaska.gov email address if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Olivia Frank".

Olivia Frank
Occupational Licensing Examiner

STATE OF ALASKA - ALCOHOLIC BEVERAGE CONTROL BOARD

LICENSE NUMBER

FORM CONTROL

XXXX

ISSUED

11/16/2020

ABC BOARD

LIQUOR LICENSE
2021 - 2022

4315

LICENSE RENEWAL APPLICATION DUE
DECEMBER 31, 2022 (AS 04.11.270(b))

THIS LICENSE EXPIRES MIDNIGHT
FEBRUARY 28, 2023 UNLESS DATED BELOW

TYPE OF LICENSE: Restaurant/Eating
Convenience

LICENSE FEE: \$600.00

1138

CITY / BOROUGH: Homer
Kenai Peninsula Borough

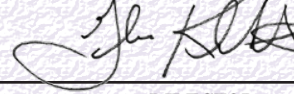
D/B/A: Fat Olives
276 Ohlson Lane

Mail Address:
KELT, LLC
PO Box 297
Homer, AK 99603

This license cannot be transferred without permission
of the Alcoholic Beverage Control Board

Special restriction - see reverse side

ISSUED BY ORDER OF THE
ALCOHOLIC BEVERAGE CONTROL BOARD



DIRECTOR

04-900 (REV 9/09)

THIS LICENSE MUST BE POSTED IN A VISIBLE PLACE ON THE PREMISES

STATE OF ALASKA - ALCOHOLIC BEVERAGE CONTROL BOARD

LICENSE NUMBER

FORM CONTROL

XXXX

ISSUED

11/16/2020

ABC BOARD

LIQUOR LICENSE
2021 - 2022

4315

LICENSE RENEWAL APPLICATION DUE
DECEMBER 31, 2022 (AS 04.11.270(b))

THIS LICENSE EXPIRES MIDNIGHT
FEBRUARY 28, 2023 UNLESS DATED BELOW

TYPE OF LICENSE: Restaurant/Eating
Convenience

LICENSE FEE: \$600.00

CITY / BOROUGH: Homer
Kenai Peninsula Borough

This license cannot be transferred without permission
of the Alcoholic Beverage Control Board

Special restriction - see reverse side

ISSUED BY ORDER OF THE
ALCOHOLIC BEVERAGE CONTROL BOARD

COPY

DIRECTOR

D/B/A: Fat Olives
276 Ohlson Lane

Mailing Address:
KELT, LLC
PO Box 297
Homer, AK 99603

THIS LICENSE MUST BE POSTED IN A VISIBLE PLACE ON THE PREMISES

04-900 (REV 9/09)



Alaska Alcoholic Beverage Control Board

Master Checklist: Renewal Liquor License Application

Doing Business As:	Land's End Resort	License Number:	645
License Type:	Beverage Dispensary		
Examiner:	OF	Transaction #:	1370361 & 1370366

Document	Received	Completed	Notes
AB-17: Renewal Application	11/7	11/17	
App and License Fees	11/7 & 11/9		

Supplemental Document	Received	Completed	Notes
Tourism/Rec Site Statement			
AB-25: Supplier Cert (WS)			
AB-29: Waiver of Operation			
AB-30: Minimum Operation			
AB-33: Restaurant Affidavit			
COI / COC / 5 Star			
FP Cards & Fees / AB-08a			
Late Fee			

Names on FP Cards:	
--------------------	--

	Yes	No
Selling alcohol in response to written order (package stores)?	<input type="checkbox"/>	<input type="checkbox"/>
Mailing address and contact information different than in database (if yes, update database)?	<input type="checkbox"/>	<input type="checkbox"/>
In "Good Standing" with CBPL (skip this and next question for sole proprietor)?	<input type="checkbox"/>	<input type="checkbox"/>
Officers and stockholders match CBPL and database (if "No", determine if transfer necessary)?	<input type="checkbox"/>	<input type="checkbox"/>

LGB 1 Response:

Waive Protest Lapsed

LGB 2 Response:

Waive Protest Lapsed



Alaska Alcoholic Beverage Control Board

Form AB-17: 2021/2022 License Renewal Application

- This form and any required supplemental forms must be completed, signed by the licensee, and postmarked no later than 12/31/2020 per AS 04.11.270, 3 AAC 304.160, with all required fees paid in full, or a non-refundable \$500.00 late fee applies.
- Any complete application for renewal or any fees for renewal that have not been postmarked by 02/28/2021 will be expired per AS 04.11.540, 3 AAC 304.160(e).
- All fields of this application must be deemed complete by AMCO staff and must be accompanied by the required fees and all documents required, or the application will be returned without being processed, per AS 04.11.270, 3 AAC 304.105
- Receipt and/or processing of renewal payments by AMCO staff neither indicates nor guarantees in any way that an application will be deemed complete, renewed, or that it will be scheduled for the next ABC Board meeting.

Establishment Contact Information

Licensee (Owner):	KELT, LLC	License #:	4315
License Type:	Restaurant/Eating Place Public		
Doing Business As:	Fat Olives Convenience		
Premises Address:	276 Ohlson Lane Homer, AK.		
Local Governing Body:	City of Homer (Kenai Peninsula Borough)		
Community Council:	NONE		

If your mailing address has changed, write the NEW address below:

Mailing Address:			
City:	State:	ZIP:	

Section 1 - Licensee Contact Information

Contact Licensee: The individual listed below must be listed in Section 2 or 3 as an Official/Owner/Shareholder of your entity and must be listed on CBPL with the same name and title.

This person will be the designated point of contact regarding this license, unless the Optional contact is completed.

Contact Licensee:	Steve Nolan	Contact Phone:	509-420-6539
Contact Email:	TLNOLANAK@gmail.com		

Optional: If you wish for AMCO staff to communicate with anyone other than the Contact Licensee about your license, list them below:

Name of Contact:	Lisa Nolan	Contact Phone:	509-845-9856
Contact Email:	TLNOLANAK@gmail.com		

Name of Contact:		Contact Phone:	
Contact Email:			

Name of Contact:		Contact Phone:	
Contact Email:			



Form AB-17: 2021/2022 License Renewal Application

Section 2 – Entity or Community Ownership Information

Sole Proprietors should skip this Section.

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<https://www.commerce.alaska.gov/cbp/main/search/entities>

Alaska CBPL Entity #:	79343 D
-----------------------	---------

READ BEFORE PROCEEDING: Any new or changes to Shareholders (10% or more), Managers, Corporate Officers, Board of Directors, Partners, Controlling Interest or Ownership of the business license must be reported to the ABC Board within 10 days of the change and must be accompanied by a full set of fingerprints on FBI-approved card stock, AB-08a's, payment of \$48.25 for each new officer with a date-stamped copy of the CBPL change per AS 04.11.045, 50 & 55, or a Notice of Violation will be issued to your establishment and your application will be returned.

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- Corporations of any type including non-profit must list ONLY the following:
 - All shareholders who own 10% or more stock in the corporation
 - Each President, Vice-President, Secretary, and Managing Officer regardless of percentage owned
- Limited Liability Corporations, of any type must list ONLY the following:
 - All Members with an ownership interest of 10% or more
 - All Managers (of the LLC, not the DBA) regardless of percentage owned
- Partnerships of any type, including Limited Partnerships must list ONLY the following:
 - Each Partner with an interest of 10% or more
 - All General Partners regardless of percentage owned

Important Note: All entries below must match our records, or your application will be returned per AS 04.11.270, 3 AAC 304.105. You must list full legal names, all required titles, phone number, percentage of shares owned (if applicable) and a full mailing address for each official of your entity whose information we require. **if more space is needed: attach additional completed copies of this page. Additional information not on this page will be rejected.**

Name of Official:	Steve Nolan				
Title(s):	manager member	Phone:	509-420-6539	% Owned:	50
Mailing Address:	PO 297				
City:	Homer	State:	AK	ZIP:	99603

Name of Official:	Lisa S. Nolan				
Title(s):	MEMBER	State:	509-845-9856	% Owned:	50
Mailing Address:	PO 297				
City:	Homer	State:	AK	ZIP:	99603

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

AMCO REC'D

Nov 16 2020

AMCO

NOV - 4 2020



Form AB-17: 2021/2022 License Renewal Application

Section 3 – Sole Proprietor Ownership Information

Corporations, LLC's and Partnerships of ALL kinds should skip this section.

READ BEFORE PROCEEDING: Any new or changes to the ownership of the business license must be reported to the ABC Board within 10 days of the change and must be accompanied by a full set of fingerprints on FBI approved cardstock, AB-08a's, payment of \$48.25 for each new owner or officer and a date stamped copy of the CBPL change per AS 04.11.045, or a Notice of Violation will be issued to your establishment and your application will be returned.

Important Note: All entries below must match our records, or your application will be returned per AS 04.11.270, 3 AAC 304.105. You must list full legal names, phone number, and mailing address for each owner or partner whose information we require.

If more space is needed, attach additional copies of this page. Additional owners not listed on this page will be rejected.

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 – License Operation

Check ONE BOX for EACH CALENDAR YEAR that best describes how this liquor license was operated:

- | | 2019 | 2020 |
|---|-------------------------------------|-------------------------------------|
| 1. The license was regularly operated continuously throughout each year. (Year-round) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. The license was only operated during a specific season each year. (Seasonal)
<i>If your operation dates have changed, list them below:</i>
_____ to _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. The license was only operated to meet the minimum requirement of 240 total hours each calendar year.
<i>A complete AB-30: Proof of Minimum Operation Checklist, and all documentation must be provided with this form.</i> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. 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 calendar years. <i>A complete 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.</i> | <input type="checkbox"/> | <input type="checkbox"/> |

If you have not met the minimum number of hours of operation in 2020, you are not required to pay the fees, however a complete AB-29 is required with Section 2 marked "OTHER" and COVID is listed as the reason.

Section 5 – Violations and Convictions

Have **ANY** Notices of Violation been issued for this license **OR** has **ANY** person or entity in this application been convicted of a violation of Title 04, 3AAC 304 or a local ordinance adopted under AS 04.21.010 in 2019 or 2020? Yes No

If you checked YES, you MUST attach a list of all Notices of Violation and/or Convictions per AS 04.11.270(a)(2)

If you are unsure if you have received any Notices of Violation, contact the office before submitting this form.



Form AB-17: 2021/2022 License Renewal Application

Section 6 – Certifications

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, are true, correct, and complete.

- I agree to provide all information required by the Alcoholic Beverage Control Board or requested by AMCO staff in support of this application and understand that failure to do so by any deadline given to me by AMCO staff will result in this application being returned and potentially expired if I do not comply with statutory or regulatory requirements.
- 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.
- I certify that this entity is in good standing with Corporations, Business and Professional Licensing (CBPL) and that all entity officials and stakeholders are current and accurately listed, and I have provided AMCO with all required changes of Shareholders (10% or more), Managers, Corporate Officers/Board of Directors, Partners, Controlling Interest or Ownership of the business license, and have provided all required documents for any new or changes in officers.
- I certify that all licensees, agents, and employees who sell or serve alcoholic beverages or check identification of patrons 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, if applicable for this license type as set forth in AS 04.21.025 and 3 AAC 304.465.
- 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 from what is currently approved and on file with the Alcoholic Beverage Control Board.

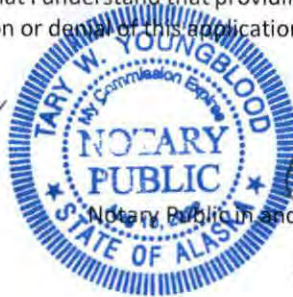
I certify on behalf of myself or of the organized entity that I understand that providing a false statement on this form or any other form provided by AMCO is grounds for rejection or denial of this application or revocation of any license issued.

Lisa S Nolan

Signature of licensee

LISA S Nolan

Printed name of licensee



Tary W. Youngblood

Signature of Notary Public

Notary Public in and for the State of: Alaska

My commission expires: 8/10/22

Subscribed and sworn to before me this 3 day of Nov, 2020.

- Restaurant/Eating Place** applications must include a completed AB-33: Restaurant Receipts Affidavit
- Recreational Site** applications must include a completed Recreational Site Statement
- Tourism** applications must include a completed Tourism Statement
- Wholesale** applications must include a completed AB-25: Supplier Certification

All renewal and supplemental forms are available online

Any application that is not complete or does not include ALL required completed forms and fees will not be processed and will be returned per AS 04.11.270, 3 AAC 304.105.

FOR OFFICE USE ONLY

License Fee:	\$ <u>600⁰⁰/100</u>	Application Fee:	\$ 300.00	Misc. Fee:	\$
Total Fees Due:					\$ <u>900⁰⁰/100</u>

Department of Commerce, Community, and Economic Development
**CORPORATIONS, BUSINESS & PROFESSIONAL
 LICENSING**

[State of Alaska](#) / [Commerce](#) / [Corporations, Business, and Professional Licensing](#) / [Search & Database Download](#) / [Corporations](#) / Entity Details

ENTITY DETAILS

Name(s)

Type	Name
Legal Name	KELT, L.L.C.

Entity Type: Limited Liability Company

Entity #: 79343D

Status: Good Standing

AK Formed Date: 3/18/2003

Duration/Expiration: Perpetual

Home State: ALASKA

Next Biennial Report Due: 1/2/2021 [File Biennial Report](#)

Entity Mailing Address: PO BOX 297, HOMER, AK 99603

Entity Physical Address: 276 OLSON LN, HOMER, AK 99603

Registered Agent

Agent Name: Lisa S Nolan

Registered Mailing Address: PO BOX 297, HOMER, AK 99603

Registered Physical Address: 276 Olson Ln, Homer, AK 99603

Officials

Show Former

AK Entity #	Name	Titles	Owned
	Lisa Nolan	Member	50.00
	Steve Nolan	Manager, Member	50.00

Filed Documents

Date Filed	Type	Filing	Certificate
3/18/2003	Creation Filing	Click to View	
4/14/2003	Initial Report	Click to View	
1/07/2005	Biennial Report	Click to View	
4/24/2006	Change of Officials	Click to View	
4/24/2006	Agent Change	Click to View	
11/13/2006	Biennial Report	Click to View	
4/28/2011	Biennial Report	Click to View	
4/28/2011	Biennial Report	Click to View	
7/24/2012	Certificate of Compliance		Click to View
7/16/2013	Biennial Report	Click to View	
1/17/2015	Biennial Report	Click to View	
11/30/2016	Biennial Report	Click to View	
1/22/2019	Biennial Report	Click to View	

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Alaska Department of Commerce, Community, and Economic Development

Division of Corporations, Business, and Professional Licensing
PO Box 110806, Juneau, AK 99811-0806

This is to certify that

FAT OLIVES

P.O BOX 297, HOMER, AK 99603

owned by

KELT, L.L.C.

is licensed by the department to conduct business for the period

October 11, 2019 to December 31, 2021
for the following line(s) of business:

72 - Accommodation and Food Services



This license shall not be taken as permission to do business in the state without having complied with the other requirements of the laws of the State or of the United States.

This license must be posted in a conspicuous place at the business location.
It is not transferable or assignable.

Julie Anderson
Commissioner



November 16, 2020

KELT, LLC
DBA: Fat Olives
Via Email: tnolanak@gmail.com

Re: Restaurant/Eating Place-Public Convenience License #4315 DBA: Fat Olives

Dear Applicant:

I have received your application for renewal of your liquor license. Our staff has reviewed your application after receiving your application and required fees. Your renewal documents appear to be in order, and I have determined that your application is complete for purposes of AS 04.11.510, and AS 04.11.520.

Your application is now considered complete and will be sent electronically to your local governing body, your community council if your proposed premises is in Anchorage or certain locations in the Matanuska-Susitna Borough, and to any non-profit agencies who have requested notification of applications. The local governing body will have 60 days to protest the renewal of your license or waive protest.

A temporary license has been issued for this establishment.

Your application will be scheduled for the January 2021 board meeting for Alcoholic Beverage Control Board consideration. The address and call-in number for the meeting will be posted on our home page. The board will not grant or deny your application at the meeting unless your local government waives its right to protest per AS 04.11.480(a).

Please feel free to contact us through the alcohol.licensing@alaska.gov email address if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Olivia Frank".

Olivia Frank
Occupational Licensing Examiner



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 20-204

TO: Mayor Castner and Homer City Council
FROM: Caroline Venuti, Councilmember
DATE: December 14, 2020
SUBJECT: Moving forward on the Wayfinding Streetscape Capital Project

Due to COVID-19, the City Council paused most major capital projects in May. Council passed Resolution 20-05, Conserving Operational Spending, until there is a clearer picture of the economic impacts to the City budget. This pause included the Wayfinding Streetscape project.

At the November 10th Economic Development Commission (EDC) meeting, the EDC requested Council allow the wayfinding project to proceed in 2021, using HART Funds as authorized in the approved budget. At the November 23rd City Council meeting, Council heard from EDC Chair Karin Marks on the topic and there was consensus to move forward in 2021. This memo serves as documentation for the decision making process for the project to proceed in 2021.

Recommendation: Authorize the Wayfinding Streetscape Capital Project to proceed in 2021.

Attachments

1. Minutes Excerpt from the November 10th, EDC Meeting:
2. Resolution 20-050
3. Ordinance 19-54 (S-2)(A-2)
4. Memorandum 19-161
5. Memorandum 19-148

Minutes Excerpt from the November 10th, EDC Meeting:

Chair Marks introduced the item by reading the title and deferred to Deputy City Planner Engebretsen.

Ms. Engebretsen gave background information on City Council's decision in May to pause most major projects with the expectation that COVID-19 would have a negative impact on City tax revenues. Since May, Council has approved several projects that use HART funds, which is sales tax specifically used for roads and trails projects. The Wayfinding and Streetscape project will utilize this funding source, so if the commission would like to see this project move forward in 2021, they would need to make a recommendation to Council to re-approve the funding. She further explained how the funding is good for three years; if the funds aren't used by 2021 then they would have to ask for funding again.

BROWN/JOHNSON MOVED TO REQUEST THAT CITY COUNCIL ALLOW THE WAYFINDING AND STREETScape PROJECT CONTINUE IN 2021.

There was no discussion.

VOTE: YES: AREVALO, MARKS, SPEAKMAN, RICHARDSON, JOHNSON, BROWN
ABSTAIN: MINK

Motion carried.



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: Economic Development Advisory Commission
DATE: November 19, 2020
SUBJECT: Request to move forward on the Wayfinding Streetscape Capital Project

Due to COVID-19, the City Council paused most major capital projects in May. Council passed Resolution 20-05, Conserving Operational Spending, until there is a clearer picture of the economic impacts to the City budget. This pause included the Wayfinding Streetscape project.

Since May, the Council has approved several projects that use HART funds. The Commission requests authorization for the Wayfinding Street Scape project to move forward in 2021, as it also utilizes HART funds.

Commission Recommendation: Request the City Council allow the Wayfinding and Streetscape project continue in 2021

Attachments

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2. Resolution 20-050
3. Ordinance 19-54 (S-2)(A-2)
4. Memorandum 19-161
5. Memorandum 19-148

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Ms. Engebretsen gave background information on City Council's decision in May to pause most major projects with the expectation that COVID-19 would have a negative impact on City tax revenues. Since May, Council has approved several projects that use HART funds, which is sales tax specifically used for roads and trails projects. The Wayfinding and Streetscape project will utilize this funding source, so if the commission would like to see this project move forward in 2021, they would need to make a recommendation to Council to re-approve the funding. She further explained how the funding is good for three years; if the funds aren't used by 2021 then they would have to ask for funding again.

BROWN/JOHNSON MOVED TO REQUEST THAT CITY COUNCIL ALLOW THE WAYFINDING AND STREETScape PROJECT CONTINUE IN 2021.

There was no discussion.

VOTE: YES: AREVALO, MARKS, SPEAKMAN, RICHARDSON, JOHNSON, BROWN
ABSTAIN: MINK

Motion carried.

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

Lord/Smith

3
4 **RESOLUTION 20-050**

5
6 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
7 DELAYING CERTAIN NON-CRITICAL CAPITAL PROJECTS AND
8 ENCOURAGING CONSERVATIVE OPERATIONAL SPENDING WITH
9 THE INTENT TO REASSESS CAPITAL AND OPERATING EXPENSES
10 AFTER THE FIRST AND SECOND FISCAL QUARTERS WHILE
11 DEVELOPING FINANCIAL SCENARIOS FOR FY2020 AND FY2021.
12

13 WHEREAS, The Mayor of the City of Homer declared a local emergency in response to
14 the Covid-19 pandemic on March 18, 2020; and
15

16 WHEREAS, The Homer City Council ratified the declaration of local emergency and
17 extended it for 90 days; and
18

19 WHEREAS, The Honorable Michael Dunleavy, Governor of Alaska, has issued health
20 mandates to respond to the Covid-19 pandemic, which have resulted in tremendous economic
21 strain and hardship on many individuals, families, and businesses in Homer; and
22

23 WHEREAS, 44% of City revenue is budgeted from sales taxes, with another 28% of
24 revenue budgeted from property taxes in FY2020; and
25

26 WHEREAS, Under Homer City Code 9.16.010, dedicated City sales tax also provides
27 revenue for the police station project, the Homer Accelerated Roads and Trails fund (HART),
28 and the Homer Accelerated Water and Sewer Project fund (HAWSP); and
29

30 WHEREAS, The bulk of City sales tax revenues come in during the second and third fiscal
31 quarters of the year, in line with the typically busy Homer tourist season; and
32

33 WHEREAS, The City's 2018 audited General Fund balance was \$6,425,584 and beginning
34 in FY20 \$4,153,169 was assigned as an "emergency fund" that is equal to four months' revenue
35 to be maintained by Council for use only in the event of emergencies, with the remaining
36 balance designated as 'Unassigned Fund Balance'; and
37

38 WHEREAS, City activities are also tracked within the Water and Sewer Special Revenue
39 Fund, the Harbor Enterprise Fund, Reserve Funds, Debt Service Funds, and Internal Service
40 Funds all of which may be impacted by economic uncertainty associated with Covid-19; and
41

42 WHEREAS, The Kenai Peninsula Borough is the tax collection agency for the City of
43 Homer and is on a fiscal year calendar and as such is currently in their budget process through
44 which their Administration, under the “Summary Data – Governmental Functions” section of
45 Mayor Pierce’s proposed FY 21 Annual Budget, has estimated nearly 21% reduction in tax
46 revenues (sales and property taxes) with an estimated 15% reduction in sales tax returns as a
47 result of Covid-19 restrictions; and
48

49 WHEREAS, It is in the best interest of the City to act proactively and plan for long-term
50 fiscal responsibility across funds and within operations throughout this crisis to continue
51 providing City services and maintain the City’s workforce through economic uncertainty to the
52 greatest extent possible; and
53

54 WHEREAS, The direction provided in this resolution is proactive in nature. Its intent is
55 to protect the fiscal health of the City and the City’s ability to continue providing essential
56 services into what is currently an uncertain future. This direction will be followed with staff
57 reevaluating all capital projects and operational expenses under these new parameters.
58

59 NOW, THEREFORE BE IT RESOLVED that the City Manager will work with Departments
60 to assess approved capital projects and will only proceed with projects that are currently
61 underway, have majority of funds from other sources (i.e. state or federal grants), are
62 necessary for public safety and welfare, or are recommended to still occur while delaying other
63 non-critical capital projects.
64

65 BE IT FURTHER RESOLVED that the City Manager will work with Departments to stretch
66 operational dollars and spend budgeted funds conservatively and prudently.
67

68 BE IF FURTHER RESOLVED that the City Council will reassess guidance on capital and
69 operational spending after the first and second fiscal quarters’ revenue is booked;
70


71 BE IT FURTHER RESOLVED that the City Council requests the following information from
72 Administration for a worksession prior to the first meeting in June:

- 73 ○ Updates on all current fund balances and accounts, including reserve accounts,
74 debt service accounts, the General Fund, Enterprise Fund, and Water Sewer
75 Special Revenue Fund.
- 76 ○ An update on the 2019 audit and timeline.
- 77 ○ Modeled projections of City revenues for FY20 and FY21 with sales tax revenues
78 reduced by 15% and 40% and property tax revenues reduced by 10% and 20%.
- 79 ○ Estimates of Fund Balance spending to fill the above projected revenue
80 reductions.
81
82
83

84 PASSED AND ADOPTED BY THE CITY COUNCIL OF HOMER, ALASKA this 26 day of
85 May, 2020.

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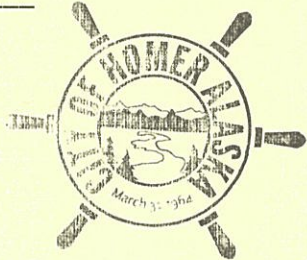
CITY OF HOMER


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ATTEST:


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Fiscal note: N/A



1 CITY OF HOMER
2 HOMER, ALASKA

Venuti/Smith

3
4 **ORDINANCE 19-54(S-2)(A-2)**

5
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
7 AMENDING THE 2019 CAPITAL 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 COMMITTEE 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, Streetscape planning gives us the opportunity to increase business**
32 **activity, generate tax revenue and a high return on investment in our central business**
33 **district with pedestrian-friendly infrastructure and land use improvements such as a**
34 **connected, easily walkable set of sidewalks and trails that offer personal security and**
35 **traffic safety, public parking solutions, and public gathering or resting areas at**
36 **reasonable intervals; and**
37

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

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

45
46 WHEREAS, A WF-SS plan builds upon citizen interest in Pioneer Avenue through the
47 Pioneer Avenue Revitalization Task Force's efforts to make a more attractive, vibrant Pioneer
48 Avenue business district; and

49
50 WHEREAS, The scope and objectives for a WF-SS plan have been proposed by the EDC
51 and have been endorsed by the Homer Planning Commission, Park Arts, Recreation and
52 Culture Advisory Commission and by community organizations and businesses; and

53
54 WHEREAS, Best practices for WF-SS plan development would utilize input from a broad-
55 based local steering committee and the design and outreach expertise of a professional
56 consultant to work with the public, the City and State agencies responsible for managing
57 public right-of-ways; **and**

58
59 **WHEREAS, Upon completion of the WF-SS Plan RFP, City Council will consider a**
60 **resolution authorizing staff to assemble a WF-SS Committee to serve as a communication**
61 **link between citizens, user groups, city staff and the consultant, provide input on current**
62 **conditions and actively promote the project and public participation by communicating**
63 **with community members and their respective user groups; and**

64
65 **WHEREAS, The HART Roads Fund Balance is \$6,243,285.25 and HART Trails Fund**
66 **Balance is \$636,834.84.**

67
68 NOW THEREFORE, The City of Homer supports the Wayfinding-Streetscape Plan
69 proposal and Ordains:

70
71 Section 1. The FY2019 Capital budget is hereby amended by appropriating no more
72 than \$50,000 from the HART Fund (split 50/50 between HART Roads and HART Trails) to secure
73 the services of a professional consultant to facilitate the development of a WF-SS Plan through
74 a competitive bidding process, as follows:

75

Account No.	Description:	Amount:
<u>160-0375</u>	<u>HART Roads Fund</u>	<u>\$25,000</u>
<u>165-0375</u>	<u>Hart Trails Fund</u>	<u>\$25,000</u>

76
77
78
79

80 Section 2. City Council authorizes the City Manager to prepare a Request for Proposals
81 to secure these consultant services.
82

83 **Section 3. City Council authorizes formation of a WF-SS Task Force to work with**
84 **the consultant as needed on the WF-SS Plan development.**

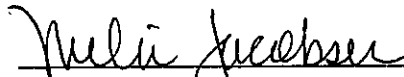
85
86 **Section 43.** This is a budget amendment ordinance is temporary in nature, and shall not
87 be codified.

CITY OF HOMER



KEN CASTNER, MAYOR

88
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93
94 ATTEST:

95 
96 _____
97 MELISSA JACOBSEN, MMC, CITY CLERK



98
99 YES: 6

100 NO: 0

101 ABSTAIN: 0

102 ABSENT: 0

103
104 First Reading: 11.25.19

105 Public Hearing: 12.9.19

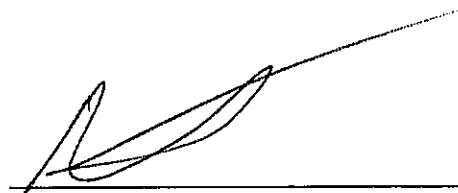
106 Second Reading: 12.9.19

107 Effective Date: 12.10.19

108
109
110 Reviewed and approved as to form:

111
112 
113 _____
114 Katie Koester, City Manager

115
116 Date: 12.10.19



Michael Gatti, City Attorney

Date: 12/20/19



Memorandum 19-161

TO: City Council and Mayor Castner

THROUGH: Katie Koester, City Manager

FROM: Jenny Carroll, Special Projects & Communications Coordinator

DATE: December 4, 2019

SUBJECT: Additional Information on WF-SS Plan scope and proposed Task Force

This memo provides City Council with more information regarding the scope of the Wayfinding Streetscape Plan and proposes restructuring the WF-SS Task Force proposed in Ordinance 19-54(S)(A).

WF-SS Scope: The following provides a framework from which staff will develop a detailed RFP including specific project tasks, deliverables and timetable. The amendment adding public parking solutions to the streetscape scope expands the original scope of the project. If exploring public parking options/solutions in the Central Business District remains part of the scope, Council should consider authorizing more funds to cover this additional deliverable or have clear expectations about the limited nature of parking within a WF-SS plan (e.g. identify strategic locations for public parking that promote walkability within each primary commercial district).

WF-SS Task Force: The EDC proposed a Task Force for the purpose of bringing representatives of various user groups together to provide input to the consultant on current conditions, to provide information about specific user groups and their wayfinding/streetscape needs, and to promote robust citizen engagement in focus groups and public meetings. Items 4.b. and 5.b below address the envisioned role of the proposed WF-SS Task Force.

The purpose of the proposed WF-SS Task Force lacks specific criteria required by City Council Resolution 19-051 to authorize a Task Force, specifically deliverables to City Council. WF-SS Plan deliverables is the job of the consultant. Therefore, staff recommends an amendment to Ordinance 19-54(S)(A), striking Task Force authorization from Section 3 and adding a Whereas clause which supports creation of a WF-SS Committee.

The WF-SS Committee would meet monthly at a regular time to serve as a communication link between citizens, user groups, city staff and the consultant and actively promote the project and public participation by communicating with community members and their respective user groups. The Committee's function is better served by a more informal worksession setting with City staff and/or the consultant as facilitator. The City has successfully utilized a similar structure before,

namely for the PARC Needs Assessment in 2014, the Comprehensive Plan in 2006-7 and the Climate Action Plan in 2005.

Staff will work with user groups (e.g. Pioneer Avenue Revitalization Task Force, Independent Living Center, Senior Center, trail advocates, Park, Arts, Recreation and Culture Commission, Planning Commission, Chamber of Commerce, arts groups and community business owners, etc.) to solicit broad-based representation on the Committee. Committee membership will be solicited and completed during the time the WF-SS RFP is advertised. Meetings will be regularly scheduled and conclude when a final plan is ready for presentation to City Council. Staff will provide a follow-up informational memo to City Council at the time the WF-SS Committee is being formed.

Wayfinding-Streetscape Plan Objectives

1. Help distribute economic activity among Homer's primary commercial districts by:

- Informing the travelling public about Homer's primary commercial districts; and
- Assisting them in navigating between these districts and to key destinations within the central business district.

2. Encourage pedestrian activity and foster economic development along Pioneer Avenue and within the Central Business District by:

- Providing realistic streetscape amenities that, when combined, create an inviting, safe, dynamic and desirable character and feel.

The City plans to use the plan to guide future City purchases and placements of wayfinding-streetscape enhancements.

Scope of Work:

1. Develop a wayfinding plan to include the following:

- a. Identify appropriate location and propose sign design for permanent orientation signage at Homer's gateways: Baycrest Overlook and Pioneer Dock; and
- b. Identify need for, appropriate locations for and propose sign design for minimal, but effective vehicular directional/gateway signage at route decision points (e.g. from the Sterling Highway onto Pioneer Avenue and to Old Town); and
- c. Design and locate pedestrian route finding signage to main attractions and trail systems keeping safety, maintenance costs and replacement costs in mind; and
- d. Propose sign designs that can be cohesive across the City while enhancing and reflecting the distinctive character of each economic district; and
- e. Steps to reduce existing sign clutter.

2. Develop realistic streetscape and public space improvements to enhance the quality of the street environment and enhance pedestrian experience and safety in the Central Business District, primarily along the Pioneer Avenue corridor and on routes from Pioneer Avenue to main attractions:

- a. Locations for street furniture to provide pedestrian rest stops that will not interfere with maintenance activities; and

- b. Propose designs for durable street furniture that can withstand the elements (e.g. benches or other seating, refuse receptacles, bicycle amenities); and
- c. Evaluate potential for landscaping/pocket parks to house rest stops; and
- d. Provide plant list of salt and moose tolerant vegetation along busy streets; and
- e. Design pole banners to utilize existing infrastructure on Pioneer Avenue; and
- f. Other realistic ways to improve quality of the street environment to help meet objectives.

3. Develop an Implementation Strategy

- a. To enable City staff to carry out the results contained in the WF-SS Plan in a manner that is fiscally and operationally logical.

4. Participation in Project Meetings

- a. Consultant will work with City staff to discuss project progress/direction and to acquire necessary materials already produced including but not limited to the Comprehensive Plan and the Non-Motorized Transportation and Trail Plan; and
- b. Consultant will work with WF-SS Task Force through City staff to gain input on current conditions and help identify user groups and their specific wayfinding/streetscape needs; and
- c. Consultant will be knowledgeable of and work with State of Alaska on ROW requirements/permissions.

5. Develop a Communications Program for Community Engagement

- a. Develop and establish a transparent and inclusive community engagement process to build upon previous community work to refine and articulate a shared vision of wayfinding-streetscape improvements;
- b. Consultant will work with WF-SS Task Force (through City staff) to promote robust citizen participate in public input meetings including Council and task force meetings and potential focus groups.
- c. Consultant will be expected to make multiple site visits to Homer for stakeholder engagement.

In response to the RFP, the Consultant may expand on these tasks, provide detail on how they are to be accomplished, and/or suggest additional tasks as warranted to meet the stated project objectives.

Estimated Timeframe subject to change:

January 2020: create RFP

February: Advertising and proposal submission and solicit for WF-SS Committee members

March: Selection of consultant, finalize contract

April: Project Kick-Off

September: Final deliverables due from consultant

October/Nov: Presentation of plan to City Council, plan adoption



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.

ORDINANCE REFERENCE SHEET
2020 ORDINANCE
ORDINANCE 20-92

An Ordinance of the City Council of Homer, Alaska Amending the 2020 Capital Budget and Authorizing Expenditure of \$18,696 from the Sewer Reserve Fund and \$16,546 from the Water Reserve Fund to Retrofit High Energy Light Fixtures at the Sewer Treatment Campus and at the Water Treatment Plant.

Sponsor: City Manager/Public Works Director

1. City Council Regular Meeting December 14, 2020 Introduction

Memorandum 20-199 from Public Works Director as backup
Memorandum 20-200 from Public Works Director as backup

**CITY OF HOMER
HOMER, ALASKA**

City Manager/
Public Works Director

ORDINANCE 20-92

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA, AMENDING THE 2020 CAPITAL BUDGET AND AUTHORIZING EXPENDITURE OF \$18,696 FROM THE SEWER RESERVE FUND AND \$16,546 FROM THE WATER RESERVE FUND TO RETROFIT HIGH ENERGY LIGHT FIXTURES AT THE SEWER TREATMENT CAMPUS AND AT THE WATER TREATMENT PLANT.

WHEREAS, The City’s Sewer Treatment Plant Campus and Water Treatment Plant still has some high energy light fixtures, which can be replaced with low energy LED fixtures; and

WHEREAS, Some of the fixtures are in challenging locations and require the use of a 3rd party contractor with the special equipment to get to them; and

WHEREAS, The City requested quotes from local companies and received the lowest responsive quote is \$18,696 for the Sewer Treatment Campus; and

WHEREAS, The City requested quotes from local companies and received one quote in the amount of \$16,546 for the Water Treatment Plant.

NOW, THEREFORE, THE CITY COUNCIL OF HOMER ORDAINS:

Section 1. The City of Homer’s 2020 Capital Budget is hereby amended by appropriating \$18,696 from the Sewer Reserve Fund and \$16,546 from the Water Reserve Fund to retrofit high energy light fixtures at the Sewer Treatment Plant Campus with low energy LED fixtures.

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
256-0378	Sewer Reserve Fund	\$18,696
256-0379	Water Reserve Fund	\$16,546

Section 2. This is a budget amendment ordinance, is temporary in nature, and shall not be codified.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 11th day of January, 2021.

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ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

CITY OF HOMER

KEN CASTNER, MAYOR



City of Homer

www.cityofhomer-ak.gov

Public Works

3575 Heath Street
Homer, AK 99603

publicworks@cityofhomer-ak.gov

(p) 907-235-3170

(f) 907-235-3145

Memorandum 20-199

TO: Mayor and Homer City Council

THROUGH: Rob Dumouchel, City Manager

FROM: Janette Keiser, Director of Public Works

DATE: November 30, 2020

SUBJECT: Proposal for Replacing High Energy Light Fixtures at Sewer Treatment Plant

Issue: There are still some high energy light fixtures at the Sewer Treatment Plant Campus. We propose to replace these with low energy LEDs.

Background:

The City’s Sewer Treatment Plant Campus still has some high energy light fixtures, which were not replaced as part of the City’s lighting retrofit programs, enacted in prior years. We propose to replace these fixtures with low energy LED fixtures, funding this work through the Sewer Reserves, rather than the Revolving Energy Loan Fund, to reduce administrative costs.

Some of the fixtures are in challenging locations and require special equipment to get to them. We requested quotes from 3rd party contractors to help us access/install the lights and received one quote from Shank Electric, in the amount of \$18,696.

The Sewer Reserve Fund is:

Balance as of March 31, 2020:	\$2,018,059
Allocated by Ordinance 20-57 for urgent projects	\$ 484,900
City’s share of Seawall SAD allocated to Sewer Reserves	<u>\$ 39,364</u>
Balance	\$1,493,795

Action Recommended:

That the City authorize expenditure of \$18,696 from the Sewer Water Reserve Fund to retrofit high energy light fixtures at the Sewer Treatment Plant Campus with low energy LED fixtures.



City of Homer

www.cityofhomer-ak.gov

Public Works

3575 Heath Street
Homer, AK 99603

publicworks@cityofhomer-ak.gov

(p) 907- 235-3170

(f) 907-235-3145

Memorandum 20-200

TO: Mayor and Homer City Council

THROUGH: Rob Dumouchel, City Manager

FROM: Janette Keiser, Director of Public Works

DATE: November 30, 2020

SUBJECT: Proposal for Replacing High Energy Light Fixtures at Water Treatment Plant

Issue: There are still some high energy light fixtures at the Water Treatment Plant. We propose to replace these with low energy LEDs.

Background:

The City’s Water Treatment Plant still has some high energy light fixtures, which were not replaced as part of the City’s lighting retrofit programs, enacted in prior years. We propose to replace these fixtures with low energy LED fixtures, funding this work through the Water Reserves, rather than the Revolving Energy Loan Fund, to reduce administrative costs.

Some of the fixtures are in challenging locations and require special equipment to get to them. We requested quotes from 3rd party contractors to help us access/install the lights. The lowest responsive, responsible quote is from Liberty Electric, Inc., in the amount of \$16,546.

The Water Reserve Fund is:

Balance as of March 31, 2020:	\$2,844,934
Allocated by Ordinance 20-56 for urgent projects	\$ 550,000
City’s share of Seawall SAD allocated to Water Reserves	\$ <u>39,364</u>
Balance	\$2,255,569

Action Recommended:

That the City authorize expenditure of \$16,546 from the Water Reserve Fund to retrofit high energy light fixtures at the Water Treatment Plant with low energy LED fixtures.

ORDINANCE REFERENCE SHEET
2020 ORDINANCE
ORDINANCE 20-93

An Ordinance of the City Council of Homer, Alaska Amending the 2021 Operating Budget to Provide for Necessary Mid-Biennium and 2021 Truncated Budget Adjustments.

Sponsor: City Manager

1. City Council Regular Meeting December 14, 2020 Introduction

**CITY OF HOMER
HOMER, ALASKA**

City Manager

ORDINANCE 20-93

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
AMENDING THE 2021 OPERATING BUDGET TO PROVIDE FOR
NECESSARY MID-BIENNIUM AND 2021 TRUNCATED BUDGET
ADJUSTMENTS.

THE CITY OF HOMER ORDAINS:

Section 1. The FY21 Operating Budget for the General, Water, Sewer, and Port and Harbor funds are hereby amended to provide funding for the period of January 1, 2021 to June 30, 2021 in the amount listed below:

General Fund	\$ 6,415,635
Water Fund	\$ 1,044,865
Sewer Fund	\$ 902,395
Port/Harbor Fund	<u>\$ 2,309,905</u>
Total Expenditures	\$10,672,800
Internal Service Funds	\$1,133,101

Section 2. This is a budget amendment ordinance only, is not permanent in nature, and shall not be codified.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 11th day of January, 2021.

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

- 43 YES:
- 44 NO:
- 45 ABSTAIN:
- 46 ABSENT:
- 47
- 48 First Reading:
- 49 Public Hearing:
- 50 Second Reading:
- 51 Effective Date:

CITY OF HOMER

AMENDED BUDGET

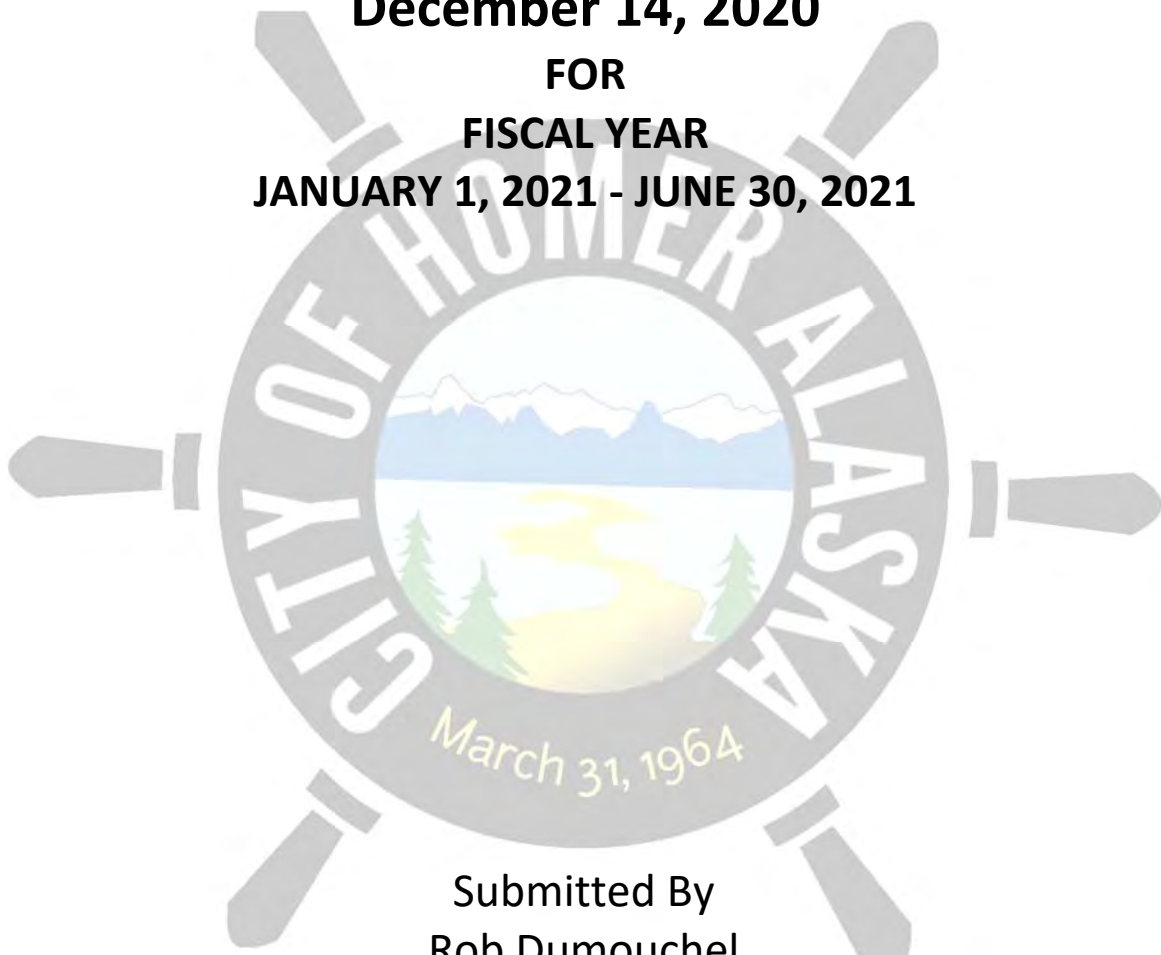
By Homer City Council

December 14, 2020

FOR

FISCAL YEAR

JANUARY 1, 2021 - JUNE 30, 2021



Submitted By
Rob Dumouchel
City Manager

Prepared By Finance Department

City of Homer
2021 Operating Budget

General Fund (100) Revenue Detail		Actual			Budget		Δ %	
A/C Num.	Revenue Categories & Descriptions	12/31/2016	12/31/2018	12/31/2019	Adopted	Draft	2020 to 2021	
					12/31/2020	6/30/2021	\$	%
0005	PROPERTY TAXES:							
4101	Real Prop Tax	2,875,193	3,169,797	3,272,292	3,135,010	63,339	(3,071,671)	-98.0%
4102	Per Prop Tax	206,151	219,375	246,130	215,966	6,606	(209,360)	-96.9%
4103	Motr Vehicle Tx	48,779	47,426	46,362	48,869	18,543	(30,326)	-62.1%
4104	Prior Years Taxes	44,605	44,701	79,050	62,444	28,669	(33,775)	-54.1%
4105	Pen/Int Prop Tx	(2,404)	6,416	7,530	1,407	4,198	2,791	198.4%
4107	Oil Tax	10,510	5,998	0	12,080	1,999	(10,080)	-83.4%
	Total Property Taxes	3,182,834	3,493,713	3,651,365	3,475,775	123,353	(3,352,421)	-96.5%
0010	SALES & USE TAXES:							
4201	Sales Tax	6,376,187	6,408,983	6,394,988	5,455,285	1,793,487	(3,661,798)	-67.1%
4202	Cooperative Tax	24,878	24,657	23,996	24,752	7,999	(16,753)	-67.7%
4203	Liquor License	24,750	25,650	25,000	24,933	21,767	(3,167)	-12.7%
4205	Sales Tax Comm	4,000	4,000	4,000	3,667	2,000	(1,667)	-45.5%
	Total Sales and Use Taxes	6,429,815	6,463,291	6,447,985	5,508,638	1,825,253	(3,683,385)	-66.9%
0015	PERMITS & LICENSES:							
4301	Driveway Permit	1,825	2,500	1,830	2,052	1,078	(973)	-47.4%
4302	Sign Permits	500	250	50	367	100	(267)	-72.7%
4303	Building Permit	11,250	17,845	15,450	14,938	7,817	(7,122)	-47.7%
4304	Peddler Permits	1,746	3,504	2,874	2,343	2,375	32	1.4%
4308	Zoning Fees	11,800	14,400	9,125	15,683	8,525	(7,158)	-45.6%
4309	Row Permit	-	2,910	6,225	1,810	2,045	235	13.0%
4310	Marijuana Licenses	-	1,800	1,600	767	333	(433)	-56.5%
4314	Taxi/chauffeurs/safety Inspec	3,088	3,605	3,998	3,566	1,641	(1,925)	-54.0%
	Total Permits and Licenses	30,209	46,814	41,152	41,526	23,914	(17,612)	-42.4%
0020	FINES & FORFEITURES:							
4401	Fines/Forfeit	16,494	9,285	16,008	14,024	3,996	(10,028)	-71.5%
4402	Non Moving Fine	1,535	6,695	12,790	6,738	1,205	(5,533)	-82.1%
	Total Fines and Forfeitures	18,029	15,980	28,798	20,762	5,201	(15,561)	-75.0%
0025	USE OF MONEY:							
4801	Interest Income	44,312	64,372	188,592	43,662	37,360	(6,302)	-14.4%
4802	Penalty/Interest	-	0	-	-	-	0	0.0%
	Total Use of Money	44,312	64,372	188,592	43,662	37,360	(6,302)	-14.4%
0030	REVENUES-OTHER AGENCIES:							
4501	Ak Shared Rev ***	215,905	0	-	-	-	0	0.0%
4503	Prisoner Care	424,080	439,178	440,066	440,000	220,033	(219,967)	-50.0%
4504	Borough 911	52,800	52,800	52,800	52,800	-	(52,800)	-100.0%
4505	Police Sp Serv	36,000	27,000	36,000	36,000	27,000	(9,000)	-25.0%
4509	Assistant Fire Chief	-	129,428	-	-	-	0	0.0%
4511	Pioneer Av Maint	34,000	34,000	34,000	34,000	-	(34,000)	-100.0%
4527	PERS Revenue ***	235,899	206,427	294,185	-	-	0	0.0%
	Total Intergovernmental	1,005,505	890,950	867,373	562,800	247,480	(315,320)	-56.0%
0035	CHARGES FOR SERVICES:							
4311	Library Cards	20	0	60	-	-	0	0.0%
4315	Project Administration Fee	-	2,394	516	-	-	0	0.0%
4316	Lid Application Fee	-	0	100	-	-	0	0.0%
4317	Lid Yearly Bill	27,501	23,218	20,736	26,756	9,278	(17,478)	-65.3%
4516	Pw Equip & Serv	11,629	13,049	300	14,607	2,643	(11,964)	-81.9%
4599	Pioneer Beautif	190	190	150	283	55	(228)	-80.6%
4601	Ambulance Fees	271,872	141,706	122,725	189,644	89,815	(99,829)	-52.6%
4603	Fire Contr Kachemack City	71,631	88,594	91,204	86,059	59,133	(26,926)	-31.3%
4604	HVF Class Fees	-	-	-	-	-	0	0.0%

City of Homer
2021 Operating Budget

General Fund (100) Revenue Detail		Actual			Budget		Δ %	
A/C Num.	Revenue Categories & Descriptions	12/31/2016	12/31/2018	12/31/2019	Adopted 12/31/2020	Draft 6/30/2021	2020 to 2021	
							\$	%
4607	Other Services	28,647	33,995	31,745	31,266	12,952	(18,314)	-58.6%
	Camping	179,034	181,114	178,663	185,272	105,815	(79,457)	-42.9%
4609	Animal Care Fee	13,766	17,444	17,913	15,063	6,839	(8,224)	-54.6%
4610	Plans & Specs	391	15	5	-	-	0	0.0%
4611	City Clerk Fees	1,586	3,004	1,987	2,194	513	(1,681)	-76.6%
4612	Publication Fee	-	25	7	-	-	0	0.0%
4613	Cemetery Plots	2,000	6,600	6,400	3,600	3,633	33	0.9%
4614	Community Recreation Fees	37,603	37,663	42,279	37,972	17,003	(20,969)	-55.2%
4650	Rents & Leases	-	8,601	0	-	-	0	0.0%
4655	Pavillion Rental	-	-	2,650	1,088	533	(554)	-51.0%
4660	Advertising - Community School	1,170	400	0	807	133	(673)	-83.5%
	Total Charges for Services	647,042	558,011	517,438	594,610	308,347	(286,264)	-48.1%
0040	OTHER REVENUE:							
4901	Surplus Prop	-	0	5,651	-	-	0	0.0%
4902	Other Revenue	2,414	30,196	67,476	-	-	0	0.0%
	Total Other Revenues	2,414	30,196	73,126	0	0	0	0.0%
0045	AIRPORT TERMINAL REVENUES:							
4655	Airline Leases	62,206	111,966	135,479	81,672	60,678	(20,994)	-25.7%
4656	Concessions	2,979	24,914	11,519	12,600	6,259	(6,341)	-50.3%
4657	Car Rental	33,756	35,410	45,478	36,819	13,549	(23,270)	-63.2%
4658	Parking Fees	32,110	31,531	26,322	32,363	13,328	(19,035)	-58.8%
4660	Advertising	-	0	-	-	-	0	0.0%
	Total Airport	131,051	203,822	218,798	163,455	93,814	(69,641)	-42.6%
	Total Before Operating Transfers	11,491,211	11,767,147	12,034,627	10,411,226	2,664,721	(7,746,505)	-74.4%
0099	OPERATING TRANSFERS:							
4981	G/F Admin Water	270,328	273,039	290,905	292,014	162,101	(129,913)	-44.5%
4982	G/F Admin Sewer	227,617	211,080	226,141	232,276	141,533	(90,743)	-39.1%
4983	G/F Admin P & H	573,691	558,336	591,076	579,038	311,223	(267,815)	-46.3%
4984	G/F ADMIN HART - ROADS	-	-	143,856	118,629	66,015	(52,614)	-44.4%
4985	G/F Admin Hawsp	138,289	137,309	143,856	148,287	82,519	(65,768)	-44.4%
4987	G/F ADMIN HART - TRAILS	-	-	-	29,657	16,504	(13,154)	-44.4%
4990	Other Transfer	-	4,576	615,593	718,843	-	(718,843)	-100.0%
4992	Other Transfer - Fund Balance	10,000	10,000	10,000	-	2,971,020	2,971,020	0.0%
	Total Operating Transfers	1,219,925	1,194,340	2,021,428	2,118,745	3,750,914	1,632,169	77.0%
	Grand Total	12,711,136	12,961,488	14,056,055	12,529,971	6,415,635	(6,114,336)	-48.8%
	Grand Total (Adj) ***	12,259,332	12,755,061	13,761,870	12,529,971	6,415,635	(6,114,336)	-48.8%

**City of Homer
2021 Operating Budget**

100 General Fund Expenditures - Combined				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	4,353,120	4,314,144	4,927,340	2,535,221	(2,392,120)	-48.5%
5102	Fringe Benefits	2,476,539	2,591,688	2,601,631	1,325,231	(1,276,401)	-49.1%
5103	Part-time Wages	277,159	409,671	315,917	160,021	(155,896)	-49.3%
5104	Part-time Benefits	79,733	100,435	77,983	38,842	(39,141)	-50.2%
5105	Overtime	244,762	308,302	280,803	155,319	(125,485)	-44.7%
5107	Part-time Overtime	5,596	6,447	14,284	7,283	(7,001)	-49.0%
5108	Unemployment Benefits	15,697	9,974	-	-	0	0.0%
5112	PERS Relief	206,427	294,185	-	-	0	0.0%
	Total Salaries and Benefits	7,659,034	8,034,845	8,217,958	4,221,916	(3,996,043)	-48.6%
	<i>w/o PERS</i>	<i>7,452,607</i>	<i>7,740,660</i>	<i>8,217,958</i>	<i>4,221,916</i>		
<u>Maintenance and Operations</u>							
5201	Office Supplies	35,443	29,564	46,100	23,750	(22,350)	-48.5%
5202	Operating Supplies	204,655	199,817	239,970	112,735	(127,235)	-53.0%
5203	Fuel and Lube	182,618	188,563	249,950	137,939	(112,011)	-44.8%
5204	Chemicals	95,352	97,995	100,000	104,000	4,000	4.0%
5205	Ammunition	14,350	16,631	20,000	10,000	(10,000)	-50.0%
5206	Food and Staples	28,451	28,848	33,400	15,100	(18,300)	-54.8%
5207	Vehicle and Boat Maintenance	195,500	250,449	250,700	134,100	(116,600)	-46.5%
5208	Equipment Maintenance	16,309	13,843	37,600	18,325	(19,275)	-51.3%
5209	Building & Grounds Maintenance	60,826	59,699	77,150	39,325	(37,825)	-49.0%
5210	Professional Services	709,572	829,793	799,590	457,354	(342,236)	-42.8%
5211	Audit Services	70,326	77,808	84,700	88,935	4,235	5.0%
5213	Survey and Appraisal	721	1,260	4,500	3,000	(1,500)	-33.3%
5214	Rents & Leases	101,208	96,251	112,100	79,173	(32,927)	-29.4%
5215	Communications	90,571	115,099	139,500	67,625	(71,875)	-51.5%
5216	Freight and Postage	21,061	19,137	25,000	12,150	(12,850)	-51.4%
5217	Electricity	234,097	231,735	267,737	130,964	(136,773)	-51.1%
5218	Water	20,939	23,307	28,019	8,626	(19,393)	-69.2%
5219	Sewer	31,141	27,233	35,849	9,851	(25,998)	-72.5%
5220	Refuse and Disposal	2,386	4,892	10,550	4,625	(5,925)	-56.2%
5221	Property Insurance	14,395	19,235	24,574	14,383	(10,191)	-41.5%
5222	Auto Insurance	32,186	36,797	43,800	17,600	(26,200)	-59.8%
5223	Liability Insurance	50,064	56,013	65,912	48,616	(17,296)	-26.2%
5224	Fidelity Bond	450	450	450	225	(225)	-50.0%
5227	Advertising	19,002	27,799	37,250	18,305	(18,945)	-50.9%
5228	Books	45,644	57,493	48,600	24,300	(24,300)	-50.0%
5229	Periodicals	8,847	8,731	11,200	5,700	(5,500)	-49.1%
5230	Audio Visual	16,272	15,561	16,000	8,000	(8,000)	-50.0%
5231	Tools and Equipment	71,607	77,337	107,900	57,225	(50,675)	-47.0%
5233	Computer Related Items	24,824	27,906	38,930	17,775	(21,155)	-54.3%
5234	Record and Permits	1,091	1,009	1,500	700	(800)	-53.3%
5235	Membership Dues	15,625	18,658	24,530	11,800	(12,730)	-51.9%
5236	Transportation	34,351	38,106	47,650	18,000	(29,650)	-62.2%
5237	Subsistence	14,303	20,783	24,300	10,600	(13,700)	-56.4%
5238	Printing and Binding	9,311	4,918	11,250	11,175	(75)	-0.7%
5242	Janitorial	-	-	600	300	(300)	-50.0%
5244	Snow Removal	14,261	5,726	25,397	11,590	(13,807)	-54.4%
5251	Pioneer Beautification	630	648	750	750	0	0.0%
5252	Credit Card Expenses	561	602	680	360	(320)	-47.1%
5280	Volunteer Incentives	30,555	30,491	39,000	19,000	(20,000)	-51.3%
5282	City Hall Building Maintenance	6,952	4,667	10,000	5,000	(5,000)	-50.0%
5283	Library Building Maintenance	17,169	9,928	18,000	9,000	(9,000)	-50.0%
5284	Police Building Maintenance	2,788	2,837	3,500	5,250	1,750	50.0%
5285	Fire Building Maintenance	2,584	1,976	5,000	2,500	(2,500)	-50.0%
5286	Old School Building Maintenance	3,000	622	3,000	1,500	(1,500)	-50.0%

City of Homer
2021 Operating Budget

100 General Fund Expenditures - Combined				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
5287	Animal Control Building Maintenance	1,700	220	2,500	1,250	(1,250)	-50.0%
5292	City Hall Motor Pool	672	229	500	350	(150)	-30.0%
5293	Police Motor Pool	19,027	17,526	30,000	10,000	(20,000)	-66.7%
5294	Fire Motor Pool	9,372	23,703	15,500	12,500	(3,000)	-19.4%
5601	Uniform	27,235	30,194	36,900	18,400	(18,500)	-50.1%
5602	Safety Equipment	23,816	18,532	35,000	16,600	(18,400)	-52.6%
5603	Employee Training	94,907	100,088	134,200	62,750	(71,450)	-53.2%
5604	Public Education	951	1,721	4,000	1,850	(2,150)	-53.8%
5611	ADA Compliance	-	-	1,000	500	(500)	-50.0%
5614	Car Allowance	3,764	7,104	7,942	3,877	(4,065)	-51.2%
5625	Impound Costs	5,400	5,395	3,500	2,000	(1,500)	-42.9%
5626	Jail Laundry Services	5,800	5,867	9,000	0	(9,000)	-100.0%
5630	Haven House	14,000	14,000	14,000	14,000	0	0.0%
5632	Wellness Program	15,148	21,109	22,000	12,000	(10,000)	-45.5%
5633	Phones	1,736	2,227	6,000	3,000	(3,000)	-50.0%
5634	Networking	4,367	2,370	5,750	3,500	(2,250)	-39.1%
5635	Software	25,997	33,221	37,280	18,080	(19,200)	-51.5%
5636	Servers	2,207	2,068	4,000	3,000	(1,000)	-25.0%
5801	Pratt Museum	69,000	69,000	69,000	69,000	0	0.0%
5815	Parks & Recreation Board	500	237	1,500	750	(750)	-50.0%
5830	Homer Foundation	25,000	25,000	25,000	25,000	0	0.0%
Total Maint. and Operations		2,902,597	3,160,031	3,636,760	2,055,637	(1,581,123)	-43.5%
Capital Outlay, Transfers and Reserves							
5106	Leave Cash Out	161,373	85,232	104,643	58,222	(46,421)	-44.4%
5990	Transfers To	1,546,958	922,329	500,146	79,860	(420,286)	-84.0%
Total C/O, Transfers & Reserves		1,708,331	1,007,561	604,789	138,082	(466,708)	-77.2%
5607	Debt Repayment	0	-	-	-	0	0.0%
5608	Interest Exp	0	-	-	-	0	0.0%
Total Debt Repayment		0	0	0	0	0	0.0%
Total General Fund Expenses		12,269,962	12,202,436	12,459,508	6,415,635	(6,043,873)	-48.5%
General Fund Expenses w/o PERS		12,063,535	11,908,251	12,459,508	6,415,635		

5210 - 2018 Top 5: (1) Birch, Horton, Bittner \$195,686, (2) Alaska Mindful Paws \$194,339, (3) Homer Chamber of Commerce \$51,000, (4) Chugach Yard Care \$34,695, (5) Caselle \$28,597

**City of Homer
2021 Operating Budget**

0100 MAYOR - COUNCIL				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	11,900	16,575	13,000	6,500	(6,500)	-50.0%
5102	Fringe Benefits	964	1,343	1,056	528	(528)	-50.0%
5103	Part-time Wages	-	-	-	-	0	0.0%
5104	Part-time Benefits	-	-	-	-	0	0.0%
5105	Overtime	-	-	-	-	0	0.0%
5107	Part-time Overtime	-	-	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	-	-	-	-	0	0.0%
	Total Salaries and Benefits	12,864	17,918	14,056	7,028	(7,028)	-50.0%
<u>Maintenance and Operations</u>							
5201	Office Supplies	200	886	1,000	500	(500)	-50.0%
5206	Food and Staples	1,254	1,050	1,600	2,000	400	25.0%
5210	Professional Services	237,895	323,427	242,280	100,000	(142,280)	-58.7%
5211	Audit Services	70,326	77,808	84,700	88,935	4,235	5.0%
5215	Communications	0	-	-	-	0	0.0%
5223	Liability Insurance	336	243	228	286	58	25.4%
5227	Advertising	-	318	-	-	0	0.0%
5233	Computer Related Items	1,284	3,224	3,500	1,000	(2,500)	-71.4%
5235	Membership Dues	5,751	6,170	6,500	1,000	(5,500)	-84.6%
5236	Transportation	3,705	3,431	7,100	3,000	(4,100)	-57.7%
5237	Subsistence	2,940	3,155	6,200	2,500	(3,700)	-59.7%
5280	Volunteer Incentives	-	-	4,000	4,000	0	0.0%
5603	Employee Training	1,475	3,025	2,700	1,350	(1,350)	-50.0%
	Total Maint. and Operations	325,166	422,742	359,808	204,571	(155,237)	-43.1%
5990	Transfers To	1,536,255	911,626	477,358	58,142	(419,216)	-87.8%
	Total	1,874,286	1,352,286	851,222	269,741	(581,481)	-68.3%

2021 Budget Notes:

5990 - (1) Seawall \$10,000, (2) Water Hydrants \$45,673, (3) Health Insurance Fund \$2,469

**City of Homer
2021 Operating Budget**

0101 CITY CLERK				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	170,958	189,008	198,893	102,238	(96,654)	-48.6%
5102	Fringe Benefits	99,818	109,141	102,593	51,781	(50,813)	-49.5%
5103	Part-time Wages	5,080	0	-	-	0	0.0%
5104	Part-time Benefits	325	0	-	-	0	0.0%
5105	Overtime	7,136	6,750	10,000	5,000	(5,000)	-50.0%
5107	Part-time Overtime	-	-	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	8,743	14,613	-	-	0	0.0%
	Total Salaries and Benefits	292,061	319,512	311,486	159,019	(152,467)	-48.9%
<u>Maintenance and Operations</u>							
5201	Office Supplies	2,047	2,889	3,000	1,500	(1,500)	-50.0%
5206	Food and Staples	10	0	-	-	0	0.0%
5208	Equipment Maintenance	699	699	1,500	750	(750)	-50.0%
5210	Professional Services	7,022	11,737	13,500	7,000	(6,500)	-48.1%
5215	Communications	1,474	1,474	1,000	500	(500)	-50.0%
5216	Freight and Postage	0	46	500	250	(250)	-50.0%
5223	Liability Insurance	350	267	526	277	(249)	-47.4%
5227	Advertising	7,203	9,902	12,000	7,000	(5,000)	-41.7%
5231	Tools and Equipment	990	775	3,500	600	(2,900)	-82.9%
5233	Computer Related Items	953	37	1,000	1,500	500	50.0%
5234	Record and Permits	1,091	1,009	1,500	700	(800)	-53.3%
5235	Membership Dues	779	941	1,000	1,000	0	0.0%
5236	Transportation	4,109	3,989	4,500	3,500	(1,000)	-22.2%
5237	Subsistence	3,655	5,610	3,000	2,000	(1,000)	-33.3%
5238	Printing and Binding	845	0	500	300	(200)	-40.0%
5240	Political Activities	0	-	-	-	0	0.0%
5603	Employee Training	3,161	3,365	3,500	2,500	(1,000)	-28.6%
	Total Maint. and Operations	34,388	42,739	50,526	29,377	(21,149)	-41.9%
	Total	326,448	362,251	362,012	188,396	(173,616)	-48.0%

2021 Budget Notes:

City of Homer
2021 Operating Budget

0102 CITY ELECTIONS				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	-	-	-	-	0	0.0%
5102	Fringe Benefits	-	-	-	-	0	0.0%
5103	Part-time Wages	1,583	933	1,776	897	(879)	-49.5%
5104	Part-time Benefits	11	7	146	74	(72)	-49.5%
5105	Overtime	-	-	-	-	0	0.0%
5107	Part-time Overtime	1,402	874	1,700	850	(850)	-50.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	-	-	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>2,997</u>	<u>1,813</u>	<u>3,622</u>	<u>1,821</u>	<u>(1,801)</u>	<u>-49.7%</u>
<u>Maintenance and Operations</u>							
5201	Office Supplies	100	336	500	300	(200)	-40.0%
5206	Food and Staples	234	205	400	200	(200)	-50.0%
5208	Equipment Maintenance	2,489	(2,215)	2,350	1,175	(1,175)	-50.0%
5210	Professional Services	0	-	-	-	0	0.0%
5227	Advertising	819	313	1,500	750	(750)	-50.0%
5238	Printing and Binding	3,984	2,057	4,200	7,500	3,300	78.6%
	<u>Total Maint. and Operations</u>	<u>7,626</u>	<u>696</u>	<u>8,950</u>	<u>9,925</u>	<u>975</u>	<u>10.9%</u>
	<u>Total</u>	<u>10,623</u>	<u>2,509</u>	<u>12,572</u>	<u>11,746</u>	<u>(826)</u>	<u>-6.6%</u>

2021 Budget Notes:

Budget for one election in case a special election is called for.

5238 - Increase to cover cost of printing absentee in person and absentee by mail envelopes

**City of Homer
2021 Operating Budget**

0110 CITY MANAGER				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	174,936	157,323	161,054	78,529	(82,525)	-51.2%
5102	Fringe Benefits	74,241	74,952	72,041	35,219	(36,822)	-51.1%
5103	Part-time Wages	-	-	-	-	0	0.0%
5104	Part-time Benefits	-	-	-	-	0	0.0%
5105	Overtime	117	0	375	188	(188)	-50.0%
5107	Part-time Overtime	-	-	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	7,877	9,973	-	-	0	0.0%
	Total Salaries and Benefits	257,171	242,248	233,471	113,935	(119,535)	-51.2%
<u>Maintenance and Operations</u>							
5201	Office Supplies	453	1,292	1,000	2,000	1,000	100.0%
5202	Operating Supplies	0	-	-	-	0	0.0%
5206	Food and Staples	2,820	3,946	4,000	500	(3,500)	-87.5%
5208	Equipment Maintenance	15	18	100	100	0	0.0%
5210	Professional Services	1,607	2,286	3,000	1,500	(1,500)	-50.0%
5215	Communications	1,893	1,853	2,000	1,000	(1,000)	-50.0%
5216	Freight and Postage	-	243	200	100	(100)	-50.0%
5223	Liability Insurance	252	197	413	202	(211)	-51.1%
5227	Advertising	415	500	500	500	0	0.0%
5228	Books	0	-	-	-	0	0.0%
5229	Periodicals	79	96	200	200	0	0.0%
5231	Tools and Equipment	15	10	500	250	(250)	-50.0%
5233	Computer Related Items	180	22	320	500	180	56.3%
5235	Membership Dues	1,136	2,185	2,620	2,000	(620)	-23.7%
5236	Transportation	3,748	4,923	4,000	1,500	(2,500)	-62.5%
5237	Subsistence	1,257	2,387	2,000	1,000	(1,000)	-50.0%
5238	Printing and Binding	1,269	122	2,000	1,000	(1,000)	-50.0%
5603	Employee Training	3,480	3,348	4,500	2,000	(2,500)	-55.6%
5614	Car Allowance	-	3,002	3,000	1,500	(1,500)	-50.0%
5635	Software	-	10	180	180	0	0.0%
	Total Maint. and Operations	18,619	26,439	30,533	16,032	(14,501)	-47.5%
	Total	275,790	268,688	264,003	129,967	(134,036)	-50.8%

2021 Budget Notes:

**City of Homer
2021 Operating Budget**

0111 PERSONNEL				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	79,312	84,442	90,677	49,010	(41,667)	-46.0%
5102	Fringe Benefits	39,311	42,350	41,566	21,773	(19,793)	-47.6%
5103	Part-time Wages	-	-	-	-	0	0.0%
5104	Part-time Benefits	-	34	-	-	0	0.0%
5105	Overtime	-	-	-	-	0	0.0%
5107	Part-time Overtime	-	-	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	3,571	5,353	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>122,194</u>	<u>132,179</u>	<u>132,244</u>	<u>70,783</u>	<u>(61,461)</u>	<u>-46.5%</u>
<u>Maintenance and Operations</u>							
5201	Office Supplies	945	971	1,000	500	(500)	-50.0%
5210	Professional Services	2,501	5,349	6,000	3,000	(3,000)	-50.0%
5215	Communications	179	180	500	250	(250)	-50.0%
5223	Liability Insurance	164	129	271	140	(131)	-48.4%
5227	Advertising	4,254	5,518	5,000	2,500	(2,500)	-50.0%
5229	Periodicals	0	135	1,000	500	(500)	-50.0%
5231	Tools and Equipment	70	1,581	1,500	750	(750)	-50.0%
5235	Membership Dues	189	517	500	250	(250)	-50.0%
5236	Transportation	3,435	3,263	3,000	1,500	(1,500)	-50.0%
5237	Subsistence	1,363	1,241	1,000	800	(200)	-20.0%
5603	Employee Training	8,310	8,800	8,000	4,000	(4,000)	-50.0%
5611	ADA Compliance	-	-	1,000	500	(500)	-50.0%
5632	Wellness Program	15,148	21,109	22,000	12,000	(10,000)	-45.5%
	<u>Total Maint. and Operations</u>	<u>36,558</u>	<u>48,792</u>	<u>50,771</u>	<u>26,690</u>	<u>(24,081)</u>	<u>-47.4%</u>
	<u>Total</u>	<u>158,752</u>	<u>180,971</u>	<u>183,015</u>	<u>97,473</u>	<u>(85,542)</u>	<u>-46.7%</u>

2021 Budget Notes:

City of Homer
2021 Operating Budget

0112 ECONOMIC DEVELOPMENT				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	64,445	67,367	73,940	38,378	(35,562)	-48.1%
5102	Fringe Benefits	34,880	37,208	36,508	18,559	(17,948)	-49.2%
5103	Part-time Wages	-	-	-	-	0	0.0%
5104	Part-time Benefits	-	-	-	-	0	0.0%
5105	Overtime	1,006	2,028	2,250	1,125	(1,125)	-50.0%
5107	Part-time Overtime	-	-	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	2,946	4,399	-	-	0	0.0%
	Total Salaries and Benefits	103,277	111,002	112,697	58,062	(54,635)	-48.5%
<u>Maintenance and Operations</u>							
5201	Office Supplies	-	62	200	50	(150)	-75.0%
5210	Professional Services	51,000	51,327	51,375	51,000	(375)	-0.7%
5215	Communications	-	-	500	50	(450)	-90.0%
5216	Freight and Postage	0	-	-	-	0	0.0%
5223	Liability Insurance	161	124	261	137	(124)	-47.4%
5227	Advertising	3,144	8,250	8,250	4,105	(4,145)	-50.2%
5231	Tools and Equipment	89	54	250	100	(150)	-60.0%
5233	Computer Related Items	707	119	460	200	(260)	-56.5%
5235	Membership Dues	225	0	225	225	0	0.0%
5236	Transportation	810	226	2,000	300	(1,700)	-85.0%
5237	Subsistence	90	169	700	200	(500)	-71.4%
5238	Printing and Binding	0	-	-	-	0	0.0%
5603	Employee Training	450	0	1,000	400	(600)	-60.0%
5604	Public Education	-	-	1,000	800	(200)	-20.0%
5635	Software	-	587	540	0	(540)	-100.0%
	Total Maint. and Operations	56,676	60,919	66,761	57,567	(9,194)	-13.8%
	Total	159,954	171,921	179,458	115,629	(63,829)	-35.6%

2021 Budget Notes:

5604 - Related to Communications Coordinator/PIO duties. Used for public outreach related to annual emergency preparedness (events like Tsunami Preparedness Week e.g. Blue Line events, developing tsunami evacuation maps, other outreach etc.) and publishing of Annual report, etc.

City of Homer
2021 Operating Budget

0113 INFORMATION SYSTEMS				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18	12/31/19	12/31/20	06/30/21	2020 to 2021	
		Actual	Actual	Budget	Budget	\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	138,586	145,555	154,090	80,165	(73,925)	-48.0%
5102	Fringe Benefits	72,625	77,712	74,892	38,149	(36,743)	-49.1%
5103	Part-time Wages	-	-	-	-	0	0.0%
5104	Part-time Benefits	-	-	-	-	0	0.0%
5105	Overtime	200	900	2,000	1,000	(1,000)	-50.0%
5107	Part-time Overtime	-	-	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	6,248	9,284	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>217,659</u>	<u>233,451</u>	<u>230,982</u>	<u>119,314</u>	<u>(111,668)</u>	<u>-48.3%</u>
<u>Maintenance and Operations</u>							
5201	Office Supplies	-	181	200	100	(100)	-50.0%
5210	Professional Services	-	-	3,750	0	(3,750)	-100.0%
5215	Communications	16,794	23,771	22,900	15,000	(7,900)	-34.5%
5216	Freight and Postage	149	143	200	200	0	0.0%
5223	Liability Insurance	282	216	657	250	(407)	-62.0%
5228	Books	250	0	-	-	0	0.0%
5231	Tools and Equipment	1,548	248	2,000	1,000	(1,000)	-50.0%
5233	Computer Related Items	19,152	21,561	20,000	8,500	(11,500)	-57.5%
5603	Employee Training	25	0	1,000	250	(750)	-75.0%
5614	Car Allowance	2,241	2,251	2,438	1,125	(1,313)	-53.9%
5633	Phones	1,736	2,227	6,000	3,000	(3,000)	-50.0%
5634	Networking	4,367	2,370	5,750	3,500	(2,250)	-39.1%
5635	Software	20,415	21,461	26,500	10,000	(16,500)	-62.3%
5636	Servers	2,207	2,068	4,000	3,000	(1,000)	-25.0%
	<u>Total Maint. and Operations</u>	<u>69,168</u>	<u>76,498</u>	<u>95,395</u>	<u>45,925</u>	<u>(49,470)</u>	<u>-51.9%</u>
5990	Transfers To	-	-	-	-	0	0.0%
	<u>Total</u>	<u>286,827</u>	<u>309,949</u>	<u>326,377</u>	<u>165,238</u>	<u>(161,138)</u>	<u>-49.4%</u>

2021 Budget Notes:

**City of Homer
2021 Operating Budget**

0115 COMMUNITY RECREATION PROGRAM				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	74,610	75,311	83,687	42,262	(41,425)	-49.5%
5102	Fringe Benefits	36,492	38,058	42,528	21,295	(21,233)	-49.9%
5103	Part-time Wages	4,256	4,487	7,519	3,797	(3,722)	-49.5%
5104	Part-time Benefits	346	353	958	484	(474)	-49.5%
5105	Overtime	718	1,001	0	0	0	0.0%
5107	Part-time Overtime	42	0	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	3,391	4,838	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>119,855</u>	<u>124,048</u>	<u>134,692</u>	<u>67,838</u>	<u>(66,854)</u>	<u>-49.6%</u>
<u>Maintenance and Operations</u>							
5201	Office Supplies	61	14	250	125	(125)	-50.0%
5202	Operating Supplies	1,607	1,658	2,000	1,000	(1,000)	-50.0%
5208	Equipment Maintenance	0	439	500	250	(250)	-50.0%
5210	Professional Services	14,832	14,433	17,000	8,000	(9,000)	-52.9%
5215	Communications	1,870	1,697	1,950	1,000	(950)	-48.7%
5216	Freight and Postage	-	-	50	0	(50)	-100.0%
5223	Liability Insurance	144	112	236	125	(111)	-47.0%
5227	Advertising	244	344	800	300	(500)	-62.5%
5235	Membership Dues	170	175	185	0	(185)	-100.0%
5236	Transportation	1,519	596	1,250	0	(1,250)	-100.0%
5237	Subsistence	232	116	500	0	(500)	-100.0%
5238	Printing and Binding	1,424	1,629	1,800	500	(1,300)	-72.2%
5603	Employee Training	774	570	1,500	500	(1,000)	-66.7%
5614	Car Allowance	486	500	500	250	(250)	-50.0%
5635	Software	-	194	210	0	(210)	-100.0%
	<u>Total Maint. and Operations</u>	<u>23,363</u>	<u>22,476</u>	<u>28,731</u>	<u>12,050</u>	<u>(16,681)</u>	<u>-58.1%</u>
	<u>Total</u>	<u>143,218</u>	<u>146,524</u>	<u>163,423</u>	<u>79,888</u>	<u>(83,535)</u>	<u>-51.1%</u>

2021 Budget Notes:

**City of Homer
2021 Operating Budget**

0120 FINANCE				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	358,316	383,571	407,172	236,294	(170,878)	-42.0%
5102	Fringe Benefits	202,150	216,331	208,024	120,137	(87,886)	-42.2%
5103	Part-time Wages	-	-	-	-	0	0.0%
5104	Part-time Benefits	-	-	-	-	0	0.0%
5105	Overtime	5,122	3,682	12,220	12,220	0	0.0%
5107	Part-time Overtime	-	-	-	-	0	0.0%
5108	Unemployment Benefits	7,400	0	-	-	0	0.0%
5112	PERS Relief	16,363	24,549	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>589,351</u>	<u>628,133</u>	<u>627,415</u>	<u>368,651</u>	<u>(258,764)</u>	<u>-41.2%</u>
<u>Maintenance and Operations</u>							
5201	Office Supplies	4,660	2,888	6,000	3,000	(3,000)	-50.0%
5210	Professional Services	31,084	46,555	55,000	55,000	0	0.0%
5215	Communications	734	709	1,200	700	(500)	-41.7%
5223	Liability Insurance	649	500	1,051	548	(504)	-47.9%
5231	Tools and Equipment	1,171	2,263	2,500	1,000	(1,500)	-60.0%
5233	Computer Related Items	0	-	-	-	0	0.0%
5235	Membership Dues	994	1,194	2,000	2,000	0	0.0%
5236	Transportation	4,983	7,477	8,000	4,000	(4,000)	-50.0%
5237	Subsistence	893	1,371	2,000	1,000	(1,000)	-50.0%
5238	Printing and Binding	856	863	1,000	1,000	0	0.0%
5603	Employee Training	6,928	5,002	10,000	5,000	(5,000)	-50.0%
5635	Software	-	194	200	200	0	0.0%
	<u>Total Maint. and Operations</u>	<u>52,951</u>	<u>69,246</u>	<u>88,951</u>	<u>73,448</u>	<u>(15,504)</u>	<u>-17.4%</u>
	<u>Total</u>	<u>642,303</u>	<u>697,380</u>	<u>716,367</u>	<u>442,099</u>	<u>(274,268)</u>	<u>-38.3%</u>

2021 Budget Notes:

5105 - Kept at full budget to account for increased staffing demands related to fiscal year change
5210 - Kept at full budget to account for increased outside assistance related to fiscal year change

**City of Homer
2021 Operating Budget**

0130 PLANNING & ZONING				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	221,365	227,041	234,326	117,952	(116,374)	-49.7%
5102	Fringe Benefits	112,867	117,687	113,303	56,530	(56,773)	-50.1%
5103	Part-time Wages	-	-	-	-	0	0.0%
5104	Part-time Benefits	-	-	-	-	0	0.0%
5105	Overtime	1,121	1,120	3,000	1,500	(1,500)	-50.0%
5107	Part-time Overtime	-	-	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	10,016	14,464	-	-	0	0.0%
	Total Salaries and Benefits	345,369	360,311	350,629	175,982	(174,647)	-49.8%
<u>Maintenance and Operations</u>							
5201	Office Supplies	834	353	1,500	500	(1,000)	-66.7%
5206	Food and Staples	76	0	400	200	(200)	-50.0%
5208	Equipment Maintenance	0	1,170	500	250	(250)	-50.0%
5210	Professional Services	965	250	2,000	2,000	0	0.0%
5213	Survey and Appraisal	-	-	1,500	1,500	0	0.0%
5215	Communications	332	457	700	700	0	0.0%
5216	Freight and Postage	-	-	150	0	(150)	-100.0%
5223	Liability Insurance	352	273	575	287	(287)	-50.0%
5227	Advertising	1,501	886	3,000	1,500	(1,500)	-50.0%
5228	Books	551	872	900	450	(450)	-50.0%
5231	Tools and Equipment	57	0	600	300	(300)	-50.0%
5235	Membership Dues	2,075	2,834	2,700	1,800	(900)	-33.3%
5236	Transportation	2,853	4,248	4,500	1,000	(3,500)	-77.8%
5237	Subsistence	310	642	1,000	400	(600)	-60.0%
5238	Printing and Binding	486	0	500	250	(250)	-50.0%
5252	Credit Card Expenses	-	-	-	-	0	0.0%
5603	Employee Training	735	1,215	2,500	1,500	(1,000)	-40.0%
5635	Software	-	4,081	2,000	2,200	200	10.0%
	Total Maint. and Operations	11,128	17,281	25,025	14,837	(10,187)	-40.7%
5990	Transfers To	-	-	-	-	0	0.0%
	Total	356,497	377,593	375,654	190,819	(184,834)	-49.2%

2021 Budget Notes:

**City of Homer
2021 Operating Budget**

0145 A/C Num.	LIBRARY Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	Adopted	Draft	Δ %	
				12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
Salaries and Benefits							
5101	Salary and Wages	328,874	328,060	339,199	166,973	(172,225)	-50.8%
5102	Fringe Benefits	191,352	199,054	187,479	92,226	(95,253)	-50.8%
5103	Part-time Wages	81,195	79,383	104,208	53,271	(50,937)	-48.9%
5104	Part-time Benefits	54,036	57,469	51,050	25,261	(25,789)	-50.5%
5105	Overtime	0	-	1,000	500	(500)	-50.0%
5107	Part-time Overtime	0	-	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	14,806	20,797	-	-	0	0.0%
	Total Salaries and Benefits	670,263	684,762	682,937	338,232	(344,705)	-50.5%
Maintenance and Operations							
5201	Office Supplies	9,198	5,868	9,000	4,500	(4,500)	-50.0%
5202	Operating Supplies	1,110	1,133	1,270	635	(635)	-50.0%
5203	Fuel and Lube	14,342	16,718	18,000	9,000	(9,000)	-50.0%
5208	Equipment Maintenance	560	2,314	2,550	1,500	(1,050)	-41.2%
5209	Building & Grounds Maintenance	0	224	250	125	(125)	-50.0%
5210	Professional Services	8,670	8,845	8,365	1,000	(7,365)	-88.0%
5214	Rents & Leases	5,154	4,847	5,400	2,700	(2,700)	-50.0%
5215	Communications	13,465	12,030	13,000	6,500	(6,500)	-50.0%
5216	Freight and Postage	2,784	2,492	2,500	1,250	(1,250)	-50.0%
5217	Electricity	34,757	31,324	38,851	16,807	(22,044)	-56.7%
5218	Water	1,410	1,529	1,546	652	(894)	-57.8%
5219	Sewer	1,702	1,508	1,527	674	(853)	-55.9%
5221	Property Insurance	4,079	5,537	7,188	4,206	(2,982)	-41.5%
5223	Liability Insurance	888	659	1,384	693	(690)	-49.9%
5227	Advertising	111	0	400	200	(200)	-50.0%
5228	Books	37,875	46,697	47,000	23,500	(23,500)	-50.0%
5229	Periodicals	8,768	8,500	10,000	5,000	(5,000)	-50.0%
5230	Audio Visual	16,272	15,561	16,000	8,000	(8,000)	-50.0%
5231	Tools and Equipment	1,435	2,101	3,000	2,000	(1,000)	-33.3%
5233	Computer Related Items	2,548	1,933	2,500	1,500	(1,000)	-40.0%
5235	Membership Dues	1,261	1,667	2,200	500	(1,700)	-77.3%
5236	Transportation	3,163	2,173	4,000	0	(4,000)	-100.0%
5237	Subsistence	784	429	1,500	0	(1,500)	-100.0%
5238	Printing and Binding	447	146	500	250	(250)	-50.0%
5244	Snow Removal	5,325	4,105	8,278	4,100	(4,178)	-50.5%
5252	Credit Card Expenses	541	602	600	300	(300)	-50.0%
5603	Employee Training	1,525	1,232	3,000	1,500	(1,500)	-50.0%
5635	Software	5,582	6,694	7,650	5,500	(2,150)	-28.1%
	Total Maint. and Operations	183,755	186,867	217,458	102,592	(114,866)	-52.8%
Debt Services							
5607	Debt Repayment - Principal	0	-	-	-	0	0.0%
5608	Debt Repayment - Interest	0	-	-	-	0	0.0%
	Total Debt Services	-	-	-	-	0	0.0%
5990	Transfers To	0	-	6,264	6,264	0	0.0%
	Total	854,018	871,629	906,659	447,088	(459,571)	-50.7%

Explanation of Line Items:

5210: Microfilm, Guardian Security, Taylor Fire, OCLC.

5214: Xerox coin box and Xerox copier leases.

5230: Audiovisual and OverDrive (Alaska Digital Library)

5635: MARC Report (cataloging), Cassie (public computer management), Equinox (library catalog support), Syndetics + Library Thing (library catalog enhancements), MARC (cataloging), Adobe Creative Cloud (tech lab), Adobe Acrobat (staff PDF editing)

2021 Budget Notes:

**City of Homer
2021 Operating Budget**

0114 HERC BUILDING				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	-	-	-	-	0	0.0%
5102	Fringe Benefits	-	-	-	-	0	0.0%
5103	Part-time Wages	-	-	-	-	0	0.0%
5104	Part-time Benefits	-	-	-	-	0	0.0%
5105	Overtime	-	-	-	-	0	0.0%
5107	Part-time Overtime	-	-	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	-	-	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
<u>Maintenance and Operations</u>							
5203	Fuel and Lube	18,626	23,925	27,000	13,500	(13,500)	-50.0%
5209	Building & Grounds Maintenance	2,879	2,863	3,400	1,700	(1,700)	-50.0%
5210	Professional Services	710	1,331	1,500	750	(750)	-50.0%
5215	Communications	418	434	500	250	(250)	-50.0%
5217	Electricity	14,422	15,559	15,924	9,061	(6,863)	-43.1%
5218	Water	853	926	975	486	(489)	-50.1%
5219	Sewer	571	674	729	352	(376)	-51.7%
5221	Property Insurance	1,704	1,994	2,323	1,361	(963)	-41.4%
5223	Liability Insurance	43	33	70	40	(30)	-42.6%
	<u>Total Maint. and Operations</u>	<u>40,225</u>	<u>47,741</u>	<u>52,421</u>	<u>27,501</u>	<u>(24,921)</u>	<u>-47.5%</u>
5990	Transfers To	-	-	-	-	0	0.0%
	<u>Total</u>	<u>40,225</u>	<u>47,741</u>	<u>52,421</u>	<u>27,501</u>	<u>(24,921)</u>	<u>-47.5%</u>

2021 Budget Notes:

**City of Homer
2021 Operating Budget**

0140 CITY HALL				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	-	-	-	-	0	0.0%
5102	Fringe Benefits	-	-	-	-	0	0.0%
5103	Part-time Wages	-	-	-	-	0	0.0%
5104	Part-time Benefits	-	-	-	-	0	0.0%
5105	Overtime	-	-	-	-	0	0.0%
5107	Part-time Overtime	-	-	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	-	-	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
<u>Maintenance and Operations</u>							
5201	Office Supplies	4,044	4,779	5,000	2,500	(2,500)	-50.0%
5202	Operating Supplies	1,667	29	2,000	1,000	(1,000)	-50.0%
5203	Fuel and Lube	5,756	5,229	7,000	3,439	(3,561)	-50.9%
5206	Food and Staples	205	38	-	-	0	0.0%
5207	Vehicle and Boat Maintenance	0	18	-	-	0	0.0%
5208	Equipment Maintenance	176	0	500	250	(250)	-50.0%
5209	Building & Grounds Maintenance	2,661	2,564	3,000	1,500	(1,500)	-50.0%
5210	Professional Services	836	5,885	6,000	4,000	(2,000)	-33.3%
5214	Rents & Leases	38,040	37,975	40,000	20,000	(20,000)	-50.0%
5215	Communications	15,778	18,482	15,000	8,000	(7,000)	-46.7%
5216	Freight and Postage	14,142	13,038	15,500	8,000	(7,500)	-48.4%
5217	Electricity	20,588	19,337	22,776	10,385	(12,391)	-54.4%
5218	Water	752	850	857	420	(437)	-51.0%
5219	Sewer	755	763	770	385	(385)	-50.0%
5220	Refuse and Disposal	174	302	700	350	(350)	-50.0%
5221	Property Insurance	2,089	2,754	3,355	1,964	(1,392)	-41.5%
5222	Auto Insurance	435	435	877	218	(659)	-75.2%
5223	Liability Insurance	124	101	212	102	(109)	-51.7%
5224	Fidelity Bond	450	450	450	225	(225)	-50.0%
5227	Advertising	198	0	-	-	0	0.0%
5231	Tools and Equipment	279	0	-	-	0	0.0%
5236	Transportation	15	0	-	-	0	0.0%
5244	Snow Removal	4,060	(3,841)	6,620	2,490	(4,130)	-62.4%
	<u>Total Maint. and Operations</u>	<u>113,224</u>	<u>109,189</u>	<u>130,617</u>	<u>65,228</u>	<u>(65,389)</u>	<u>-50.1%</u>
5990	Transfers To	-	-	3,182	3,182	(0)	0.0%
	<u>Total</u>	<u>113,224</u>	<u>109,189</u>	<u>133,798</u>	<u>68,409</u>	<u>(65,389)</u>	<u>-48.9%</u>

Budget Notes:

**City of Homer
2021 Operating Budget**

0149 AIRPORT FACILITIES				Adopted	Draft	Δ %	
A/C	Expenditure Categories	12/31/18	12/31/19	12/31/20	06/30/21	2020 to 2021	
Num.	& Descriptions	Actual	Actual	Budget	Budget	\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	37,887	42,620	41,556	22,230	(19,325)	-46.5%
5102	Fringe Benefits	23,755	29,423	26,253	13,886	(12,368)	-47.1%
5103	Part-time Wages	12,879	12,552	15,140	7,646	(7,494)	-49.5%
5104	Part-time Benefits	1,692	1,750	2,086	1,053	(1,032)	-49.5%
5105	Overtime	3,171	4,055	4,235	2,616	(1,619)	-38.2%
5107	Part-time Overtime	23	0	1,784	892	(892)	-50.0%
5108	Unemployment Benefits	78	412	-	-	0	0.0%
5112	PERS Relief	1,850	2,959	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>81,334</u>	<u>93,770</u>	<u>91,053</u>	<u>48,323</u>	<u>(42,730)</u>	<u>-46.9%</u>
<u>Maintenance and Operations</u>							
5202	Operating Supplies	3,001	1,692	4,800	2,400	(2,400)	-50.0%
5203	Fuel and Lube	11,307	11,560	10,000	7,300	(2,700)	-27.0%
5208	Equipment Maintenance	4,199	2,717	4,100	2,050	(2,050)	-50.0%
5209	Building & Grounds Maintenance	11,830	11,515	11,500	5,750	(5,750)	-50.0%
5210	Professional Services	4,558	3,827	4,800	2,400	(2,400)	-50.0%
5214	Rents & Leases	24,696	27,185	25,000	32,873	7,873	31.5%
5215	Communications	1,206	1,208	1,550	775	(775)	-50.0%
5217	Electricity	35,231	31,817	40,108	17,229	(22,879)	-57.0%
5218	Water	2,877	2,954	2,805	917	(1,888)	-67.3%
5219	Sewer	5,699	4,749	4,496	1,429	(3,066)	-68.2%
5220	Refuse and Disposal	374	794	900	450	(450)	-50.0%
5221	Property Insurance	1,896	2,376	2,917	1,707	(1,210)	-41.5%
5223	Liability Insurance	221	166	349	164	(185)	-53.0%
5227	Advertising	0	-	-	-	0	0.0%
5231	Tools and Equipment	974	435	1,100	5,000	3,900	354.5%
5614	Car Allowance	104	135	104	52	(52)	-49.9%
	<u>Total Maint. and Operations</u>	<u>108,171</u>	<u>103,131</u>	<u>114,529</u>	<u>80,497</u>	<u>(34,032)</u>	<u>-29.7%</u>
5990	Transfers To	10,572	10,572	8,820	7,762	(1,057)	-12.0%
	<u>Total</u>	<u>200,077</u>	<u>207,473</u>	<u>214,401</u>	<u>136,582</u>	<u>(77,819)</u>	<u>-36.3%</u>

Explanation of Line Items:

5202 - Filters, Cleaning Supplies, Light Bulbs, Batteries, Misc Equipment, Belts for air handler, Paper/Ink etc

5203 - Fuel for Heat

5208 - Eq maint, boiler parts, baggage conveyor, pumps, air handler, snow blowers, etc.

5209 - Signs, Sidewalks, paint, carpet, electrical security cameras, software repairs and maintenance

5210 - Hiring for repairs to boilers, garage doors, fire & sprinkler alarms, electrical, window/carpet cleaning

5214 - Rent for land that airport sits on

5231 - Tools & Equipment for misc replacement or acquisition of tools.

2021 Budget Notes:

5231 - Purchase of floor cleaning machine

City of Homer
2021 Operating Budget

0350 NON-DEPARTMENTAL				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	-	-	-	-	0	0.0%
5102	Fringe Benefits	-	-	-	-	0	0.0%
5103	Part-time Wages	-	-	-	-	0	0.0%
5104	Part-time Benefits	-	-	-	-	0	0.0%
5105	Overtime	-	-	-	-	0	0.0%
5107	Part-time Overtime	-	-	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	-	-	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
<u>Maintenance and Operations</u>							
5801	Pratt Museum	69,000	69,000	69,000	69,000	0	0.0%
5830	Homer Foundation	25,000	25,000	25,000	25,000	0	0.0%
	<u>Total Maint. and Operations</u>	<u>94,000</u>	<u>94,000</u>	<u>94,000</u>	<u>94,000</u>	<u>0</u>	<u>0.0%</u>
	<u>Total</u>	<u>94,000</u>	<u>94,000</u>	<u>94,000</u>	<u>94,000</u>	<u>0</u>	<u>0.0%</u>

Budget Notes:

City of Homer
2021 Operating Budget

0360 LEAVE CASH OUT - ISF				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	-	-	-	-	0	0.0%
5102	Fringe Benefits	-	-	-	-	0	0.0%
5103	Part-time Wages	-	-	-	-	0	0.0%
5104	Part-time Benefits	-	-	-	-	0	0.0%
5105	Overtime	-	-	-	-	0	0.0%
5107	Part-time Overtime	-	-	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	-	-	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
<u>Maintenance and Operations</u>							
5106	Leave Cash Out	161,373	85,232	104,643	58,222	(46,421)	-44.4%
	<u>Total Maint. and Operations</u>	<u>161,373</u>	<u>85,232</u>	<u>104,643</u>	<u>58,222</u>	<u>(46,421)</u>	<u>-44.4%</u>
	<u>Total</u>	<u>161,373</u>	<u>85,232</u>	<u>104,643</u>	<u>58,222</u>	<u>(46,421)</u>	<u>-44.4%</u>

Budget Notes:

City of Homer
2021 Operating Budget

FIRE - Combined Expenditure				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
Salaries and Benefits							
5101	Salary and Wages	389,394	307,925	548,287	276,141	(272,146)	-49.6%
5102	Fringe Benefits	237,154	214,047	303,448	151,457	(151,991)	-50.1%
5103	Part-time Wages	38,186	158,038	20,074	10,137	(9,937)	-49.5%
5104	Part-time Benefits	5,313	20,223	2,546	1,286	(1,260)	-49.5%
5105	Overtime	17,288	27,195	25,964	12,982	(12,982)	-50.0%
5107	Part-time Overtime	3,071	3,565	2,000	1,000	(1,000)	-50.0%
5108	Unemployment Benefits	276	0	-	-	0	0.0%
5112	PERS Relief	18,299	21,244	-	-	0	0.0%
Total Salaries and Benefits		708,981	752,237	902,320	453,003	(449,317)	-49.8%
Maintenance and Operations							
5201	Office Supplies	2,293	2,427	3,000	1,600	(1,400)	-46.7%
5202	Operating Supplies	23,831	28,740	31,500	16,500	(15,000)	-47.6%
5203	Fuel and Lube	9,664	10,694	15,000	7,750	(7,250)	-48.3%
5206	Food and Staples	5,229	4,889	5,000	2,700	(2,300)	-46.0%
5207	Vehicle and Boat Maintenance	1,048	1,769	4,500	11,000	6,500	144.4%
5208	Equipment Maintenance	1,347	3,987	8,000	4,000	(4,000)	-50.0%
5209	Building & Grounds Maintenance	3,973	5,794	6,000	6,000	0	0.0%
5210	Professional Services	31,105	38,728	59,000	27,000	(32,000)	-54.2%
5214	Rents & Leases	5,951	5,596	7,000	3,500	(3,500)	-50.0%
5215	Communications	15,215	15,022	20,000	11,000	(9,000)	-45.0%
5216	Freight and Postage	576	864	1,000	400	(600)	-60.0%
5217	Electricity	22,258	24,273	28,433	14,331	(14,102)	-49.6%
5218	Water	1,366	1,907	1,866	978	(888)	-47.6%
5219	Sewer	1,311	1,752	1,707	923	(784)	-45.9%
5220	Refuse and Disposal	458	905	1,500	650	(850)	-56.7%
5221	Property Insurance	1,460	2,214	3,053	1,787	(1,266)	-41.5%
5222	Auto Insurance	11,714	12,140	17,356	6,513	(10,843)	-62.5%
5223	Liability Insurance	905	690	1,449	976	(473)	-32.7%
5227	Advertising	30	262	1,500	300	(1,200)	-80.0%
5228	Books	0	(22)	700	350	(350)	-50.0%
5231	Tools and Equipment	13,235	12,729	24,000	12,500	(11,500)	-47.9%
5233	Computer Related Items	-	-	10,000	4,000	(6,000)	-60.0%
5235	Membership Dues	2,324	884	4,600	1,950	(2,650)	-57.6%
5236	Transportation	2,882	5,768	4,000	1,700	(2,300)	-57.5%
5237	Subsistence	1,895	5,313	4,000	1,700	(2,300)	-57.5%
5244	Snow Removal	1,851	2,844	5,064	2,500	(2,564)	-50.6%
5280	Volunteer Incentives	30,555	30,491	35,000	15,000	(20,000)	-57.1%
5601	Uniform	2,886	2,804	9,200	4,700	(4,500)	-48.9%
5602	Safety Equipment	17,343	13,824	24,000	12,000	(12,000)	-50.0%
5603	Employee Training	24,865	31,455	33,500	15,000	(18,500)	-55.2%
5604	Public Education	951	1,721	3,000	1,050	(1,950)	-65.0%
Total Maint. and Operations		238,519	270,465	373,929	190,359	(183,570)	-49.1%
C/O and Transfers							
5901	C/O Equipment	-	-	-	-	0	0.0%
5990	Transfers To	-	-	-	-	0	0.0%
Total Others		-	-	-	-	0	0.0%
Total		947,500	1,022,702	1,276,248	643,362	(632,887)	-49.6%



City of Homer
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0150 FIRE - ADMINISTRATION				Adopted	Draft	Δ %	
A/C	Expenditure Categories	12/31/18	12/31/19	12/31/20	06/30/21	2020 to 2021	
Num.	& Descriptions	Actual	Actual	Budget	Budget	\$	%
Salaries and Benefits							
5101	Salary and Wages	56,689	93,863	211,816	95,867	(115,949)	-54.7%
5102	Fringe Benefits	47,918	71,974	113,114	52,738	(60,376)	-53.4%
5103	Part-time Wages	1,192	45,823	-	-	0	0.0%
5104	Part-time Benefits	(15)	4,974	-	-	0	0.0%
5105	Overtime	6,657	10,620	11,070	5,535	(5,535)	-50.0%
5107	Part-time Overtime	-	-	-	-	0	0.0%
5108	Unemployment Benefits	166	0	-	-	0	0.0%
5112	PERS Relief	2,851	6,624	-	-	0	0.0%
	Total Salaries and Benefits	115,458	233,878	336,000	154,140	(181,860)	-54.1%
Maintenance and Operations							
5201	Office Supplies	2,293	2,427	3,000	1,600	(1,400)	-46.7%
5202	Operating Supplies	3,310	2,397	4,500	2,500	(2,000)	-44.4%
5203	Fuel and Lube	9,664	10,694	15,000	7,750	(7,250)	-48.3%
5206	Food and Staples	5,229	4,889	5,000	2,700	(2,300)	-46.0%
5207	Vehicle and Boat Maintenance	1,044	1,706	4,500	3,000	(1,500)	-33.3%
5208	Equipment Maintenance	1,347	3,987	5,000	2,500	(2,500)	-50.0%
5209	Building & Grounds Maintenance	3,973	5,794	6,000	6,000	0	0.0%
5210	Professional Services	9,734	7,618	29,000	12,000	(17,000)	-58.6%
5214	Rents & Leases	5,951	5,596	7,000	3,500	(3,500)	-50.0%
5215	Communications	15,215	15,022	20,000	11,000	(9,000)	-45.0%
5216	Freight and Postage	576	864	1,000	400	(600)	-60.0%
5217	Electricity	22,258	24,273	28,433	14,331	(14,102)	-49.6%
5218	Water	1,366	1,907	1,866	978	(888)	-47.6%
5219	Sewer	1,311	1,752	1,707	923	(784)	-45.9%
5220	Refuse and Disposal	458	905	1,500	650	(850)	-56.7%
5221	Property Insurance	1,460	2,214	3,053	1,787	(1,266)	-41.5%
5222	Auto Insurance	11,714	12,140	17,356	6,513	(10,843)	-62.5%
5223	Liability Insurance	905	690	1,449	976	(473)	-32.7%
5227	Advertising	30	262	1,500	300	(1,200)	-80.0%
5228	Books	0	(22)	700	350	(350)	-50.0%
5231	Tools and Equipment	3,383	2,796	8,000	4,000	(4,000)	-50.0%
5233	Computer Related Items	-	-	10,000	4,000	(6,000)	-60.0%
5235	Membership Dues	979	734	1,500	700	(800)	-53.3%
5236	Transportation	1,639	1,921	1,500	500	(1,000)	-66.7%
5237	Subsistence	1,407	1,879	1,500	500	(1,000)	-66.7%
5244	Snow Removal	1,851	2,844	5,064	2,500	(2,564)	-50.6%
5280	Volunteer Incentives	30,555	30,491	35,000	15,000	(20,000)	-57.1%
5601	Uniform	908	2,273	3,000	1,500	(1,500)	-50.0%
5602	Safety Equipment	13	0	-	-	0	0.0%
5603	Employee Training	2,934	4,453	3,500	1,000	(2,500)	-71.4%
5604	Public Education	-	41	750	250	(500)	-66.7%
	Total Maint. and Operations	141,506	152,548	227,379	109,709	(117,670)	-51.8%
5990	Transfers To	-	-	-	-	0	0.0%
	Total	256,963	386,426	563,379	263,849	(299,530)	-53.2%

2021 Budget Notes:

City of Homer
2021 Operating Budget

0151 FIRE SERVICES				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	125,403	107,045	172,444	90,476	(81,968)	-47.5%
5102	Fringe Benefits	71,996	70,917	96,627	49,477	(47,150)	-48.8%
5103	Part-time Wages	18,497	56,108	10,037	5,069	(4,968)	-49.5%
5104	Part-time Benefits	2,664	7,625	1,273	643	(630)	-49.5%
5105	Overtime	4,953	8,287	7,447	3,724	(3,724)	-50.0%
5107	Part-time Overtime	1,535	1,782	1,000	500	(500)	-50.0%
5108	Unemployment Benefits	55	0	-	-	0	0.0%
5112	PERS Relief	5,871	7,311	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>230,975</u>	<u>259,076</u>	<u>288,828</u>	<u>149,888</u>	<u>(138,940)</u>	<u>-48.1%</u>
<u>Maintenance and Operations</u>							
5202	Operating Supplies	2,791	7,371	8,000	4,000	(4,000)	-50.0%
5207	Vehicle and Boat Maintenance	3	63	-	8,000	8,000	0.0%
5208	Equipment Maintenance	0	-	3,000	1,500	(1,500)	-50.0%
5210	Professional Services	16,000	24,612	20,000	10,000	(10,000)	-50.0%
5231	Tools and Equipment	6,414	9,778	10,000	5,500	(4,500)	-45.0%
5235	Membership Dues	1,346	150	3,000	1,250	(1,750)	-58.3%
5236	Transportation	1,243	3,847	2,500	1,200	(1,300)	-52.0%
5237	Subsistence	488	3,433	2,500	1,200	(1,300)	-52.0%
5601	Uniform	1,233	236	4,000	2,000	(2,000)	-50.0%
5602	Safety Equipment	13,996	10,803	18,000	9,000	(9,000)	-50.0%
5603	Employee Training	11,956	11,847	14,000	7,000	(7,000)	-50.0%
5604	Public Education	722	1,312	1,500	500	(1,000)	-66.7%
	<u>Total Maint. and Operations</u>	<u>56,192</u>	<u>73,452</u>	<u>86,500</u>	<u>51,150</u>	<u>(35,350)</u>	<u>-40.9%</u>
	<u>Total</u>	<u>287,167</u>	<u>332,528</u>	<u>375,328</u>	<u>201,038</u>	<u>(174,290)</u>	<u>-46.4%</u>

2021 Budget Notes:

City of Homer
2021 Operating Budget

0152 EMERGENCY MEDICAL SERVICES				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	125,402	107,016	164,027	89,798	(74,229)	-45.3%
5102	Fringe Benefits	71,995	71,156	93,707	49,242	(44,465)	-47.5%
5103	Part-time Wages	18,497	56,107	10,037	5,069	(4,968)	-49.5%
5104	Part-time Benefits	2,664	7,624	1,273	643	(630)	-49.5%
5105	Overtime	4,953	8,287	7,447	3,724	(3,724)	-50.0%
5107	Part-time Overtime	1,535	1,782	1,000	500	(500)	-50.0%
5108	Unemployment Benefits	55	0	-	-	0	0.0%
5112	PERS Relief	5,871	7,309	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>230,973</u>	<u>259,283</u>	<u>277,491</u>	<u>148,975</u>	<u>(128,516)</u>	<u>-46.3%</u>
<u>Maintenance and Operations</u>							
5202	Operating Supplies	17,730	18,972	19,000	10,000	(9,000)	-47.4%
5210	Professional Services	5,371	6,498	10,000	5,000	(5,000)	-50.0%
5231	Tools and Equipment	3,438	155	6,000	3,000	(3,000)	-50.0%
5235	Membership Dues	0	-	100	0	(100)	-100.0%
5236	Transportation	0	-	-	-	0	0.0%
5237	Subsistence	0	-	-	-	0	0.0%
5601	Uniform	745	295	2,200	1,200	(1,000)	-45.5%
5602	Safety Equipment	3,334	3,021	6,000	3,000	(3,000)	-50.0%
5603	Employee Training	9,975	15,155	16,000	7,000	(9,000)	-56.3%
5604	Public Education	229	368	750	300	(450)	-60.0%
	<u>Total Maint. and Operations</u>	<u>40,821</u>	<u>44,465</u>	<u>60,050</u>	<u>29,500</u>	<u>(30,550)</u>	<u>-50.9%</u>
	<u>Total</u>	<u>271,794</u>	<u>303,747</u>	<u>337,541</u>	<u>178,475</u>	<u>(159,066)</u>	<u>-47.1%</u>

2021 Budget Notes:

City of Homer
2021 Operating Budget

0153 FIRE GRANT - ASSISTANT CHIEF				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	81,900	0	-	-	0	0.0%
5102	Fringe Benefits	45,245	0	-	-	0	0.0%
5103	Part-time Wages	-	-	-	-	0	0.0%
5104	Part-time Benefits	-	-	-	-	0	0.0%
5105	Overtime	724	0	-	-	0	0.0%
5107	Part-time Overtime	-	-	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	3,706	0	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>131,576</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
<u>Maintenance and Operations</u>							
5201	Office Supplies	-	-	-	-	0	0.0%
5206	Food and Staples	-	-	-	-	0	0.0%
5208	Equipment Maintenance	-	-	-	-	0	0.0%
5210	Professional Services	-	-	-	-	0	0.0%
5215	Communications	-	-	-	-	0	0.0%
5216	Freight and Postage	-	-	-	-	0	0.0%
5223	Liability Insurance	-	-	-	-	0	0.0%
5227	Advertising	-	-	-	-	0	0.0%
5229	Periodicals	-	-	-	-	0	0.0%
5231	Tools and Equipment	-	-	-	-	0	0.0%
5235	Membership Dues	-	-	-	-	0	0.0%
5236	Transportation	-	-	-	-	0	0.0%
5237	Subsistence	-	-	-	-	0	0.0%
5238	Printing and Binding	-	-	-	-	0	0.0%
5248	Lobbying	-	-	-	-	0	0.0%
5252	Credit Card Expenses	-	-	-	-	0	0.0%
5603	Employee Training	-	-	-	-	0	0.0%
5621	Unidentified Credit Card Expenses	-	-	-	-	0	0.0%
	<u>Total Maint. and Operations</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0</u>	<u>0.0%</u>
	<u>Total</u>	<u>131,576</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0</u>	<u>0.0%</u>

2021 Budget Notes:
This page will be removed in the next budget document, as actual data will fall off our typical display

**City of Homer
2021 Operating Budget**

Police - Combined Expenditure				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	1,497,839	1,480,719	1,681,938	856,580	(825,359)	-49.1%
5102	Fringe Benefits	857,499	903,877	866,075	435,055	(431,020)	-49.8%
5103	Part-time Wages	28,906	22,749	28,760	14,361	(14,399)	-50.1%
5104	Part-time Benefits	3,666	2,955	3,487	1,741	(1,746)	-50.1%
5105	Overtime	174,791	233,855	180,124	95,813	(84,312)	-46.8%
5107	Part-time Overtime	115	1,910	7,000	3,500	(3,500)	-50.0%
5108	Unemployment Benefits	0	-	-	-	0	0.0%
5112	PERS Relief	75,320	108,693	-	-	0	0.0%
	Total Salaries and Benefits	2,638,135	2,754,757	2,767,384	1,407,049	(1,360,335)	-49.2%
<u>Maintenance and Operations</u>							
5201	Office Supplies	7,727	4,959	10,500	4,600	(5,900)	-56.2%
5202	Operating Supplies	13,516	9,953	21,000	6,000	(15,000)	-71.4%
5203	Fuel and Lube	39,485	44,268	43,200	31,450	(11,750)	-27.2%
5205	Ammunition	14,350	16,631	20,000	10,000	(10,000)	-50.0%
5206	Food and Staples	18,623	18,720	22,000	9,500	(12,500)	-56.8%
5207	Vehicle and Boat Maintenance	2,854	3,172	5,500	2,750	(2,750)	-50.0%
5208	Equipment Maintenance	1,013	855	9,500	4,000	(5,500)	-57.9%
5209	Building & Grounds Maintenance	5,922	2,668	13,500	4,500	(9,000)	-66.7%
5210	Professional Services	214,642	208,938	226,120	111,754	(114,366)	-50.6%
5214	Rents & Leases	15,595	12,594	14,500	7,500	(7,000)	-48.3%
5215	Communications	20,402	37,588	37,200	16,900	(20,300)	-54.6%
5216	Freight and Postage	2,659	2,312	3,900	1,450	(2,450)	-62.8%
5217	Electricity	36,359	35,614	43,657	20,463	(23,194)	-53.1%
5218	Water	2,498	2,028	1,886	1,147	(740)	-39.2%
5219	Sewer	2,941	1,885	1,747	1,177	(570)	-32.6%
5220	Refuse and Disposal	582	1,165	2,100	500	(1,600)	-76.2%
5221	Property Insurance	1,622	2,017	2,459	1,439	(1,020)	-41.5%
5222	Auto Insurance	9,452	11,107	14,094	5,151	(8,943)	-63.5%
5223	Liability Insurance	36,646	44,295	48,000	42,259	(5,741)	-12.0%
5227	Advertising	1,083	1,276	3,000	500	(2,500)	-83.3%
5231	Tools and Equipment	25,746	29,901	32,500	15,750	(16,750)	-51.5%
5235	Membership Dues	681	1,491	1,250	700	(550)	-44.0%
5236	Transportation	1,864	2,013	4,400	1,050	(3,350)	-76.1%
5237	Subsistence	646	350	2,100	850	(1,250)	-59.5%
5242	Janitorial	-	-	600	300	(300)	-50.0%
5244	Snow Removal	3,025	2,619	5,435	2,500	(2,935)	-54.0%
5601	Uniform	15,490	17,958	19,000	9,350	(9,650)	-50.8%
5603	Employee Training	42,091	38,087	53,500	24,000	(29,500)	-55.1%
5625	Impound Costs	5,400	5,395	3,500	2,000	(1,500)	-42.9%
5626	Jail Laundry Services	5,800	5,867	9,000	0	(9,000)	-100.0%
5630	Haven House	14,000	14,000	14,000	14,000	0	0.0%
	Total Maint. and Operations	562,715	579,724	689,148	353,538	(335,609)	-48.7%
<u>Others</u>							
5990	Transfers To	-	-	934	934	0	0.0%
	Total Others	-	-	934	934	0	0.0%
	Total	3,200,850	3,334,481	3,457,465	1,761,522	(1,695,944)	-49.1%

City of Homer
2021 Operating Budget

0160 POLICE - ADMINISTRATION				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
Salaries and Benefits							
5101	Salary and Wages	98,024	101,985	104,904	52,977	(51,928)	-49.5%
5102	Fringe Benefits	29,903	31,625	28,393	14,157	(14,236)	-50.1%
5103	Part-time Wages	-	-	-	-	0	0.0%
5104	Part-time Benefits	-	-	-	-	0	0.0%
5105	Overtime	2,235	2,806	1,000	1,005	5	0.5%
5107	Part-time Overtime	-	-	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	4,514	6,643	-	-	0	0.0%
Total Salaries and Benefits		134,677	143,059	134,297	68,139	(66,158)	-49.3%
Maintenance and Operations							
5201	Office Supplies	0	473	1,500	600	(900)	-60.0%
5202	Operating Supplies	5,951	4,899	8,000	2,000	(6,000)	-75.0%
5203	Fuel and Lube	29,587	30,857	30,000	25,000	(5,000)	-16.7%
5205	Ammunition	14,350	16,631	20,000	10,000	(10,000)	-50.0%
5206	Food and Staples	95	154	1,500	500	(1,000)	-66.7%
5207	Vehicle and Boat Maintenance	2,820	3,172	4,000	2,000	(2,000)	-50.0%
5208	Equipment Maintenance	1,013	172	8,500	3,000	(5,500)	-64.7%
5209	Building & Grounds Maintenance	4,295	2,619	5,000	2,000	(3,000)	-60.0%
5210	Professional Services	7,374	6,349	17,000	8,500	(8,500)	-50.0%
5214	Rents & Leases	7,569	7,055	6,500	4,000	(2,500)	-38.5%
5215	Communications	20,227	37,126	36,000	16,500	(19,500)	-54.2%
5216	Freight and Postage	0	-	400	200	(200)	-50.0%
5217	Electricity	19,413	19,188	23,557	10,762	(12,796)	-54.3%
5218	Water	1,452	1,035	881	634	(247)	-28.1%
5219	Sewer	1,829	1,000	847	693	(155)	-18.3%
5220	Refuse and Disposal	432	863	1,500	300	(1,200)	-80.0%
5221	Property Insurance	1,100	1,365	1,662	972	(689)	-41.5%
5222	Auto Insurance	9,452	11,107	14,094	5,151	(8,943)	-63.5%
5223	Liability Insurance	9,015	9,828	8,332	9,605	1,273	15.3%
5227	Advertising	1,083	1,276	3,000	500	(2,500)	-83.3%
5231	Tools and Equipment	13,353	16,691	13,500	9,500	(4,000)	-29.6%
5235	Membership Dues	681	1,152	1,000	550	(450)	-45.0%
5236	Transportation	1,229	1,486	2,000	350	(1,650)	-82.5%
5237	Subsistence	386	350	1,000	350	(650)	-65.0%
5242	Janitorial	-	-	600	300	(300)	-50.0%
5244	Snow Removal	3,025	2,619	5,435	2,500	(2,935)	-54.0%
5601	Uniform	4,968	8,091	6,000	5,000	(1,000)	-16.7%
5603	Employee Training	29,863	30,566	39,000	20,000	(19,000)	-48.7%
5625	Impound Costs	5,400	5,395	3,500	2,000	(1,500)	-42.9%
5630	Haven House	14,000	14,000	14,000	14,000	0	0.0%
Total Maint. and Operations		209,961	235,551	278,308	157,465	(120,842)	-43.4%
Total		344,638	378,610	412,605	225,605	(187,000)	-45.3%

2021 Budget Notes:

Note: We anticipate the cost of heating the new police station to be higher than we currently pay. This will impact budget line item (5203). It will have to be adjusted in the future as costs come in.

City of Homer
2021 Operating Budget

0161 POLICE - DISPATCH				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	293,975	326,190	352,244	179,889	(172,354)	-48.9%
5102	Fringe Benefits	189,211	207,589	190,714	95,782	(94,932)	-49.8%
5103	Part-time Wages	0	-	-	-	0	0.0%
5104	Part-time Benefits	-	-	-	-	0	0.0%
5105	Overtime	31,639	33,633	38,446	19,223	(19,223)	-50.0%
5107	Part-time Overtime	-	-	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	14,675	22,810	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>529,500</u>	<u>590,223</u>	<u>581,404</u>	<u>294,894</u>	<u>(286,510)</u>	<u>-49.3%</u>
<u>Maintenance and Operations</u>							
5201	Office Supplies	6,874	3,178	7,000	3,500	(3,500)	-50.0%
5202	Operating Supplies	1,941	469	2,500	500	(2,000)	-80.0%
5208	Equipment Maintenance	0	683	-	-	0	0.0%
5210	Professional Services	518	881	750	400	(350)	-46.7%
5214	Rents & Leases	8,026	5,539	8,000	3,500	(4,500)	-56.3%
5215	Communications	-	256	-	-	0	0.0%
5216	Freight and Postage	2,659	2,201	3,000	1,000	(2,000)	-66.7%
5231	Tools and Equipment	1,425	2,429	4,000	1,750	(2,250)	-56.3%
5235	Membership Dues	0	339	250	150	(100)	-40.0%
5236	Transportation	289	527	-	-	0	0.0%
5237	Subsistence	230	0	-	-	0	0.0%
5601	Uniform	3,008	3,239	3,000	1,250	(1,750)	-58.3%
5603	Employee Training	9,189	6,833	11,000	2,500	(8,500)	-77.3%
	<u>Total Maint. and Operations</u>	<u>34,158</u>	<u>26,571</u>	<u>39,500</u>	<u>14,550</u>	<u>(24,950)</u>	<u>-63.2%</u>
	<u>Total</u>	<u>563,658</u>	<u>616,794</u>	<u>620,904</u>	<u>309,444</u>	<u>(311,460)</u>	<u>-50.2%</u>

2021 Budget Notes:

City of Homer
2021 Operating Budget

0162 POLICE - INVESTIGATION				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	114,354	113,222	116,148	58,655	(57,493)	-49.5%
5102	Fringe Benefits	61,207	64,315	56,626	28,367	(28,259)	-49.9%
5103	Part-time Wages	-	-	-	-	0	0.0%
5104	Part-time Benefits	-	-	-	-	0	0.0%
5105	Overtime	15,396	19,852	15,000	7,656	(7,344)	-49.0%
5107	Part-time Overtime	-	-	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	5,843	8,436	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>196,800</u>	<u>205,826</u>	<u>187,775</u>	<u>94,678</u>	<u>(93,097)</u>	<u>-49.6%</u>
<u>Maintenance and Operations</u>							
5202	Operating Supplies	2,692	1,259	7,000	2,000	(5,000)	-71.4%
5210	Professional Services	10,254	13,406	13,000	4,000	(9,000)	-69.2%
5231	Tools and Equipment	6,431	4,491	7,000	3,000	(4,000)	-57.1%
5236	Transportation	306	0	1,500	500	(1,000)	-66.7%
5237	Subsistence	30	0	600	300	(300)	-50.0%
	<u>Total Maint. and Operations</u>	<u>19,714</u>	<u>19,156</u>	<u>29,100</u>	<u>9,800</u>	<u>(19,300)</u>	<u>-66.3%</u>
	<u>Total</u>	<u>216,514</u>	<u>224,982</u>	<u>216,875</u>	<u>104,478</u>	<u>(112,397)</u>	<u>-51.8%</u>

Budget Notes:

**City of Homer
2021 Operating Budget**

0163 POLICE - PATROL				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	675,671	646,911	763,674	389,190	(374,483)	-49.0%
5102	Fringe Benefits	396,162	415,307	406,444	204,495	(201,949)	-49.7%
5103	Part-time Wages	-	-	-	-	0	0.0%
5104	Part-time Benefits	-	-	-	-	0	0.0%
5105	Overtime	89,950	133,008	95,678	47,839	(47,839)	-50.0%
5107	Part-time Overtime	-	-	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	34,462	49,442	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>1,196,245</u>	<u>1,244,668</u>	<u>1,265,796</u>	<u>641,524</u>	<u>(624,271)</u>	<u>-49.3%</u>
<u>Maintenance and Operations</u>							
5202	Operating Supplies	175	0	-	-	0	0.0%
5601	Uniform	4,255	3,445	7,500	1,500	(6,000)	-80.0%
	<u>Total Maint. and Operations</u>	<u>4,430</u>	<u>3,445</u>	<u>7,500</u>	<u>1,500</u>	<u>(6,000)</u>	<u>-80.0%</u>
	<u>Total</u>	<u>1,200,675</u>	<u>1,248,113</u>	<u>1,273,296</u>	<u>643,024</u>	<u>(630,271)</u>	<u>-49.5%</u>

2021 Budget Notes:

City of Homer
2021 Operating Budget

0164 JAIL				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	315,815	292,410	344,969	175,868	(169,100)	-49.0%
5102	Fringe Benefits	181,015	185,040	183,898	92,254	(91,644)	-49.8%
5103	Part-time Wages	28,906	22,749	28,760	14,361	(14,399)	-50.1%
5104	Part-time Benefits	3,666	2,955	3,487	1,741	(1,746)	-50.1%
5105	Overtime	35,571	44,556	30,000	20,090	(9,910)	-33.0%
5107	Part-time Overtime	115	1,910	7,000	3,500	(3,500)	-50.0%
5108	Unemployment Benefits	0	-	-	-	0	0.0%
5112	PERS Relief	15,826	21,361	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>580,914</u>	<u>570,982</u>	<u>598,113</u>	<u>307,813</u>	<u>(290,299)</u>	<u>-48.5%</u>
<u>Maintenance and Operations</u>							
5201	Office Supplies	853	1,309	2,000	500	(1,500)	-75.0%
5202	Operating Supplies	2,757	3,325	3,500	1,500	(2,000)	-57.1%
5203	Fuel and Lube	1,857	1,621	2,000	950	(1,050)	-52.5%
5206	Food and Staples	18,528	18,566	20,000	9,000	(11,000)	-55.0%
5207	Vehicle and Boat Maintenance	35	0	1,500	750	(750)	-50.0%
5209	Building & Grounds Maintenance	145	49	5,500	1,000	(4,500)	-81.8%
5210	Professional Services	2,157	0	3,500	1,000	(2,500)	-71.4%
5216	Freight and Postage	0	111	500	250	(250)	-50.0%
5217	Electricity	8,174	8,415	11,012	4,879	(6,134)	-55.7%
5218	Water	363	259	254	158	(95)	-37.6%
5219	Sewer	457	250	244	173	(71)	-29.2%
5223	Liability Insurance	27,425	34,311	39,340	32,484	(6,856)	-17.4%
5231	Tools and Equipment	4,536	6,291	8,000	1,500	(6,500)	-81.3%
5236	Transportation	40	0	900	200	(700)	-77.8%
5237	Subsistence	-	-	500	200	(300)	-60.0%
5601	Uniform	3,259	3,183	2,500	1,600	(900)	-36.0%
5603	Employee Training	3,040	688	3,500	1,500	(2,000)	-57.1%
5626	Jail Laundry Services	5,800	5,867	9,000	0	(9,000)	-100.0%
	<u>Total Maint. and Operations</u>	<u>79,425</u>	<u>84,245</u>	<u>113,750</u>	<u>57,644</u>	<u>(56,106)</u>	<u>-49.3%</u>
5990	Transfers To	-	-	-	-	0	0.0%
	<u>Total</u>	<u>660,339</u>	<u>655,227</u>	<u>711,863</u>	<u>365,457</u>	<u>(346,405)</u>	<u>-48.7%</u>

2021 Budget Notes:
5626 - New police station has washer/dryer

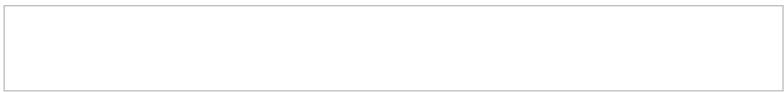
**City of Homer
2021 Operating Budget**

0165 ANIMAL CONTROL				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	-	-	-	-	0	0.0%
5102	Fringe Benefits	-	-	-	-	0	0.0%
5103	Part-time Wages	-	-	-	-	0	0.0%
5104	Part-time Benefits	-	-	-	-	0	0.0%
5105	Overtime	-	-	-	-	0	0.0%
5107	Part-time Overtime	-	-	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	-	-	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
<u>Maintenance and Operations</u>							
5203	Fuel and Lube	8,042	11,789	11,200	5,500	(5,700)	-50.9%
5206	Food and Staples	0	-	500	0	(500)	-100.0%
5208	Equipment Maintenance	-	-	1,000	1,000	0	0.0%
5209	Building & Grounds Maintenance	1,483	0	3,000	1,500	(1,500)	-50.0%
5210	Professional Services	194,339	188,302	191,870	97,854	(94,016)	-49.0%
5215	Communications	175	206	1,200	400	(800)	-66.7%
5217	Electricity	8,771	8,011	9,087	4,823	(4,265)	-46.9%
5218	Water	683	734	752	355	(397)	-52.8%
5219	Sewer	655	635	655	311	(344)	-52.5%
5220	Refuse and Disposal	151	302	600	200	(400)	-66.7%
5221	Property Insurance	522	652	797	467	(331)	-41.5%
5223	Liability Insurance	206	156	328	170	(159)	-48.3%
	<u>Total Maint. and Operations</u>	<u>215,027</u>	<u>210,787</u>	<u>220,990</u>	<u>112,579</u>	<u>(108,411)</u>	<u>-49.1%</u>
5990	Transfers To	-	-	934	934	0	0.0%
	<u>Total</u>	<u>215,027</u>	<u>210,787</u>	<u>221,924</u>	<u>113,513</u>	<u>(108,411)</u>	<u>-48.9%</u>

2021 Budget Notes:

City of Homer
2021 Operating Budget

PUBLIC WORKS - Combined Expenditure				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
Salaries and Benefits							
5101	Salary and Wages	804,698	808,629	899,522	461,968	(437,553)	-48.6%
5102	Fringe Benefits	493,431	530,506	525,865	268,636	(257,229)	-48.9%
5103	Part-time Wages	105,073	131,530	138,440	69,912	(68,528)	-49.5%
5104	Part-time Benefits	14,343	17,644	17,710	8,943	(8,766)	-49.5%
5105	Overtime	34,092	27,716	39,635	22,376	(17,260)	-43.5%
5107	Part-time Overtime	944	99	1,800	1,041	(759)	-42.2%
5108	Unemployment Benefits	7,944	9,562	-	-	0	0.0%
5112	PERS Relief	36,997	53,019	-	-	0	0.0%
Total Salaries and Benefits		1,497,522	1,578,703	1,622,971	832,876	(790,095)	-48.7%
Maintenance and Operations							
5201	Office Supplies	2,880	1,660	3,950	1,975	(1,975)	-50.0%
5202	Operating Supplies	159,924	156,612	177,400	85,200	(92,200)	-52.0%
5203	Fuel and Lube	83,439	76,168	129,750	65,500	(64,250)	-49.5%
5204	Chemicals	95,352	97,995	100,000	104,000	4,000	4.0%
5207	Vehicle and Boat Maintenance	191,598	245,490	240,700	120,350	(120,350)	-50.0%
5208	Equipment Maintenance	5,810	3,860	8,000	4,000	(4,000)	-50.0%
5209	Building & Grounds maintenance	33,561	34,072	39,500	19,750	(19,750)	-50.0%
5210	Professional Services	102,144	106,876	99,900	82,950	(16,950)	-17.0%
5213	Survey and Appraisal	721	1,260	3,000	1,500	(1,500)	-50.0%
5214	Rents & Leases	11,772	8,054	20,200	12,600	(7,600)	-37.6%
5215	Communications	9,599	8,327	21,500	5,000	(16,500)	-76.7%
5216	Freight and Postage	752	0	1,000	500	(500)	-50.0%
5217	Electricity	70,483	73,809	77,988	42,687	(35,301)	-45.3%
5218	Water	11,184	13,113	18,083	4,025	(14,057)	-77.7%
5219	Sewer	18,162	15,903	24,874	4,911	(19,964)	-80.3%
5220	Refuse and Disposal	797	1,726	5,350	2,675	(2,675)	-50.0%
5221	Property Insurance	1,545	2,343	3,279	1,920	(1,359)	-41.4%
5222	Auto Insurance	10,584	13,115	11,473	5,718	(5,755)	-50.2%
5223	Liability Insurance	8,549	8,007	10,232	2,130	(8,102)	-79.2%
5227	Advertising	0	-	1,300	650	(650)	-50.0%
5231	Tools and Equipment	25,999	27,241	36,450	17,975	(18,475)	-50.7%
5233	Computer Related Items	0	1,010	1,150	575	(575)	-50.0%
5235	Membership Dues	40	600	750	375	(375)	-50.0%
5236	Transportation	1,266	0	900	450	(450)	-50.0%
5237	Subsistence	238	0	300	150	(150)	-50.0%
5238	Printing and Binding	-	101	750	375	(375)	-50.0%
5251	Pioneer Beautification	630	648	750	750	0	0.0%
5252	Credit Card Expenses	20	0	80	60	(20)	-25.0%
5282	City Hall Building Maintenance	6,952	4,667	10,000	5,000	(5,000)	-50.0%
5283	Library Building Maintenance	17,169	9,928	18,000	9,000	(9,000)	-50.0%
5284	Police Building Maintenance	2,788	2,837	3,500	5,250	1,750	50.0%
5285	Fire Building Maintenance	2,584	1,976	5,000	2,500	(2,500)	-50.0%
5286	Old School Building Maintenance	3,000	622	3,000	1,500	(1,500)	-50.0%
5287	Animal Building Maintenance	1,700	220	2,500	1,250	(1,250)	-50.0%
5292	City Hall Motor Pool	672	229	500	350	(150)	-30.0%
5293	Police Motor Pool	19,027	17,526	30,000	10,000	(20,000)	-66.7%
5294	Fire Motor Pool	9,372	23,703	15,500	12,500	(3,000)	-19.4%
5601	Uniform	8,860	9,432	8,700	4,350	(4,350)	-50.0%
5602	Safety Equipment	6,473	4,707	11,000	4,600	(6,400)	-58.2%
5603	Employee Training	1,088	3,989	9,500	4,750	(4,750)	-50.0%
5604	Public Education	0	-	-	-	0	0.0%
5614	Car Allowance	933	1,216	1,900	950	(950)	-50.0%
5815	Parks & Recreation Board	500	237	1,500	750	(750)	-50.0%
Total Maint. and Operations		928,166	979,278	1,159,209	651,501	(507,708)	-43.8%
C/O and Transfers							
5990	Transfers To	131	131	3,589	3,576	(13)	-0.4%
Total C/O and Transfers		131	131	3,589	3,576	(13)	-0.4%
Total		2,425,819	2,558,112	2,785,769	1,487,953	(1,297,816)	-46.6%



**City of Homer
2021 Operating Budget**

0170 PUBLIC WORKS - ADMINISTRATION				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	49,033	49,450	82,208	38,042	(44,166)	-53.7%
5102	Fringe Benefits	28,426	29,848	41,953	19,769	(22,184)	-52.9%
5103	Part-time Wages	450	0	-	-	0	0.0%
5104	Part-time Benefits	36	0	-	-	0	0.0%
5105	Overtime	221	0	1,060	530	(530)	-50.0%
5107	Part-time Overtime	-	-	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	2,995	3,135	-	-	0	0.0%
	Total Salaries and Benefits	81,160	82,433	125,222	58,341	(66,881)	-53.4%
<u>Maintenance and Operations</u>							
5201	Office Supplies	1,673	1,253	2,200	1,100	(1,100)	-50.0%
5202	Operating Supplies	2,649	2,823	3,900	1,950	(1,950)	-50.0%
5207	Vehicle and Boat Maintenance	-	-	5,700	2,850	(2,850)	-50.0%
5208	Equipment Maintenance	71	77	500	250	(250)	-50.0%
5210	Professional Services	4,802	5,718	4,900	2,450	(2,450)	-50.0%
5214	Rents & Leases	5,388	5,649	5,200	2,600	(2,600)	-50.0%
5215	Communications	9,599	8,327	21,500	5,000	(16,500)	-76.7%
5216	Freight and Postage	752	0	1,000	500	(500)	-50.0%
5221	Property Insurance	1,545	2,343	3,279	1,920	(1,359)	-41.4%
5222	Auto Insurance	10,584	13,115	11,473	5,718	(5,755)	-50.2%
5223	Liability Insurance	8,549	8,007	10,232	2,130	(8,102)	-79.2%
5227	Advertising	-	-	500	250	(250)	-50.0%
5231	Tools and Equipment	684	1,335	2,100	1,050	(1,050)	-50.0%
5235	Membership Dues	0	155	100	50	(50)	-50.0%
5236	Transportation	265	0	900	450	(450)	-50.0%
5237	Subsistence	180	0	300	150	(150)	-50.0%
5602	Safety Equipment	310	781	1,200	600	(600)	-50.0%
5603	Employee Training	-	-	1,300	650	(650)	-50.0%
	Total Maint. and Operations	47,050	49,582	76,284	29,668	(46,616)	-61.1%
5990	Transfers To	131	131	3,589	3,575.67	(13)	-0.4%
	Total	128,342	132,146	205,094	91,585	(113,509)	-55.3%

2021 Budget Notes:

**City of Homer
2021 Operating Budget**

0171 GENERAL MAINTENANCE				Adopted	Draft	Δ %	
A/C	Expenditure Categories	12/31/18	12/31/19	12/31/20	06/30/21	2020 to 2021	
Num.	& Descriptions	Actual	Actual	Budget	Budget	\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	126,989	161,450	143,290	72,611	(70,680)	-49.3%
5102	Fringe Benefits	73,610	103,702	86,976	43,531	(43,446)	-50.0%
5103	Part-time Wages	4,305	4,483	4,896	2,472	(2,423)	-49.5%
5104	Part-time Benefits	566	625	680	343	(336)	-49.5%
5105	Overtime	5,067	5,598	7,617	3,809	(3,809)	-50.0%
5107	Part-time Overtime	0	-	377	189	(189)	-50.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	5,946	10,590	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>216,483</u>	<u>286,448</u>	<u>243,837</u>	<u>122,954</u>	<u>(120,882)</u>	<u>-49.6%</u>
<u>Maintenance and Operations</u>							
5202	Operating Supplies	5,880	5,689	6,000	3,000	(3,000)	-50.0%
5203	Fuel and Lube	5,825	2,513	5,750	3,500	(2,250)	-39.1%
5208	Equipment Maintenance	2,706	3,484	4,000	2,000	(2,000)	-50.0%
5209	Building & Grounds Maintenance	14,325	13,296	14,500	7,250	(7,250)	-50.0%
5210	Professional Services	1,781	5,143	9,000	6,250	(2,750)	-30.6%
5217	Electricity	35,039	34,292	38,937	22,983	(15,954)	-41.0%
5218	Water	1,787	2,137	2,247	1,134	(1,113)	-49.5%
5219	Sewer	2,245	2,176	2,297	1,251	(1,046)	-45.5%
5220	Refuse and Disposal	797	1,726	2,350	1,175	(1,175)	-50.0%
5231	Tools and Equipment	3,677	5,697	5,300	2,650	(2,650)	-50.0%
5282	City Hall Building Maintenance	6,952	4,667	10,000	5,000	(5,000)	-50.0%
5283	Library Building Maintenance	17,169	9,928	18,000	9,000	(9,000)	-50.0%
5284	Police Building Maintenance	2,788	2,837	3,500	5,250	1,750	50.0%
5285	Fire Building Maintenance	2,584	1,976	5,000	2,500	(2,500)	-50.0%
5286	Old School Building Maintenance	3,000	622	3,000	1,500	(1,500)	-50.0%
5287	Animal Control Building Maintenance	1,700	220	2,500	1,250	(1,250)	-50.0%
5602	Safety Equipment	4,122	3,045	6,800	2,500	(4,300)	-63.2%
5603	Employee Training	250	0	3,000	1,500	(1,500)	-50.0%
	<u>Total Maint. and Operations</u>	<u>112,626</u>	<u>99,450</u>	<u>142,181</u>	<u>79,693</u>	<u>(62,488)</u>	<u>-43.9%</u>
5990	Transfers To	-	-	-	-	0	0.0%
	<u>Total</u>	<u>329,109</u>	<u>385,898</u>	<u>386,017</u>	<u>202,647</u>	<u>(183,370)</u>	<u>-47.5%</u>

Explanation of Line Items:

- 5202 - Anti Freeze, ice melt, filters, lights, office supplies, misc. repair parts, batteries, break room supplies,
- 5203 - Heating Fuel/Natural Gas
- 5208 - Rug cleaning contract, computer/furniture/printer repairs and maintenance
- 5209 - All building related expenses and repairs
- 5210 - Window washing, boilers, overhead doors, fire extinguisher certs, crane inspections, plumbing repairs, dumpster service, etc.
- 5231 - Misc tools
- 5282 thru 5287 - Maintenance funds for building repairs and service contracts to specific buildings
- 5602 - Misc safety PPE and equipment such as barricades, cones, vests, signs, etc.
- 5603 - Training for operators and/or maintenance techs

2021 Budget Notes:

- 5210 - Bringing in professional for Citywide analysis of ducting for cleaning/inspection estimated at \$3,500
- 5284 - Increased to account for new police station

**City of Homer
2021 Operating Budget**

0172 GRAVEL ROADS				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	77,675	77,509	81,238	41,391	(39,847)	-49.1%
5102	Fringe Benefits	44,952	46,509	44,763	22,515	(22,248)	-49.7%
5103	Part-time Wages	-	-	-	-	0	0.0%
5104	Part-time Benefits	-	-	-	-	0	0.0%
5105	Overtime	990	311	1,096	548	(548)	-50.0%
5107	Part-time Overtime	-	-	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	3,542	4,933	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>127,158</u>	<u>129,262</u>	<u>127,097</u>	<u>64,454</u>	<u>(62,644)</u>	<u>-49.3%</u>
<u>Maintenance and Operations</u>							
5202	Operating Supplies	47,641	37,317	50,000	25,000	(25,000)	-50.0%
5204	Chemicals	45,240	47,955	49,000	52,000	3,000	6.1%
5210	Professional Services	4,776	2,398	6,000	3,000	(3,000)	-50.0%
5231	Tools and Equipment	2,025	2,364	2,500	1,250	(1,250)	-50.0%
	<u>Total Maint. and Operations</u>	<u>99,683</u>	<u>90,034</u>	<u>107,500</u>	<u>81,250</u>	<u>(26,250)</u>	<u>-24.4%</u>
	<u>Total</u>	<u>226,841</u>	<u>219,296</u>	<u>234,597</u>	<u>145,704</u>	<u>(88,894)</u>	<u>-37.9%</u>

Explanation of Line Items:

- 5202 - Gravel, culverts, fabric, road fabric, storm drain system manholes and grates, etc, road signs
- 5204 - Calcium Chloride for erosion and dust control
- 5210 - Landfill charges, Surveyor, etc.
- 5231 - Misc Tools

2021 Budget Notes:

- 5204 - Chemicals to be purchased in first six months

City of Homer
2021 Operating Budget

0173 PAVED ROADS				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	92,439	92,140	96,975	49,460	(47,515)	-49.0%
5102	Fringe Benefits	54,078	55,928	53,848	27,098	(26,750)	-49.7%
5103	Part-time Wages	-	-	-	-	0	0.0%
5104	Part-time Benefits	-	-	-	-	0	0.0%
5105	Overtime	1,565	674	1,693	846	(846)	-50.0%
5107	Part-time Overtime	-	-	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	4,232	5,884	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>152,315</u>	<u>154,627</u>	<u>152,516</u>	<u>77,404</u>	<u>(75,112)</u>	<u>-49.2%</u>
<u>Maintenance and Operations</u>							
5202	Operating Supplies	32,881	29,703	36,000	25,000	(11,000)	-30.6%
5210	Professional Services	8,286	28,134	15,000	7,500	(7,500)	-50.0%
5217	Electricity	26,579	28,158	28,048	14,522	(13,527)	-48.2%
5227	Advertising	-	-	400	200	(200)	-50.0%
5231	Tools and Equipment	2,233	2,992	3,000	1,500	(1,500)	-50.0%
	<u>Total Maint. and Operations</u>	<u>69,977</u>	<u>88,987</u>	<u>82,448</u>	<u>48,722</u>	<u>(33,727)</u>	<u>-40.9%</u>
	<u>Total</u>	<u>222,292</u>	<u>243,613</u>	<u>234,964</u>	<u>126,126</u>	<u>(108,839)</u>	<u>-46.3%</u>

Explanation of Line Items:
 5202 - Crack sealing material, paint, stop bars, crosswalk material, etc.
 5210 - Surveying, asphalt patch, landfill services, street light repairs, etc.
 5217 - Street lights with HEA, City Street lights electric bill
 5227 - PSA Services
 5231 - Misc. Tools

2021 Budget Notes:

**City of Homer
2021 Operating Budget**

0174 WINTER ROADS				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18	12/31/19	12/31/20	06/30/21	2020 to 2021	
		Actual	Actual	Budget	Budget	\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	107,203	106,771	112,713	57,529	(55,184)	-49.0%
5102	Fringe Benefits	66,685	66,883	62,933	31,681	(31,252)	-49.7%
5103	Part-time Wages	-	-	-	-	0	0.0%
5104	Part-time Benefits	-	6	-	-	0	0.0%
5105	Overtime	16,148	7,798	18,175	11,646	(6,529)	-35.9%
5107	Part-time Overtime	-	60	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	5,562	7,263	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>195,598</u>	<u>188,781</u>	<u>193,821</u>	<u>100,856</u>	<u>(92,965)</u>	<u>-48.0%</u>
<u>Maintenance and Operations</u>							
5202	Operating Supplies	32,799	33,416	34,000	4,000	(30,000)	-88.2%
5204	Chemicals	50,112	50,040	51,000	52,000	1,000	2.0%
5210	Professional Services	0	-	-	-	0	0.0%
5214	Rents & Leases	6,384	2,405	15,000	10,000	(5,000)	-33.3%
5231	Tools and Equipment	3,628	1,257	3,750	1,875	(1,875)	-50.0%
	<u>Total Maint. and Operations</u>	<u>92,923</u>	<u>87,119</u>	<u>103,750</u>	<u>67,875</u>	<u>(35,875)</u>	<u>-34.6%</u>
	<u>Total</u>	<u>288,520</u>	<u>275,900</u>	<u>297,571</u>	<u>168,731</u>	<u>(128,840)</u>	<u>-43.3%</u>

Explanation of Line Items:

- 5202 - Winter Sand Pile
- 5204 - Calcium Chloride for Sand Pile
- 5214 - Rents & Leases - Snow hauler trucks for Pioneer/Heath
- 5227 - PSA Services
- 5231 - Misc Tools and signs

2021 Budget Notes:

- 5202 - Winter sand is purchased in second half of year
- 5204 - Chemicals are purchased in first six months
- 5214 - Largest amount is used during first half of the year

City of Homer
2021 Operating Budget

0175 PARKS - CEMETERY				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
Salaries and Benefits							
5101	Salary and Wages	72,377	98,725	84,239	45,028	(39,212)	-46.5%
5102	Fringe Benefits	47,931	59,519	50,228	25,953	(24,275)	-48.3%
5103	Part-time Wages	92,901	121,106	120,660	60,933	(59,726)	-49.5%
5104	Part-time Benefits	12,782	16,275	15,388	7,771	(7,617)	-49.5%
5105	Overtime	1,196	303	1,520	760	(760)	-50.0%
5107	Part-time Overtime	740	0	344	313	(31)	-9.1%
5108	Unemployment Benefits	7,245	6,011	-	-	0	0.0%
5112	PERS Relief	1,758	6,278	-	-	0	0.0%
Total Salaries and Benefits		236,931	308,217	272,379	140,758	(131,622)	-48.3%
Maintenance and Operations							
5202	Operating Supplies	21,933	29,418	30,000	15,000	(15,000)	-50.0%
5203	Fuel and Lube	12,191	15,292	24,000	12,000	(12,000)	-50.0%
5208	Equipment Maintenance	-	216	500	250	(250)	-50.0%
5209	Building & Grounds Maintenance	19,236	20,739	25,000	12,500	(12,500)	-50.0%
5210	Professional Services	51,123	35,734	37,500	45,000	7,500	20.0%
5217	Electricity	8,866	11,359	11,003	5,183	(5,820)	-52.9%
5218	Water	9,397	10,976	15,836	2,892	(12,944)	-81.7%
5219	Sewer	15,917	13,726	22,578	3,660	(18,918)	-83.8%
5220	Refuse and Disposal	-	-	3,000	1,500	(1,500)	-50.0%
5227	Advertising	0	-	400	200	(200)	-50.0%
5231	Tools and Equipment	2,187	3,881	4,000	1,750	(2,250)	-56.3%
5235	Membership Dues	40	135	250	125	(125)	-50.0%
5251	Pioneer Beautification	630	648	750	750	0	0.0%
5252	Credit Card Expenses	20	0	80	60	(20)	-25.0%
5601	Uniform	240	236	1,000	500	(500)	-50.0%
5603	Employee Training	100	1,006	1,000	500	(500)	-50.0%
5604	Public Education	0	-	-	-	0	0.0%
5815	Parks & Recreation Board	500	237	1,500	750	(750)	-50.0%
Total Maint. and Operations		142,379	143,604	178,396	102,619	(75,777)	-42.5%
5990	Transfers To	-	-	-	-	0	0.0%
Total		379,311	451,820	450,776	243,377	(207,399)	-46.0%

Explanation of Line Items:

- 5202 - Toilet Paper, trash can liners, gloves, cleaning supplies, much misc.
- 5208 - Misc costs for mowers, weed eaters, etc.
- 5209 - Paint, Picnic Tables, Playground Parts, Wood Chips, General Building Repairs & Maint., Landscaping
- 5210 - Pumping of Vault Toilets, Rental Services of Port a Potties, Snow Removal at cemetery
- 5251 - Potting Soil, perennials, bark, landscape fabric
- 5601 - Misc boots, raingear, PPE, uniforms

2021 Budget Notes:

- 5210 - Kept same level to account for increased need of porta potties
- 5251 - Expenses occur in early summer

City of Homer
2021 Operating Budget

0176 MOTOR POOL				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	107,865	84,961	115,182	58,589	(56,593)	-49.1%
5102	Fringe Benefits	66,414	60,949	66,428	33,330	(33,098)	-49.8%
5103	Part-time Wages	-	5,941	-	-	0	0.0%
5104	Part-time Benefits	-	737	-	-	0	0.0%
5105	Overtime	2,357	2,237	2,194	1,097	(1,097)	-50.0%
5107	Part-time Overtime	-	39	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	4,962	5,528	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>181,599</u>	<u>160,392</u>	<u>183,805</u>	<u>93,015</u>	<u>(90,789)</u>	<u>-49.4%</u>
<u>Maintenance and Operations</u>							
5202	Operating Supplies	1,642	36	2,000	1,000	(1,000)	-50.0%
5203	Fuel and Lube	65,422	58,363	100,000	50,000	(50,000)	-50.0%
5207	Vehicle and Boat Maintenance	191,598	245,490	235,000	117,500	(117,500)	-50.0%
5210	Professional Services	6,195	6,095	2,000	1,000	(1,000)	-50.0%
5231	Tools and Equipment	9,672	8,381	14,000	7,000	(7,000)	-50.0%
5236	Transportation	139	0	-	-	0	0.0%
5237	Subsistence	58	0	-	-	0	0.0%
5292	City Hall Motor Pool	672	229	500	350	(150)	-30.0%
5293	Police Motor Pool	19,027	17,526	30,000	10,000	(20,000)	-66.7%
5294	Fire Motor Pool	9,372	23,703	15,500	12,500	(3,000)	-19.4%
5601	Uniform	8,620	9,196	7,700	3,850	(3,850)	-50.0%
5602	Safety Equipment	1,354	367	1,500	750	(750)	-50.0%
5603	Employee Training	738	2,983	3,500	1,750	(1,750)	-50.0%
	<u>Total Maint. and Operations</u>	<u>314,509</u>	<u>372,404</u>	<u>411,700</u>	<u>205,700</u>	<u>(206,000)</u>	<u>-50.0%</u>
	<u>Total</u>	<u>496,108</u>	<u>532,796</u>	<u>595,505</u>	<u>298,715</u>	<u>(296,789)</u>	<u>-49.8%</u>

Explanation of Line Items:

- 5202 - Admin and Office Supplies, Digital Service Manuals and Software Support
- 5203 - Vehicle & Heavy Equipment Gasoline & Diesel
- 5207 - All repairs to vehicles and heavy equipment
- 5210 - ADOT Oversize Equipment Permitting
- 5231 - Misc and Special Tools
- 5601 - Flame retardant coveralls and laundry service
- 5602 - Misc Safety equipment and PPE
- 5603 - Periodic training, especially Fire Dept Vehicle Certifications

2021 Budget Notes:

- 5294 - Annual budget increased to \$25,000 so this represents half of that
- 5293 - Annual budget decreased to \$20,000 so this represents half of that

City of Homer
2021 Operating Budget

0177 ENGINEERING INSPECTION				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	102,815	72,163	100,678	48,100	(52,579)	-52.2%
5102	Fringe Benefits	57,123	49,291	57,092	27,588	(29,504)	-51.7%
5103	Part-time Wages	-	-	-	-	0	0.0%
5104	Part-time Benefits	-	-	-	-	0	0.0%
5105	Overtime	211	0	-	-	0	0.0%
5107	Part-time Overtime	-	-	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	4,638	4,575	-	-	0	0.0%
	Total Salaries and Benefits	164,787	126,028	157,771	75,688	(82,083)	-52.0%
<u>Maintenance and Operations</u>							
5201	Office Supplies	1,207	407	1,750	875	(875)	-50.0%
5202	Operating Supplies	261	649	1,500	750	(750)	-50.0%
5210	Professional Services	3,182	2,159	3,500	1,750	(1,750)	-50.0%
5213	Survey and Appraisal	721	1,260	3,000	1,500	(1,500)	-50.0%
5227	Advertising	0	-	-	-	0	0.0%
5231	Tools and Equipment	1,491	599	800	400	(400)	-50.0%
5233	Computer Related Items	0	1,010	1,150	575	(575)	-50.0%
5235	Membership Dues	0	310	400	200	(200)	-50.0%
5238	Printing and Binding	-	101	750	375	(375)	-50.0%
5602	Safety Equipment	96	0	750	375	(375)	-50.0%
5603	Employee Training	0	-	700	350	(350)	-50.0%
	Total Maint. and Operations	6,958	6,494	14,300	7,150	(7,150)	-50.0%
	Total	171,744	132,523	172,071	82,838	(89,233)	-51.9%

Explanation of Line Items:

- 5210 - Periodic Engineering Services for small jobs or analysis, periodic advertising
- 5213 - Survey & Appraisals for periodic small projects

2021 Budget Notes:

**City of Homer
2021 Operating Budget**

0178 JANITORIAL				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	68,303	65,459	82,997	51,220	(31,777)	-38.3%
5102	Fringe Benefits	54,211	57,877	61,643	37,172	(24,471)	-39.7%
5103	Part-time Wages	7,417	0	12,885	6,507	(6,378)	-49.5%
5104	Part-time Benefits	959	0	1,642	829	(813)	-49.5%
5105	Overtime	6,337	10,795	6,280	3,140	(3,140)	-50.0%
5107	Part-time Overtime	204	0	1,079	539	(539)	-50.0%
5108	Unemployment Benefits	699	3,551	-	-	0	0.0%
5112	PERS Relief	3,362	4,834	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>141,491</u>	<u>142,515</u>	<u>166,525</u>	<u>99,407</u>	<u>(67,118)</u>	<u>-40.3%</u>
<u>Maintenance and Operations</u>							
5202	Operating Supplies	14,238	17,560	14,000	9,500	(4,500)	-32.1%
5208	Equipment Maintenance	3,033	83	3,000	1,500	(1,500)	-50.0%
5210	Professional Services	22,000	21,497	22,000	16,000	(6,000)	-27.3%
5231	Tools and Equipment	402	734	1,000	500	(500)	-50.0%
5236	Transportation	863	0	0	-	0	0.0%
5602	Safety Equipment	591	515	750	375	(375)	-50.0%
5614	Car Allowance	933	1,216	1,900	950	(950)	-50.0%
	<u>Total Maint. and Operations</u>	<u>42,060</u>	<u>41,605</u>	<u>42,650</u>	<u>28,825</u>	<u>(13,825)</u>	<u>-32.4%</u>
	<u>Total</u>	<u>183,551</u>	<u>184,120</u>	<u>209,175</u>	<u>128,232</u>	<u>(80,943)</u>	<u>-38.7%</u>

Explanation of Line Items:

5202 - Toilet Paper & Towel Products, cleaners, vacuum bags, trash bags, mop heads, rags, all cleaning supplies
 5208 - Repairs and purchase of vacuums, other items
 5210 - Carpet and Window Cleaning at Airport, City Hall, HPD, PW, Library, P/H, Upholstery Cleaning
 5236 - Mileage reimbursement to Janitors for personal vehicle use
 5602- PPE, gloves, dust masks, etc.

2021 Budget Notes:

5210 - Increase for carpet cleaning at new police station and window cleaning

City of Homer
2021 Operating Budget

Fund 200 (Water & Sewer) Revenues				Amended	Draft	Δ %	
A/C Num.	Revenue Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
Water Revenue							
Operating Revenue:							
	Metered Sales	1,846,811	2,135,044	1,953,016	889,662	(1,063,354)	-54.4%
4661	Connection Fees	16,240	17,738	15,863	9,125	(6,738)	-42.5%
4662	Services & Meters	26,508	30,931	23,709	14,677	(9,031)	-38.1%
Total Operating Revenue		1,889,559	2,183,712	1,992,588	913,464	(1,079,124)	-54.2%
Non- Operating Revenue							
4801	Interest on Investments	35,810	105,161	18,671	57,957	39,286	210.4%
4802	Penalty & Interest (Utilities)	7,761	6,855	7,193	2,398	(4,794)	-66.7%
4527	PERS Revenue	26,877	38,101	-	-	0	0.0%
4902	Other Revenue	443	-	-	-	0	0.0%
4992	Transfer from GF	92,222	100,350	99,629	45,673	(53,956)	-54.2%
Total Non-Operating Revenue		163,114	250,467	125,493	106,029	(19,464)	-15.5%
Total Water Revenue		2,052,672	2,434,179	2,118,081	1,019,493	(1,098,588)	-51.9%
Total Water Revenues (W/O PERS Relief)		2,025,795	2,396,077	2,118,081	1,019,493	(1,098,588)	-51.9%
Sewer Revenue							
Operating Revenue							
	Metered Sales	1,750,366	1,721,738	1,610,830	865,185	(745,645)	-46.3%
4619	Inspection Fees	-	-	-	-	0	0.0%
4662	Services & Meters	39,527	28,173	25,447	7,837	(17,610)	-69.2%
4701	RV Dump Station	4,678	6,084	5,978	1,305	(4,673)	-78.2%
4902	Other	443	-	-	-	0	0.0%
Total Operating Revenue		1,795,014	1,755,995	1,642,256	874,327	(767,929)	-46.8%
Non- Operating Revenue							
4527	PERS Revenue	20,905	28,828	-	-	0	0.0%
Total Non-Operating Revenue		20,905	28,828	-	-	0	0.0%
Total Sewer Revenue		1,815,919	1,784,823	1,642,256	874,327	(767,929)	-46.8%
Total Sewer Revenues (W/O PERS Relief)		1,795,014	1,755,995	1,642,256	874,327	(767,929)	-46.8%
Total Transfer from Fund Balance					53,439		
Total Operating Revenue		3,684,573	3,939,707	3,634,844	1,787,792	(1,847,052)	-50.8%
Total Non-Operating Revenue		184,019	279,295	125,493	159,468	33,975	27.1%
Total Water & Sewer Revenues		3,868,591	4,219,002	3,760,337	1,947,259	(1,813,077)	-48.2%
Total Water & Sewer Revenues (W/O PERS Relief)		3,820,809	4,152,073	3,760,337	1,947,259	(1,813,077)	-48.2%

2021 Budget Notes:

Metered Sales - Based 2019 usage and applying rates adopted in 2020. These rates were derived using the Water Sewer Rate Model.

City of Homer
2021 Operating Budget

WATER - Combined Expenditure				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	541,012	542,757	603,854	284,204	(319,650)	-52.9%
5102	Fringe Benefits	332,452	345,883	336,012	160,956	(175,055)	-52.1%
5103	Part-time Wages	225	1,371	-	-	0	0.0%
5104	Part-time Benefits	18	170	-	-	0	0.0%
5105	Overtime	42,938	34,782	39,791	21,153	(18,638)	-46.8%
5107	Part-time Overtime	-	9	-	-	0	0.0%
5108	Unemployment Benefits	3,468	972	-	-	0	0.0%
5112	PERS Relief	26,877	38,101	-	-	0	0.0%
	Total Salaries and Benefits	946,990	964,045	979,657	466,314	(513,343)	-52.4%
<u>Maintenance and Operations</u>							
5201	Office Supplies	1,954	(698)	1,750	875	(875)	-50.0%
5202	Operating Supplies	97,762	151,448	126,250	65,625	(60,625)	-48.0%
5203	Fuel and Lube	29,579	21,894	26,600	15,300	(11,300)	-42.5%
5204	Chemicals	115,094	116,335	160,000	80,000	(80,000)	-50.0%
5207	Vehicle and Boat Maintenance	460	472	500	250	(250)	-50.0%
5208	Equipment Maintenance	18,874	37,423	40,350	20,575	(19,775)	-49.0%
5209	Building & Grounds Maintenance	4,167	5,701	7,700	3,850	(3,850)	-50.0%
5210	Professional Services	86,121	54,617	47,500	36,250	(11,250)	-23.7%
5211	Audit Services	13,814	17,121	16,638	17,469	832	5.0%
5213	Survey and Appraisal	1,000	1,100	1,200	600	(600)	-50.0%
5215	Communications	9,340	8,937	8,000	5,000	(3,000)	-37.5%
5216	Freight and Postage	475	70	500	250	(250)	-50.0%
5217	Electricity	170,143	175,988	199,161	97,612	(101,549)	-51.0%
5221	Property Insurance	10,427	11,705	13,273	7,768	(5,505)	-41.5%
5222	Auto Insurance	10,230	10,531	11,473	5,718	(5,755)	-50.2%
5223	Liability Insurance	2,011	1,526	3,204	1,620	(1,584)	-49.4%
5226	Testing and Analysis	15,861	12,526	17,000	8,500	(8,500)	-50.0%
5227	Advertising	764	1,083	750	375	(375)	-50.0%
5231	Tools and Equipment	7,907	10,417	8,400	4,200	(4,200)	-50.0%
5233	Computer Related Items	-	74	750	375	(375)	-50.0%
5234	Record and Permits	150	150	250	125	(125)	-50.0%
5235	Membership Dues	912	588	1,000	500	(500)	-50.0%
5236	Transportation	542	961	800	400	(400)	-50.0%
5237	Subsistence	229	419	350	175	(175)	-50.0%
5252	Credit Card Expenses	18,525	17,128	25,000	12,500	(12,500)	-50.0%
5261	Natural Gas Line Phase I	0	-	-	-	0	0.0%
5602	Safety Equipment	1,446	1,793	1,700	850	(850)	-50.0%
5603	Employee Training	4,457	5,783	5,200	2,600	(2,600)	-50.0%
5606	Bad Debt Expenses	15,850	13,455	12,000	6,000	(6,000)	-50.0%
	Total Maint. and Operations	638,096	678,546	737,297	395,361	(341,936)	-46.4%
<u>C/O and Transfers</u>							
5990	Transfers To	154,081	111,314	99,182	13,214	(85,969)	-86.7%
5607	Debt Repayment - Principal	-	-	-	-	0	0.0%
5608	Debt Repayment - Interest	2,018	1,233	-	-	0	0.0%
5241	GF Admin Fees	273,039	290,905	292,014	162,101	(129,913)	-44.5%
5106	Leave Cash Out	9,774	7,089	9,930	7,875	(2,055)	-20.7%
	Total C/O and Transfers	438,913	410,541	401,127	183,190	(217,937)	-54.3%
	Total	2,023,998	2,053,132	2,118,081	1,044,865	(1,073,216)	-50.7%

5210 - 2018 Top 5: (1) Zenon Environmental \$18,228, (2) J Young Construction \$13,645, (3) Collins Excavation Services \$6,001, (4) S&B Inc \$5,353, (5) Clark Management \$4,850

City of Homer
2021 Operating Budget

0400 WATER SYSTEMS ADMINISTRATION			Adopted	Draft	Δ %		
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
Salaries and Benefits							
5101	Salary and Wages	49,941	61,972	65,860	32,105	(33,754)	-51.3%
5102	Fringe Benefits	28,926	34,383	34,733	16,959	(17,774)	-51.2%
5103	Part-time Wages	225	1,371	-	-	0	0.0%
5104	Part-time Benefits	18	170	-	-	0	0.0%
5105	Overtime	235	310	355	178	(178)	-50.0%
5107	Part-time Overtime	-	9	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	2,861	5,438	-	-	0	0.0%
Total Salaries and Benefits		82,206	103,653	100,948	49,242	(51,706)	-51.2%
Maintenance and Operations							
5201	Office Supplies	1,954	(698)	1,750	875	(875)	-50.0%
5202	Operating Supplies	108	14	750	375	(375)	-50.0%
5208	Equipment Maintenance	-	-	250	125	(125)	-50.0%
5210	Professional Services	5,135	6,349	4,500	2,250	(2,250)	-50.0%
5211	Audit Services	13,814	17,121	16,638	17,469	832	5.0%
5215	Communications	9,340	8,937	8,000	5,000	(3,000)	-37.5%
5216	Freight and Postage	475	70	500	250	(250)	-50.0%
5221	Property Insurance	10,427	11,705	13,273	7,768	(5,505)	-41.5%
5222	Auto Insurance	10,230	10,531	11,473	5,718	(5,755)	-50.2%
5223	Liability Insurance	2,011	1,526	3,204	1,620	(1,584)	-49.4%
5227	Advertising	764	1,083	750	375	(375)	-50.0%
5231	Tools and Equipment	21	87	900	450	(450)	-50.0%
5233	Computer Related Items	-	74	750	375	(375)	-50.0%
5234	Record and Permits	150	150	250	125	(125)	-50.0%
5235	Membership Dues	912	588	1,000	500	(500)	-50.0%
5236	Transportation	542	961	800	400	(400)	-50.0%
5237	Subsistence	229	419	350	175	(175)	-50.0%
5252	Credit Card Expenses	18,525	17,128	25,000	12,500	(12,500)	-50.0%
5261	Natural Gas Line Phase I	0	-	-	0	0	0.0%
5602	Safety Equipment	819	1,151	900	450	(450)	-50.0%
5603	Employee Training	1,125	1,399	1,500	750	(750)	-50.0%
5606	Bad Debt Expenses	15,850	13,455	12,000	6,000	(6,000)	-50.0%
Total Maint. and Operations		92,434	92,050	104,536	63,550	(40,987)	-39.2%
C/O and Transfers							
	<i>Transfer to Reserves</i>	136,214	84,252	81,240		(81,240)	-100.0%
	<i>Transfer to Reserves for Energy Project Repay</i>	12,398	12,398	12,398	12,398	0	0.0%
	<i>Transfer to Revolving Energy Fund</i>	469	469	469	469	0	0.0%
	<i>Transfer to GF PW Maint. (Direct)</i>	5,000	5,000	5,000		(5,000)	-100.0%
	<i>Transfer to Health Insurance Fund</i>	-	9,195	76	347	271	357.3%
5990	Transfers To	154,081	111,314	99,182	13,214	(85,969)	-86.7%
Others							
5607	Debt Repayment - Principal	-	-	-	-	0	0.0%
5608	Debt Repayment - Interest	2,018	1,233	-	-	0	0.0%
5106	Leave Cash Out	9,774	7,089	9,930	7,875	(2,055)	-20.7%
5241	GF Admin Fees	273,039	290,905	292,014	162,101	(129,913)	-44.5%
Total		613,553	606,244	606,611	295,981	(310,629)	-51.2%

2021 Budget Notes:
5215 - Increase in expenses

**City of Homer
2021 Operating Budget**

0401 TREATMENT PLANT				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	146,070	165,467	182,237	91,005	(91,232)	-50.1%
5102	Fringe Benefits	87,067	105,633	101,060	50,153	(50,907)	-50.4%
5103	Part-time Wages	-	-	-	-	0	0.0%
5104	Part-time Benefits	-	-	-	-	0	0.0%
5105	Overtime	15,307	17,658	15,000	8,338	(6,662)	-44.4%
5107	Part-time Overtime	-	-	-	-	0	0.0%
5108	Unemployment Benefits	3,468	972	-	-	0	0.0%
5112	PERS Relief	7,265	11,609	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>259,176</u>	<u>301,338</u>	<u>298,297</u>	<u>149,496</u>	<u>(148,801)</u>	<u>-49.9%</u>
<u>Maintenance and Operations</u>							
5202	Operating Supplies	6,083	10,642	10,000	5,000	(5,000)	-50.0%
5203	Fuel and Lube	28,987	21,621	26,000	15,000	(11,000)	-42.3%
5204	Chemicals	115,094	116,335	160,000	80,000	(80,000)	-50.0%
5207	Vehicle and Boat Maintenance	460	472	500	250	(250)	-50.0%
5208	Equipment Maintenance	13,052	23,056	23,000	11,500	(11,500)	-50.0%
5209	Building & Grounds Maintenance	1,333	3,013	3,000	1,500	(1,500)	-50.0%
5210	Professional Services	33,095	22,296	25,000	25,000	0	0.0%
5217	Electricity	86,722	86,986	93,354	45,917	(47,437)	-50.8%
5603	Employee Training	2,382	2,913	2,500	1,250	(1,250)	-50.0%
	<u>Total Maint. and Operations</u>	<u>287,208</u>	<u>287,335</u>	<u>343,354</u>	<u>185,417</u>	<u>(157,937)</u>	<u>-46.0%</u>
	<u>Total</u>	<u>546,384</u>	<u>588,673</u>	<u>641,651</u>	<u>334,913</u>	<u>(306,738)</u>	<u>-47.8%</u>

2021 Budget Notes:

5203 - Increases in cost

5210 - Cost is experienced in this reporting period

**City of Homer
2021 Operating Budget**

0402 WATER SYSTEM TESTING				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	19,209	0	-	-	0	0.0%
5102	Fringe Benefits	11,198	0	-	-	0	0.0%
5103	Part-time Wages	-	-	-	-	0	0.0%
5104	Part-time Benefits	-	-	-	-	0	0.0%
5105	Overtime	180	0	-	-	0	0.0%
5107	Part-time Overtime	-	-	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	870	0	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>31,457</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
<u>Maintenance and Operations</u>							
5202	Operating Supplies	5,397	5,023	5,900	2,950	(2,950)	-50.0%
5208	Equipment Maintenance	3,538	3,627	4,000	2,000	(2,000)	-50.0%
5209	Building & Grounds Maintenance	0	-	-	-	0	0.0%
5210	Professional Services	794	18	500	250	(250)	-50.0%
5226	Testing and Analysis	15,861	12,526	17,000	8,500	(8,500)	-50.0%
	<u>Total Maint. and Operations</u>	<u>25,590</u>	<u>21,194</u>	<u>27,400</u>	<u>13,700</u>	<u>(13,700)</u>	<u>-50.0%</u>
	<u>Total</u>	<u>57,047</u>	<u>21,194</u>	<u>27,400</u>	<u>13,700</u>	<u>(13,700)</u>	<u>-50.0%</u>

2021 Budget Notes:

City of Homer
2021 Operating Budget

0403 PUMP STATIONS				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18	12/31/19	12/31/20	06/30/21	2020 to 2021	
		Actual	Actual	Budget	Budget	\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	28,773	13,830	14,374	7,325	(7,049)	-49.0%
5102	Fringe Benefits	17,571	8,868	8,389	4,211	(4,178)	-49.8%
5103	Part-time Wages	-	-	-	-	0	0.0%
5104	Part-time Benefits	-	-	-	-	0	0.0%
5105	Overtime	278	165	600	300	(300)	-50.0%
5107	Part-time Overtime	-	-	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	1,305	887	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>47,927</u>	<u>23,751</u>	<u>23,362</u>	<u>11,836</u>	<u>(11,527)</u>	<u>-49.3%</u>
<u>Maintenance and Operations</u>							
5202	Operating Supplies	910	647	500	250	(250)	-50.0%
5203	Fuel and Lube	593	274	600	300	(300)	-50.0%
5208	Equipment Maintenance	1,660	8,649	9,300	5,050	(4,250)	-45.7%
5209	Building & Grounds Maintenance	769	1,076	2,000	1,000	(1,000)	-50.0%
5217	Electricity	54,496	53,248	61,348	25,537	(35,811)	-58.4%
5231	Tools and Equipment	350	877	500	250	(250)	-50.0%
	<u>Total Maint. and Operations</u>	<u>58,778</u>	<u>64,771</u>	<u>74,248</u>	<u>32,387</u>	<u>(41,861)</u>	<u>-56.4%</u>
	<u>Total</u>	<u>106,704</u>	<u>88,521</u>	<u>97,610</u>	<u>44,223</u>	<u>(53,388)</u>	<u>-54.7%</u>

2021 Budget Notes:

**City of Homer
2021 Operating Budget**

0404 DISTRIBUTION SYSTEM				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	110,981	114,106	140,912	67,769	(73,143)	-51.9%
5102	Fringe Benefits	72,905	77,624	78,067	37,885	(40,182)	-51.5%
5103	Part-time Wages	-	-	-	-	0	0.0%
5104	Part-time Benefits	-	-	-	-	0	0.0%
5105	Overtime	23,109	13,769	21,141	10,571	(10,571)	-50.0%
5107	Part-time Overtime	-	-	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	6,034	8,106	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>213,029</u>	<u>213,605</u>	<u>240,120</u>	<u>116,224</u>	<u>(123,896)</u>	<u>-51.6%</u>
<u>Maintenance and Operations</u>							
5202	Operating Supplies	19,758	44,886	22,500	13,750	(8,750)	-38.9%
5208	Equipment Maintenance	-	1,611	2,000	1,000	(1,000)	-50.0%
5209	Building & Grounds Maintenance	310	774	1,500	750	(750)	-50.0%
5210	Professional Services	40,586	407	7,000	3,500	(3,500)	-50.0%
5217	Electricity	28,925	35,755	44,459	26,157	(18,302)	-41.2%
5231	Tools and Equipment	6,028	8,523	5,500	2,750	(2,750)	-50.0%
	<u>Total Maint. and Operations</u>	<u>95,608</u>	<u>91,955</u>	<u>82,959</u>	<u>47,907</u>	<u>(35,052)</u>	<u>-42.3%</u>
	<u>Total</u>	<u>308,637</u>	<u>305,560</u>	<u>323,079</u>	<u>164,131</u>	<u>(158,948)</u>	<u>-49.2%</u>

2021 Budget Notes:

5202 - 2020 actuals are projected to be slightly higher than usual due to inventory usage.

City of Homer
2021 Operating Budget

0405 WATER RESERVOIR				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	26,442	3,723	4,251	2,147	(2,104)	-49.5%
5102	Fringe Benefits	15,550	2,931	2,845	1,417	(1,427)	-50.2%
5103	Part-time Wages	-	-	-	-	0	0.0%
5104	Part-time Benefits	-	-	-	-	0	0.0%
5105	Overtime	1,480	31	-	419	419	0.0%
5107	Part-time Overtime	-	-	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	1,253	238	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>44,725</u>	<u>6,923</u>	<u>7,096</u>	<u>3,983</u>	<u>(3,112)</u>	<u>-43.9%</u>
<u>Maintenance and Operations</u>							
5202	Operating Supplies	629	839	600	300	(300)	-50.0%
5208	Equipment Maintenance	624	479	1,800	900	(900)	-50.0%
5209	Building & Grounds Maintenance	1,755	838	1,200	600	(600)	-50.0%
5210	Professional Services	1,650	11,823	5,000	2,500	(2,500)	-50.0%
5213	Survey and Appraisal	1,000	1,100	1,200	600	(600)	-50.0%
	<u>Total Maint. and Operations</u>	<u>5,658</u>	<u>15,080</u>	<u>9,800</u>	<u>4,900</u>	<u>(4,900)</u>	<u>-50.0%</u>
	<u>Total</u>	<u>50,383</u>	<u>22,003</u>	<u>16,896</u>	<u>8,883</u>	<u>(8,012)</u>	<u>-47.4%</u>

2021 Budget Notes:

**City of Homer
2021 Operating Budget**

0406 WATER METERS				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	56,334	75,508	78,310	27,000	(51,310)	-65.5%
5102	Fringe Benefits	34,555	47,581	43,894	17,733	(26,161)	-59.6%
5103	Part-time Wages	-	-	-	-	0	0.0%
5104	Part-time Benefits	-	-	-	-	0	0.0%
5105	Overtime	1,003	2,217	1,000	500	(500)	-50.0%
5107	Part-time Overtime	-	-	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	2,582	4,927	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>94,474</u>	<u>130,233</u>	<u>123,204</u>	<u>45,233</u>	<u>(77,971)</u>	<u>-63.3%</u>
<u>Maintenance and Operations</u>							
5202	Operating Supplies	55,812	87,928	75,000	37,500	(37,500)	-50.0%
5210	Professional Services	3,360	3,750	5,000	2,500	(2,500)	-50.0%
5231	Tools and Equipment	1,507	930	1,500	750	(750)	-50.0%
5602	Safety Equipment	627	642	800	400	(400)	-50.0%
5603	Employee Training	950	1,470	1,200	600	(600)	-50.0%
	<u>Total Maint. and Operations</u>	<u>62,256</u>	<u>94,720</u>	<u>83,500</u>	<u>41,750</u>	<u>(41,750)</u>	<u>-50.0%</u>
	<u>Total</u>	<u>156,729</u>	<u>224,953</u>	<u>206,704</u>	<u>86,983</u>	<u>(119,721)</u>	<u>-57.9%</u>

2021 Budget Notes:

**City of Homer
2021 Operating Budget**

0407 WATER HYDRANTS				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	103,262	108,151	117,912	56,855	(61,057)	-51.8%
5102	Fringe Benefits	64,681	68,864	67,024	32,598	(34,426)	-51.4%
5103	Part-time Wages	-	-	-	-	0	0.0%
5104	Part-time Benefits	-	-	-	-	0	0.0%
5105	Overtime	1,346	632	1,695	847	(847)	-50.0%
5107	Part-time Overtime	-	-	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	4,707	6,896	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>173,995</u>	<u>184,543</u>	<u>186,630</u>	<u>90,300</u>	<u>(96,330)</u>	<u>-51.6%</u>
<u>Maintenance and Operations</u>							
5202	Operating Supplies	9,065	1,468	11,000	5,500	(5,500)	-50.0%
5210	Professional Services	1,500	9,973	500	250	(250)	-50.0%
	<u>Total Maint. and Operations</u>	<u>10,565</u>	<u>11,441</u>	<u>11,500</u>	<u>5,750</u>	<u>(5,750)</u>	<u>-50.0%</u>
	<u>Total</u>	<u>184,561</u>	<u>195,984</u>	<u>198,130</u>	<u>96,050</u>	<u>(102,080)</u>	<u>-51.5%</u>

2021 Budget Notes:

City of Homer
2021 Operating Budget

SEWER - Combined Expenditure				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
Salaries and Benefits							
5101	Salary and Wages	436,521	435,882	489,944	239,560	(250,384)	-51.1%
5102	Fringe Benefits	264,036	274,623	270,733	132,650	(138,084)	-51.0%
5103	Part-time Wages	9,412	10,739	13,226	6,775	(6,451)	-48.8%
5104	Part-time Benefits	1,042	1,290	1,750	897	(854)	-48.8%
5105	Overtime	19,474	18,860	22,844	11,422	(11,422)	-50.0%
5107	Part-time Overtime	-	574	-	-	0	0.0%
5108	Unemployment Benefits	5,200	1,090	-	-	0	0.0%
5112	PERS Relief	20,905	28,828	-	-	0	0.0%
	Total Salaries and Benefits	756,590	771,886	798,497	391,304	(407,194)	-51.0%
Maintenance and Operations							
5201	Office Supplies	888	395	1,100	550	(550)	-50.0%
5202	Operating Supplies	45,449	25,617	50,900	25,450	(25,450)	-50.0%
5203	Fuel and Lube	24,392	25,322	25,000	15,000	(10,000)	-40.0%
5204	Chemicals	55,930	52,761	55,000	27,500	(27,500)	-50.0%
5207	Vehicle and Boat Maintenance	247	398	250	125	(125)	-50.0%
5208	Equipment Maintenance	28,883	41,798	39,400	19,700	(19,700)	-50.0%
5209	Building & Grounds Maintenance	1,802	3,685	3,800	1,900	(1,900)	-50.0%
5210	Professional Services	56,301	20,951	43,300	88,544	45,244	104.5%
5211	Audit Services	13,814	17,121	16,638	17,469	832	5.0%
5215	Communications	3,128	4,778	5,500	2,750	(2,750)	-50.0%
5216	Freight and Postage	526	354	350	250	(100)	-28.6%
5217	Electricity	221,814	260,135	245,517	125,869	(119,648)	-48.7%
5218	Water	719	640	612	387	(225)	-36.8%
5219	Sewer	707	532	522	345	(177)	-34.0%
5221	Property Insurance	5,563	6,769	8,178	4,776	(3,402)	-41.6%
5222	Auto Insurance	10,230	10,531	11,473	5,718	(5,755)	-50.2%
5223	Liability Insurance	1,739	1,357	2,850	1,256	(1,594)	-55.9%
5226	Testing and Analysis	3,972	2,012	6,500	3,250	(3,250)	-50.0%
5227	Advertising	728	-	1,250	625	(625)	-50.0%
5231	Tools and Equipment	4,098	4,681	4,800	2,400	(2,400)	-50.0%
5234	Record and Permits	5,320	7,920	8,075	8,075	0	0.0%
5235	Membership Dues	-	444	700	350	(350)	-50.0%
5236	Transportation	545	1,193	1,000	500	(500)	-50.0%
5237	Subsistence	653	960	1,000	500	(500)	-50.0%
5252	Credit Card Expenses	18,525	17,128	20,000	1,000	(19,000)	-95.0%
5601	Uniform	395	80	350	175	(175)	-50.0%
5602	Safety Equipment	2,273	1,318	2,650	1,325	(1,325)	-50.0%
5603	Employee Training	7,793	7,997	8,000	4,000	(4,000)	-50.0%
5606	Bad Debt Expenses	(1,418)	6,254	2,500	1,250	(1,250)	-50.0%
	Total Maint. and Operations	515,015	523,132	567,214	361,038	(206,176)	-36.3%
C/O and Transfers							
5106	Leave Cash Out	10,186	7,770	10,880	8,242	(2,638)	-24.2%
5241	GF Admin Fees	211,080	226,141	232,276	141,533	(90,743)	-39.1%
5990	Transfers To	320,198	188,071	33,389	278	(33,111)	-99.2%
	Total C/O and Transfers	541,464	421,982	276,544	150,053	(126,492)	-45.7%
Total		1,813,070	1,717,000	1,642,256	902,395	(739,861)	-45.1%

5210 - 2018 Top 5: (1) Alaska Quality Septic \$32,294, (2) John Gibson \$3,678, (3) Dutch Boy Landscaping \$2,400, (4) Restoration Science & Engineer \$2,112, (5) Kachemak Bay Constuction \$2,100

City of Homer
2020/21 Operating Budget

0500 SEWER SYSTEMS ADMINISTRATION			Adopted	Draft	Δ %		
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
Salaries and Benefits							
5101	Salary and Wages	49,941	50,713	65,860	32,105	(33,754)	-51.3%
5102	Fringe Benefits	28,936	30,565	34,733	16,959	(17,774)	-51.2%
5103	Part-time Wages	225	1,371	-	-	0	0.0%
5104	Part-time Benefits	18	170	-	-	0	0.0%
5105	Overtime	235	114	200	100	(100)	-50.0%
5107	Part-time Overtime	-	9	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	2,646	3,222	-	-	0	0.0%
Total Salaries and Benefits		82,001	86,164	100,793	49,165	(51,628)	-51.2%
Maintenance and Operations							
5201	Office Supplies	888	395	1,100	550	(550)	-50.0%
5202	Operating Supplies	0	-	800	400	(400)	-50.0%
5210	Professional Services	4,363	3,133	4,500	2,250	(2,250)	-50.0%
5211	Audit Services	13,814	17,121	16,638	17,469	832	5.0%
5215	Communications	3,128	4,778	5,500	2,750	(2,750)	-50.0%
5216	Freight and Postage	526	354	350	250	(100)	-28.6%
5221	Property Insurance	5,563	6,769	8,178	4,776	(3,402)	-41.6%
5222	Auto Insurance	10,230	10,531	11,473	5,718	(5,755)	-50.2%
5223	Liability Insurance	1,739	1,357	2,850	1,256	(1,594)	-55.9%
5227	Advertising	728	0	1,250	625	(625)	-50.0%
5231	Tools and Equipment	521	0	700	350	(350)	-50.0%
5234	Record and Permits	100	0	-	-	0	0.0%
5235	Membership Dues	0	444	700	350	(350)	-50.0%
5236	Transportation	545	1,193	1,000	500	(500)	-50.0%
5237	Subsistence	653	960	1,000	500	(500)	-50.0%
5252	Credit Card Expenses	18,525	17,128	20,000	1,000	(19,000)	-95.0%
5601	Uniform	395	80	350	175	(175)	-50.0%
5602	Safety Equipment	2,221	1,063	2,300	1,150	(1,150)	-50.0%
5603	Employee Training	7,793	7,997	8,000	4,000	(4,000)	-50.0%
5606	Bad Debt Expenses	(1,418)	6,254	2,500	1,250	(1,250)	-50.0%
Total Maint. and Operations		70,314	79,556	89,188	45,319	(43,870)	-49.2%
C/O and Transfers							
	<i>Transfer to Reserves</i>	294,667	155,164	14,856		(14,856)	-100.0%
	<i>Transfer to Reserves for Energy Project Repay</i>	787	787	551	0	(551)	-100.0%
	<i>Transfer to Revolving Energy Fund</i>	19,744	19,744	12,921	0	(12,921)	-100.0%
	<i>Transfer to GF PW Maint. (Direct)</i>	5,000	5,000	5,000		(5,000)	-100.0%
	<i>Transfer to Health Insurance Fund</i>	-	7,376	61	278	217	357.3%
5990	Transfers To	320,198	188,071	33,389	278	(33,111)	-99.2%
5106	Leave Cash Out	10,186	7,770	10,880	8,242	(2,638)	-24.2%
5241	GF Admin Fees	211,080	226,141	232,276	141,533	(90,743)	-39.1%
Total		693,780	587,702	466,526	244,536	(221,990)	-47.6%

2021 Budget Notes:

City of Homer
2021 Operating Budget

0501 SEWER PLANT OPERATIONS				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	148,113	174,998	186,540	94,084	(92,456)	-49.6%
5102	Fringe Benefits	90,374	112,855	105,230	52,530	(52,700)	-50.1%
5103	Part-time Wages	9,122	9,368	13,226	6,775	(6,451)	-48.8%
5104	Part-time Benefits	1,024	1,120	1,750	897	(854)	-48.8%
5105	Overtime	13,076	14,889	14,000	7,000	(7,000)	-50.0%
5107	Part-time Overtime	-	565	-	-	0	0.0%
5108	Unemployment Benefits	5,200	1,090	-	-	0	0.0%
5112	PERS Relief	7,257	12,038	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>274,166</u>	<u>326,922</u>	<u>320,746</u>	<u>161,286</u>	<u>(159,459)</u>	<u>-49.7%</u>
<u>Maintenance and Operations</u>							
5202	Operating Supplies	6,509	6,860	8,000	4,000	(4,000)	-50.0%
5203	Fuel and Lube	24,392	25,322	25,000	15,000	(10,000)	-40.0%
5204	Chemicals	55,930	52,761	55,000	27,500	(27,500)	-50.0%
5207	Vehicle and Boat Maintenance	247	398	250	125	(125)	-50.0%
5208	Equipment Maintenance	23,177	26,234	22,000	11,000	(11,000)	-50.0%
5209	Building & Grounds Maintenance	1,802	2,006	2,000	1,000	(1,000)	-50.0%
5210	Professional Services	6,022	4,542	6,300	12,485	6,185	98.2%
5217	Electricity	201,470	238,146	221,152	114,379	(106,773)	-48.3%
5218	Water	719	640	612	387	(225)	-36.8%
5219	Sewer	707	532	522	345	(177)	-34.0%
5231	Tools and Equipment	564	906	900	450	(450)	-50.0%
5234	Record and Permits	5,220	7,920	8,075	8,075	0	0.0%
5602	Safety Equipment	52	256	350	175	(175)	-50.0%
	<u>Total Maint. and Operations</u>	<u>326,811</u>	<u>366,522</u>	<u>350,161</u>	<u>194,920</u>	<u>(155,240)</u>	<u>-44.3%</u>
	<u>Total</u>	<u>600,978</u>	<u>693,445</u>	<u>670,906</u>	<u>356,207</u>	<u>(314,699)</u>	<u>-46.9%</u>

2021 Budget Notes:

5203 - Increased costs/prices

5210 - New service contract for Energy Management Systems at Sewer Plant

5234 - Expenses are used during the first six months

**City of Homer
2021 Operating Budget**

0502 SEWER SYSTEM TESTING				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	35,737	0	-	-	0	0.0%
5102	Fringe Benefits	20,795	(0)	-	-	0	0.0%
5103	Part-time Wages	-	-	-	-	0	0.0%
5104	Part-time Benefits	-	-	-	-	0	0.0%
5105	Overtime	344	0	-	-	0	0.0%
5107	Part-time Overtime	-	-	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	1,618	0	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>58,494</u>	<u>(0)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
<u>Maintenance and Operations</u>							
5202	Operating Supplies	5,602	5,684	5,500	2,750	(2,750)	-50.0%
5208	Equipment Maintenance	0	-	-	-	0	0.0%
5210	Professional Services	1,004	1,539	2,500	1,250	(1,250)	-50.0%
5226	Testing and Analysis	3,972	2,012	6,500	3,250	(3,250)	-50.0%
	<u>Total Maint. and Operations</u>	<u>10,578</u>	<u>9,235</u>	<u>14,500</u>	<u>7,250</u>	<u>(7,250)</u>	<u>-50.0%</u>
	<u>Total</u>	<u>69,072</u>	<u>9,235</u>	<u>14,500</u>	<u>7,250</u>	<u>(7,250)</u>	<u>-50.0%</u>

2019 Budget Notes:

5101,5102 - Labor distribution allocation has been modified for Water and Sewer funds to more accurately reflect where staff hours are actually being worked.

5226 - \$6500- increase cost for compliance sampling required by EPA

2020 Budget Notes:

2021 Budget Notes:

City of Homer
2021 Operating Budget

0503 SEWER LIFT STATIONS				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	83,277	87,761	99,431	47,000	(52,431)	-52.7%
5102	Fringe Benefits	50,105	53,534	53,656	25,751	(27,905)	-52.0%
5103	Part-time Wages	-	-	-	-	0	0.0%
5104	Part-time Benefits	-	-	-	-	0	0.0%
5105	Overtime	2,827	1,646	5,000	2,500	(2,500)	-50.0%
5107	Part-time Overtime	-	-	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	3,875	5,668	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>140,084</u>	<u>148,608</u>	<u>158,087</u>	<u>75,252</u>	<u>(82,836)</u>	<u>-52.4%</u>
<u>Maintenance and Operations</u>							
5202	Operating Supplies	6,226	6,108	11,600	5,800	(5,800)	-50.0%
5208	Equipment Maintenance	4,413	15,565	16,000	8,000	(8,000)	-50.0%
5209	Building & Grounds Maintenance	-	1,679	1,800	900	(900)	-50.0%
5217	Electricity	19,826	21,460	23,815	11,217	(12,598)	-52.9%
5231	Tools and Equipment	1,519	726	1,600	800	(800)	-50.0%
	<u>Total Maint. and Operations</u>	<u>31,984</u>	<u>45,539</u>	<u>54,815</u>	<u>26,717</u>	<u>(28,098)</u>	<u>-51.3%</u>
	<u>Total</u>	<u>172,068</u>	<u>194,147</u>	<u>212,902</u>	<u>101,968</u>	<u>(110,934)</u>	<u>-52.1%</u>

2019 Budget Notes:

5101,5102 - Labor distribution allocation has been modified for Water and Sewer funds to more accurately reflect where staff hours are actually being worked.

5202- Increase cost of parts for pumps and electronic equipment

5208- Increase cost to cover proactive replacement of aging pump parts to increase efficiency and reduce down time of equipment which could cause flooding. Impeller , wear ring = \$4,400 and seal replacement = \$2,600. We currently have one seal a year fail and most of the impellor s are at years 10 years of a 5 to 7 year life span. All of the check valves in the system are so old repair parts are no longer available. We don't have any repair parts in inventory, complete check vavles need to be replaced. Cost range from \$1,500 to \$2,800 depending on size.

2020 Budget Notes:

2021 Budget Notes:

**City of Homer
2021 Operating Budget**

0504 COLLECTION SYSTEM				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	119,453	122,410	138,113	66,370	(71,743)	-51.9%
5102	Fringe Benefits	73,826	77,669	77,114	37,409	(39,706)	-51.5%
5103	Part-time Wages	65	0	-	-	0	0.0%
5104	Part-time Benefits	0	-	-	-	0	0.0%
5105	Overtime	2,992	2,212	3,644	1,822	(1,822)	-50.0%
5107	Part-time Overtime	-	-	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	5,509	7,900	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>201,845</u>	<u>210,191</u>	<u>218,872</u>	<u>105,601</u>	<u>(113,271)</u>	<u>-51.8%</u>
<u>Maintenance and Operations</u>							
5202	Operating Supplies	27,112	6,965	25,000	12,500	(12,500)	-50.0%
5208	Equipment Maintenance	1,293	0	1,400	700	(700)	-50.0%
5210	Professional Services	44,912	11,737	30,000	72,559	42,559	141.9%
5217	Electricity	519	529	550	273	(277)	-50.3%
5231	Tools and Equipment	1,493	3,049	1,600	800	(800)	-50.0%
	<u>Total Maint. and Operations</u>	<u>75,329</u>	<u>22,280</u>	<u>58,550</u>	<u>86,832</u>	<u>28,282</u>	<u>48.3%</u>
	<u>Total</u>	<u>277,173</u>	<u>232,471</u>	<u>277,422</u>	<u>192,433</u>	<u>(84,989)</u>	<u>-30.6%</u>

2021 Budget Notes:

5210- \$30,000 based on 3 Yr Avg, \$42,559 Tri Annual Kachemak septic pumping contract- 146 tanks @ \$265/tank plus 10% of highest bid 2018 to account for increased cost from 3 years ago. \$4800 for Evoqua service contract for 7 lift stations.

**City of Homer
2021 Operating Budget**

400 PORT & HARBOR - Combined Revenues				Adopted	Draft	Δ %	
Dept Num.	Revenue Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
0600 HARBOR ADMINISTRATION							
4515	Ferry Lease	18,000	18,000	18,000	18,000	0	0.0%
4650	Rents & Leases	362,308	430,667	407,732	256,831	(150,901)	-37.0%
	<u>Operating Revenue - Admin</u>	<u>380,308</u>	<u>448,667</u>	<u>425,732</u>	<u>274,831</u>	<u>(150,901)</u>	<u>-35.4%</u>
4527	PERS Revenue	50,398	70,760	-	-	0	0.0%
4634	Port Storage Fee	80,856	108,510	78,212	44,768	(33,445)	-42.8%
4635	Port Impound Fee	-	-	62	68	6	9.6%
4705	Business Licenses	45	15	37	23	(13)	-36.4%
4801	Interest On Investments	11,284	23,299	20,178	14,000	(6,178)	-30.6%
4901	Surplus Property	7,350	2,346	21,882	1,482	(20,400)	-93.2%
4902	Other Revenue	2,283	0	1,426	500	(926)	-64.9%
	<u>Non-Operating Revenue - Admin</u>	<u>152,216</u>	<u>204,930</u>	<u>121,797</u>	<u>60,841</u>	<u>(60,956)</u>	<u>-50.0%</u>
0601 HARBOR							
4245	Waste Oil Disp	1,558	1,474	1,110	424	(686)	-61.8%
4249	Oil Spill Recovery	0	465	261	155	(106)	-40.7%
4318	Parking Revenue	87,269	126,203	106,000	55,887	(50,113)	-47.3%
4319	Electrical Supplies	1,624	2,859	1,462	929	(533)	-36.5%
4624	Berth Transient Monthly	496,983	541,244	528,854	258,331	(270,524)	-51.2%
4625	Berth Reserved	1,253,856	1,362,047	1,278,175	0	(1,278,175)	-100.0%
4626	Berth Transient Annual	247,906	218,570	237,374	92,621	(144,752)	-61.0%
4627	Berth Transient Semi Annual	112,784	113,102	107,609	85,184	(22,424)	-20.8%
4628	Berth Transient Daily	111,192	126,422	120,246	58,905	(61,340)	-51.0%
4629	Metered Energy	88,983	87,155	82,892	57,235	(25,657)	-31.0%
4644	Pumping	82	286	307	128	(179)	-58.2%
4645	Wooden Grid	6,549	5,768	7,100	3,529	(3,571)	-50.3%
4646	Commerical Ramp	33,392	40,845	34,032	30,000	(4,032)	-11.8%
4647	Berth Wait List	11,328	12,547	10,800	9,414	(1,386)	-12.8%
4648	Steel Grid Fees	7,194	10,385	9,934	5,612	(4,321)	-43.5%
4663	Trans Energy 110v	46,208	42,306	47,172	19,018	(28,154)	-59.7%
4664	Trans Energy 220v	32,369	33,553	28,279	17,475	(10,804)	-38.2%
4665	Trans Energy 208v	143,212	137,715	139,789	114,000	(25,789)	-18.4%
4666	Commerical Ramp Wharfage	30,588	61,615	40,000	15,723	(24,277)	-60.7%
	<u>Operating Revenue - Harbor</u>	<u>2,713,076</u>	<u>2,924,561</u>	<u>2,781,395</u>	<u>824,571</u>	<u>(1,956,824)</u>	<u>-70.4%</u>
4802	Penalty/Int	21,743	8,883	15,631	5,280	(10,352)	-66.2%
4902	Other Revenue	69,734	74,170	74,705	33,846	(40,860)	-54.7%
	<u>Non-Operating Revenue - Harbor</u>	<u>91,476</u>	<u>83,052</u>	<u>90,336</u>	<u>39,125</u>	<u>(51,211)</u>	<u>-56.7%</u>
0602 PIONEER DOCK							
4631	USCG Leases	35,902	36,494	33,035	18,192	(14,842)	-44.9%
4638	PD Fuel Wharfage	232,580	242,469	244,828	86,052	(158,776)	-64.9%
4641	PD Water Sales	7,446	9,663	7,740	6,043	(1,697)	-21.9%
4642	PD Docking	50,779	55,308	52,484	28,386	(24,098)	-45.9%
	<u>Operating Revenue - Pioneer Dock</u>	<u>326,707</u>	<u>343,934</u>	<u>338,087</u>	<u>138,674</u>	<u>(199,414)</u>	<u>-59.0%</u>

**City of Homer
2021 Operating Budget**

400 PORT & HARBOR - Combined Revenues				Adopted	Draft	Δ %	
Dept Num.	Revenue Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
0603	FISH DOCK						
4620	Ice Sales	253,559	318,677	259,347	78,453	(180,894)	-69.7%
4621	Cold Storage	17,194	16,001	17,017	14,906	(2,111)	-12.4%
4622	Crane Rental	201,787	206,818	208,529	68,388	(140,141)	-67.2%
4623	Card Access Fees	8,422	8,994	9,924	4,830	(5,094)	-51.3%
4637	Seafood Wharfage	20,284	19,796	21,931	8,874	(13,058)	-59.5%
4700	Other Wharfage Fish Dock	28,217	1,136	1,562	750	(812)	-52.0%
	<u>Operating Revenue - Fish Dock</u>	<u>529,463</u>	<u>571,422</u>	<u>518,310</u>	<u>176,200</u>	<u>(342,109)</u>	<u>-66.0%</u>
4206	<u>Fish Tax</u>	<u>62,069</u>	<u>59,647</u>	<u>44,017</u>	<u>1,898</u>	<u>(42,119)</u>	<u>-95.7%</u>
0604	DEEP WATER DOCK						
4633	Stevedoring	11,352	15,320	10,378	1,551	(8,827)	-85.1%
4637	Seafood Wharfage	1,256	0	419	0	(419)	-100.0%
4640	Deep Water Dock Wharfage	0	5,008	8,981	4,000	(4,981)	-55.5%
4643	Deep Water Dock Docking	176,320	185,451	186,372	40,000	(146,372)	-78.5%
4668	Dwd Water Sales	46,276	49,625	30,041	14,659	(15,382)	-51.2%
4672	Port Security Revenues	27,945	1,806	26,805	0	(26,805)	-100.0%
	<u>Operating Revenue - DW Dock</u>	<u>263,149</u>	<u>257,210</u>	<u>262,996</u>	<u>60,210</u>	<u>(202,786)</u>	<u>-77.1%</u>
0605	OUTFALL LINE						
4704	<u>Outfall Line</u>	<u>4,800</u>	<u>4,800</u>	<u>4,800</u>	<u>4,800</u>	<u>0</u>	<u>0.0%</u>
0606	FISH GRINDER						
4706	<u>Fish Grinder</u>	<u>7,975</u>	<u>7,835</u>	<u>7,821</u>	<u>712</u>	<u>(7,109)</u>	<u>-90.9%</u>
0615	LOAD AND LAUNCH RAMP						
4653	L & L Ramp Revenue	122,501	127,708	127,884	67,868	(60,015)	-46.9%
	<u>Operating Revenue - L & L Ramp</u>	<u>122,501</u>	<u>127,708</u>	<u>127,884</u>	<u>67,868</u>	<u>(60,015)</u>	<u>-46.9%</u>
	<u>Transfer from Fund Balance</u>				<u>660,176</u>		
	<u>Total Revenues</u>	<u>4,653,741</u>	<u>5,033,767</u>	<u>4,723,175</u>	<u>2,309,905</u>	<u>(2,413,270)</u>	<u>-51.1%</u>

2021 Budget Notes:

0601-4646 and 4666 - Commercial barge ramp revenues are up because of new small boat user rates.
0601-4643 - Due to Covid we have lost Cruise ship landings is reflected in this budget line.
0605-4704 - Annual Operations and maintenance fees for outfall line connections for lots 12-A and 12-C

**City of Homer
2021 Operating Budget**

400 PORT & HARBOR - Combined Expenditure				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	1,116,688	1,086,109	1,125,692	560,007	(565,686)	-50.3%
5102	Fringe Benefits	426,951	336,891	632,357	313,046	(319,311)	-50.5%
5103	Part-time Wages	118,218	121,206	124,223	62,733	(61,491)	-49.5%
5104	Part-time Benefits	15,544	15,645	15,483	7,819	(7,664)	-49.5%
5105	Overtime	36,401	26,352	35,567	18,018	(17,549)	-49.3%
5107	Part-time Overtime	1,559	1,579	3,879	1,939	(1,939)	-50.0%
5108	Unemployment Benefits	5,381	3,241	-	-	0	0.0%
5112	PERS Relief	50,398	70,760	-	-	0	0.0%
	Total Salaries and Benefits	1,771,141	1,661,783	1,937,201	963,562	(973,640)	-50.3%
<u>Maintenance and Operations</u>							
5201	Office Supplies	3,148	2,323	5,100	1,513	(3,587)	-70.3%
5202	Operating Supplies	15,519	22,746	30,500	10,740	(19,760)	-64.8%
5203	Fuel and Lube	33,930	32,754	32,900	17,659	(15,241)	-46.3%
5204	Chemicals	3,581	4,432	6,000	4,000	(2,000)	-33.3%
5207	Vehicle and Boat Maintenance	17,609	22,594	17,000	9,614	(7,386)	-43.4%
5208	Equipment Maintenance	57,824	40,611	62,000	25,268	(36,732)	-59.2%
5209	Building & Grounds Maintenance	41,541	51,799	59,500	33,268	(26,232)	-44.1%
5210	Professional Services	18,003	18,496	22,000	12,440	(9,560)	-43.5%
5211	Audit Services	27,628	27,647	33,275	34,939	1,664	5.0%
5213	Survey and Appraisal	8,900	6,700	5,000	6,817	1,817	36.3%
5214	Rents & Leases	6,793	6,342	6,000	2,071	(3,929)	-65.5%
5215	Communications	7,121	6,458	7,000	2,519	(4,481)	-64.0%
5216	Freight and Postage	4,171	5,324	5,500	2,353	(3,147)	-57.2%
5217	Electricity	540,074	533,580	601,204	315,358	(285,846)	-47.5%
5218	Water	83,482	114,405	97,279	31,935	(65,344)	-67.2%
5219	Sewer	13,002	15,704	14,576	4,697	(9,878)	-67.8%
5220	Refuse and Disposal	23,375	47,446	63,300	21,500	(41,800)	-66.0%
5221	Property Insurance	43,833	43,999	51,549	30,344	(21,205)	-41.1%
5222	Auto Insurance	10,237	10,181	9,128	5,105	(4,022)	-44.1%
5223	Liability Insurance	39,443	37,467	43,302	3,612	(39,690)	-91.7%
5227	Advertising	6,868	8,623	7,000	3,100	(3,900)	-55.7%
5231	Tools and Equipment	7,907	10,486	15,500	9,355	(6,145)	-39.6%
5235	Membership Dues	6,369	5,909	5,750	2,616	(3,134)	-54.5%
5236	Transportation	5,225	7,247	9,500	3,241	(6,259)	-65.9%
5237	Subsistence	5,766	5,326	6,500	2,852	(3,648)	-56.1%
5238	Printing and Binding	1,909	1,119	6,500	2,000	(4,500)	-69.2%
5249	Oil Spill Response	1,664	1,222	2,000	1,000	(1,000)	-50.0%
5250	Camera Area Network	8,818	-	18,000	9,000	(9,000)	-50.0%
5252	Credit Card Expenses	70,917	79,629	74,000	22,000	(52,000)	-70.3%
5256	Waste Oil Disposal	36,978	46,131	45,000	15,000	(30,000)	-66.7%
5258	Float and Ramp Repairs	9,940	23,532	15,000	7,500	(7,500)	-50.0%
5287	Electrical Supplies	2,269	2,657	4,000	1,000	(3,000)	-75.0%
5601	Uniform	6,450	7,636	7,500	3,408	(4,092)	-54.6%
5602	Safety Equipment	6,980	6,600	15,000	6,296	(8,704)	-58.0%
5603	Employee Training	6,245	1,949	8,000	2,700	(5,300)	-66.3%
5606	Bad Debt Expenses	(33,481)	16,187	30,000	7,000	(23,000)	-76.7%
5627	Port Security	28,427	1,485	2,000	2,000	0	0.0%
5637	Diving Services	6,225	4,225	8,500	4,975	(3,525)	-41.5%

City of Homer
2021 Operating Budget

400 PORT & HARBOR - Combined Expenditure				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
5638	Signage Parking Delineation	11,225	15,319	15,500	10,000	(5,500)	-35.5%
	Total Maint. and Operations	1,195,914	1,296,289	1,467,362	690,796	(776,567)	-52.9%
	Others						
5106	Leave Cash Out	57,636	29,241	31,457	20,620	(10,837)	-34.5%
5608	Debt Repayment - Interest	120,493	116,318	-	-	0	0.0%
5990	Transfers To	757,199	730,739	736,595	323,705	(412,890)	-56.1%
5241	GF Admin Fees	558,336	591,076	579,038	311,223	(267,815)	-46.3%
	Total Others	1,493,663	1,467,374	1,347,090	655,548	(691,542)	-51.3%
	Total	4,460,719	4,425,446	4,751,654	2,309,905	(2,441,748)	-51.4%

5210 - 2018 Top 5: (1) ATS Alaska \$3,497, (2) ALSCO \$2,516, (3) Marine Exchange of AK \$1,274, (4) eMaint Software Renewal \$1,188, (5) T2 Systems Canada Inc \$1,155

City of Homer
2021 Operating Budget

0600 PORT & HARBOR - ADMINISTRATION				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
Salaries and Benefits							
5101	Salary and Wages	218,974	209,464	221,103	114,507	(106,596)	-48.2%
5102	Fringe Benefits	80,501	63,146	120,958	61,270	(59,689)	-49.3%
5103	Part-time Wages	0	-	2,635	1,331	(1,304)	-49.5%
5104	Part-time Benefits	0	-	328	166	(163)	-49.5%
5105	Overtime	9,378	4,588	5,845	2,922	(2,922)	-50.0%
5107	Part-time Overtime	0	-	-	-	0	0.0%
5108	Unemployment Benefits	2,144	0	-	-	0	0.0%
5112	PERS Relief	10,116	13,807	-	-	0	0.0%
Total Salaries and Benefits		321,113	291,006	350,870	180,195	(170,675)	-48.6%
Maintenance and Operations							
5201	Office Supplies	2,193	1,182	2,500	680	(1,820)	-72.8%
5202	Operating Supplies	1,570	1,250	2,500	555	(1,945)	-77.8%
5207	Vehicle and Boat Maintenance	0	-	-	-	0	0.0%
5208	Equipment Maintenance	13	0	-	-	0	0.0%
5209	Building & Grounds Maintenance	9,688	5,844	5,000	4,130	(870)	-17.4%
5210	Professional Services	5,294	72	3,000	708	(2,292)	-76.4%
5211	Audit Services	27,628	27,647	33,275	34,939	1,664	5.0%
5213	Survey and Appraisal	8,900	6,700	5,000	6,817	1,817	36.3%
5214	Rents & Leases	6,793	6,342	6,000	2,071	(3,929)	-65.5%
5215	Communications	7,121	6,458	7,000	2,519	(4,481)	-64.0%
5216	Freight and Postage	4,171	5,324	5,500	2,353	(3,147)	-57.2%
5221	Property Insurance	43,833	43,999	51,549	30,344	(21,205)	-41.1%
5222	Auto Insurance	10,237	10,181	9,128	5,105	(4,022)	-44.1%
5223	Liability Insurance	39,443	37,467	43,302	3,612	(39,690)	-91.7%
5227	Advertising	5,394	8,010	6,000	2,600	(3,400)	-56.7%
5231	Tools and Equipment	62	1,251	1,500	750	(750)	-50.0%
5235	Membership Dues	4,114	2,984	4,500	2,001	(2,499)	-55.5%
5236	Transportation	3,432	2,350	4,500	1,808	(2,692)	-59.8%
5237	Subsistence	4,568	2,263	3,500	1,932	(1,568)	-44.8%
5238	Printing and Binding	1,838	865	4,500	1,000	(3,500)	-77.8%
5252	Credit Card Expenses	69,431	77,968	70,000	20,000	(50,000)	-71.4%
5603	Employee Training	325	100	1,000	500	(500)	-50.0%
5606	Bad Debt Expenses	(33,481)	16,187	30,000	7,000	(23,000)	-76.7%
5608	Debt Repayment - Interest	120,493	116,318	-	-	0	0.0%
Total Maint. and Operations		343,059	380,763	299,254	131,424	(167,830)	-56.1%
C/O and Transfers							
	<i>Transfer to Reserves</i>	33,269	-	286,611	-	(286,611)	-100.0%
	<i>To Reserves for Energy Project Repayment</i>	520	520	-	-	0	0.0%
	<i>Transfer to Revolving Energy Fund</i>	3,291	3,291	4,303	1,341	(2,962)	-68.8%
	<i>Transfer to Bond Fund</i>	300,000	300,000	300,000	225,000	(75,000)	-25.0%
	<i>Transfers to Health Insurance Fund</i>	-	17,826	147	673	525	357.3%
5990	Transfers To	337,080	321,638	591,061	227,013	(364,048)	-61.6%
5106	Leave Cash Out	57,636	29,241	31,457	20,620	(10,837)	-34.5%
5241	GF Admin Fees	558,336	591,076	579,038	311,223	(267,815)	-46.3%
Total		1,617,224	1,613,723	1,851,680	870,475	(981,205)	-53.0%

2021 Budget Notes:

City of Homer
2021 Operating Budget

0601 PORT & HARBOR - HARBOR				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	403,833	382,877	402,723	200,876	(201,847)	-50.1%
5102	Fringe Benefits	152,365	119,266	225,312	111,756	(113,557)	-50.4%
5103	Part-time Wages	69,829	70,611	73,515	37,125	(36,390)	-49.5%
5104	Part-time Benefits	8,817	8,690	9,163	4,627	(4,536)	-49.5%
5105	Overtime	17,763	13,155	16,741	8,371	(8,371)	-50.0%
5107	Part-time Overtime	146	41	1,700	850	(850)	-50.0%
5108	Unemployment Benefits	3,199	3,241	-	-	0	0.0%
5112	PERS Relief	18,179	25,106	-	-	0	0.0%
Total Salaries and Benefits		674,131	622,986	729,155	363,605	(365,550)	-50.1%
<u>Maintenance and Operations</u>							
5201	Office Supplies	598	713	1,500	283	(1,217)	-81.1%
5202	Operating Supplies	6,802	7,405	12,000	2,870	(9,130)	-76.1%
5203	Fuel and Lube	17,377	16,183	16,000	8,895	(7,105)	-44.4%
5204	Chemicals	2,784	2,780	3,000	3,000	0	0.0%
5207	Vehicle and Boat Maintenance	4,273	3,708	5,000	2,500	(2,500)	-50.0%
5208	Equipment Maintenance	366	312	2,000	1,000	(1,000)	-50.0%
5209	Building & Grounds Maintenance	4,683	10,681	5,000	3,388	(1,612)	-32.2%
5210	Professional Services	1,049	3,176	5,000	2,500	(2,500)	-50.0%
5213	Survey and Appraisal	0	-	-	-	0	0.0%
5217	Electricity	355,927	323,568	386,288	230,078	(156,210)	-40.4%
5218	Water	48,764	57,916	50,393	16,015	(34,378)	-68.2%
5219	Sewer	9,231	8,200	8,347	2,940	(5,406)	-64.8%
5220	Refuse and Disposal	22,439	45,211	60,000	20,000	(40,000)	-66.7%
5227	Advertising	1,474	613	1,000	500	(500)	-50.0%
5231	Tools and Equipment	2,087	1,517	3,000	1,299	(1,701)	-56.7%
5235	Membership Dues	500	515	750	350	(400)	-53.3%
5236	Transportation	777	3,634	3,000	500	(2,500)	-83.3%
5237	Subsistence	418	1,938	2,000	500	(1,500)	-75.0%
5238	Printing and Binding	71	254	2,000	1,000	(1,000)	-50.0%
5249	Oil Spill Response	1,664	1,222	2,000	1,000	(1,000)	-50.0%
5287	Electrical Supplies	2,269	2,657	4,000	1,000	(3,000)	-75.0%
5601	Uniform	3,281	4,516	4,000	2,000	(2,000)	-50.0%
5602	Safety Equipment	4,304	2,927	5,000	1,248	(3,752)	-75.0%
5603	Employee Training	1,949	175	3,000	1,000	(2,000)	-66.7%
5638	Signage Parking Delineation	11,225	15,319	15,500	10,000	(5,500)	-35.5%
Total Maint. and Operations		504,312	515,142	599,777	313,866	(285,911)	-47.7%
<u>C/O and Transfers</u>							
	<i>Transfer to Reserves</i>	-	-	-	-	0	0.0%
	<i>Transfer to Loan Payment to GF - Prin.</i>	57,648	87,345	85,755	59,791	(25,964)	-30.3%
	<i>Transfer to Loan Payment to GF - Interest</i>	6,000	11,472	13,062	10,547	(2,515)	-19.3%
5990	Transfers To	63,648	98,817	98,817	70,338	(28,479)	-28.8%
Total		1,242,091	1,236,945	1,427,748	747,809	(679,940)	-47.6%

Explanation of Line Items:

5217 - Covers the cost for electricity for the harbor floats, highmast lights and restrooms.

2021 Budget Notes:

5204 - Calcium chloride used for dust control in the summer and in the winter traction control sand and is normally fully expended early in the year.

City of Homer
2021 Operating Budget

0602 PORT & HARBOR - PIONEER DOCK				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	27,658	26,232	43,711	21,904	(21,806)	-49.9%
5102	Fringe Benefits	10,147	7,782	23,915	11,899	(12,015)	-50.2%
5103	Part-time Wages	-	-	-	-	0	0.0%
5104	Part-time Benefits	-	-	-	-	0	0.0%
5105	Overtime	1,087	797	1,027	550	(477)	-46.5%
5107	Part-time Overtime	-	-	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	1,239	1,713	-	-	0	0.0%
	Total Salaries and Benefits	40,130	36,524	68,653	34,354	(34,299)	-50.0%
<u>Maintenance and Operations</u>							
5202	Operating Supplies	-	1,500	1,500	750	(750)	-50.0%
5208	Equipment Maintenance	-	1,000	1,000	500	(500)	-50.0%
5209	Building & Grounds Maintenance	-	2,000	2,000	1,000	(1,000)	-50.0%
5210	Professional Services	-	2,000	2,000	1,000	(1,000)	-50.0%
5217	Electricity	7,688	18,124	18,210	8,042	(10,168)	-55.8%
5218	Water	4,704	8,166	5,137	3,521	(1,616)	-31.5%
5231	Tools and Equipment	0	1,000	1,000	500	(500)	-50.0%
5602	Safety Equipment	-	1,000	1,000	500	(500)	-50.0%
	Total Maint. and Operations	12,392	34,790	31,847	15,813	(16,034)	-50.3%
<u>C/O and Transfers</u>							
5990	Transfers To	300,692	271,984	0	0	0	0.0%
	Total	353,214	343,298	100,499	50,167	(50,333)	-50.1%

2021 Budget Notes:

**City of Homer
2021 Operating Budget**

0603 PORT & HARBOR - FISH DOCK				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	213,216	210,048	179,883	92,130	(87,753)	-48.8%
5102	Fringe Benefits	87,574	71,472	109,889	55,405	(54,484)	-49.6%
5103	Part-time Wages	15,571	17,695	15,666	7,912	(7,755)	-49.5%
5104	Part-time Benefits	2,585	2,907	1,953	986	(967)	-49.5%
5105	Overtime	4,455	5,609	7,701	3,851	(3,851)	-50.0%
5107	Part-time Overtime	1,364	1,522	2,179	1,089	(1,089)	-50.0%
5108	Unemployment Benefits	0	-	-	-	0	0.0%
5112	PERS Relief	9,370	13,671	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>334,135</u>	<u>322,925</u>	<u>317,271</u>	<u>161,373</u>	<u>(155,899)</u>	<u>-49.1%</u>
<u>Maintenance and Operations</u>							
5201	Office Supplies	203	253	500	250	(250)	-50.0%
5202	Operating Supplies	2,949	3,235	3,000	1,485	(1,515)	-50.5%
5203	Fuel and Lube	2,051	3,731	3,000	1,529	(1,471)	-49.0%
5204	Chemicals	797	1,652	3,000	1,000	(2,000)	-66.7%
5208	Equipment Maintenance	31,623	21,928	37,000	14,327	(22,673)	-61.3%
5209	Building & Grounds Maintenance	8,215	11,958	13,000	7,500	(5,500)	-42.3%
5210	Professional Services	6,893	5,089	5,000	4,732	(268)	-5.4%
5217	Electricity	157,005	171,754	175,942	65,239	(110,702)	-62.9%
5218	Water	11,463	23,655	22,811	6,523	(16,289)	-71.4%
5219	Sewer	364	3,196	1,028	236	(792)	-77.0%
5231	Tools and Equipment	968	1,637	1,500	1,000	(500)	-33.3%
5235	Membership Dues	325	325	-	-	0	0.0%
5250	Camera Area Network	1,766	0	4,000	2,000	(2,000)	-50.0%
5601	Uniform	0	-	-	-	0	0.0%
5602	Safety Equipment	1,228	609	1,000	548	(452)	-45.2%
5603	Employee Training	1,998	98	1,000	200	(800)	-80.0%
	<u>Total Maint. and Operations</u>	<u>227,848</u>	<u>249,120</u>	<u>271,781</u>	<u>106,569</u>	<u>(165,212)</u>	<u>-60.8%</u>
<u>C/O and Transfers</u>							
<u>5990</u>	<u>Transfers To</u>	6,261	0	-	-	<u>0</u>	<u>0.0%</u>
	<u>Total</u>	<u>568,244</u>	<u>572,045</u>	<u>589,053</u>	<u>267,942</u>	<u>(321,111)</u>	<u>-54.5%</u>

2021 Budget Notes:

City of Homer
2021 Operating Budget

0604 PORT & HARBOR - DEEP WATER DOCK				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	32,155	30,737	43,711	21,904	(21,806)	-49.9%
5102	Fringe Benefits	11,563	8,842	23,915	11,899	(12,015)	-50.2%
5103	Part-time Wages	-	-	-	-	0	0.0%
5104	Part-time Benefits	-	-	-	-	0	0.0%
5105	Overtime	1,258	905	1,222	611	(611)	-50.0%
5107	Part-time Overtime	-	-	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	1,440	2,006	-	-	0	0.0%
	Total Salaries and Benefits	46,416	42,490	68,848	34,415	(34,433)	-50.0%
<u>Maintenance and Operations</u>							
5203	Fuel and Lube	209	0	600	300	(300)	-50.0%
5209	Building & Grounds Maintenance	-	1,000	1,000	500	(500)	-50.0%
5210	Professional Services	1,574	4,950	2,000	1,000	(1,000)	-50.0%
5217	Electricity	9,004	9,417	9,009	6,113	(2,896)	-32.1%
5218	Water	11,882	15,373	9,111	3,987	(5,124)	-56.2%
5219	Sewer	587	1,299	1,620	473	(1,146)	-70.8%
5231	Tools and Equipment	0	114	1,000	500	(500)	-50.0%
5250	Camera Area Network	-	-	4,000	2,000	(2,000)	-50.0%
5602	Safety Equipment	-	-	1,000	500	(500)	-50.0%
5627	Port Security	28,427	1,485	2,000	2,000	0	0.0%
	Total Maint. and Operations	51,681	33,638	31,340	17,373	(13,966)	-44.6%
<u>C/O and Transfers</u>							
5990	Transfers To	0	-	-	-	0	0.0%
	Total	98,098	76,128	100,187	51,788	(48,399)	-48.3%

2021 Budget Notes:

City of Homer
2021 Operating Budget

0605 PORT & HARBOR - OUTFALL LINE				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	-	-	-	-	0	0.0%
5102	Fringe Benefits	-	-	-	-	0	0.0%
5103	Part-time Wages	-	-	-	-	0	0.0%
5104	Part-time Benefits	-	-	-	-	0	0.0%
5105	Overtime	-	-	-	-	0	0.0%
5107	Part-time Overtime	-	-	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	-	-	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
<u>Maintenance and Operations</u>							
5209	Building & Grounds Maintenance	306	356	3,000	1,500	(1,500)	-50.0%
5210	Professional Services	0	-	-	-	0	0.0%
5637	Diving Services	2,475	2,475	3,500	2,475	(1,025)	-29.3%
	<u>Total Maint. and Operations</u>	<u>2,781</u>	<u>2,831</u>	<u>6,500</u>	<u>3,975</u>	<u>(2,525)</u>	<u>-38.8%</u>
<u>C/O and Transfers</u>							
5990	Transfers To	0	-	-	-	0	0.0%
	<u>Total</u>	<u>2,781</u>	<u>2,831</u>	<u>6,500</u>	<u>3,975</u>	<u>(2,525)</u>	<u>-38.8%</u>

2021 Budget Notes:

City of Homer
2021 Operating Budget

0606 PORT & HARBOR - FISH GRINDER				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	-	-	-	-	0	0.0%
5102	Fringe Benefits	-	-	-	-	0	0.0%
5103	Part-time Wages	-	-	-	-	0	0.0%
5104	Part-time Benefits	-	-	-	-	0	0.0%
5105	Overtime	-	-	-	-	0	0.0%
5107	Part-time Overtime	-	-	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	-	-	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
<u>Maintenance and Operations</u>							
5202	Operating Supplies	144	3,507	4,000	2,000	(2,000)	-50.0%
5208	Equipment Maintenance	21,080	9,178	14,000	5,859	(8,141)	-58.2%
5209	Building & Grounds Maintenance	137	0	2,500	1,250	(1,250)	-50.0%
5218	Water	4,787	7,133	7,534	1,061	(6,474)	-85.9%
5235	Membership Dues	1,165	1,715	-	-	0	0.0%
	<u>Total Maint. and Operations</u>	<u>27,313</u>	<u>21,533</u>	<u>28,034</u>	<u>10,170</u>	<u>(17,865)</u>	<u>-63.7%</u>
<u>C/O and Transfers</u>							
5990	Transfers To	0	-	-	-	0	0.0%
	<u>Total</u>	<u>27,313</u>	<u>21,533</u>	<u>28,034</u>	<u>10,170</u>	<u>(17,865)</u>	<u>-63.7%</u>

2021 Budget Notes:

**City of Homer
2021 Operating Budget**

0611 PORT & HARBOR - HARBOR MAINTENANCE				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	157,192	161,395	166,924	77,023	(89,901)	-53.9%
5102	Fringe Benefits	60,503	47,421	91,503	43,244	(48,259)	-52.7%
5103	Part-time Wages	14,663	15,264	16,766	8,467	(8,299)	-49.5%
5104	Part-time Benefits	1,848	1,878	2,090	1,055	(1,034)	-49.5%
5105	Overtime	1,449	681	1,923	1,107	(816)	-42.4%
5107	Part-time Overtime	-	3	-	-	0	0.0%
5108	Unemployment Benefits	0	-	-	-	0	0.0%
5112	PERS Relief	7,142	10,275	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>242,797</u>	<u>236,916</u>	<u>279,205</u>	<u>130,896</u>	<u>(148,310)</u>	<u>-53.1%</u>
<u>Maintenance and Operations</u>							
5201	Office Supplies	155	174	600	300	(300)	-50.0%
5202	Operating Supplies	3,216	5,608	6,000	2,080	(3,920)	-65.3%
5203	Fuel and Lube	13,122	11,806	12,000	6,285	(5,715)	-47.6%
5207	Vehicle and Boat Maintenance	13,336	18,885	12,000	7,114	(4,886)	-40.7%
5208	Equipment Maintenance	4,741	8,193	8,000	3,582	(4,418)	-55.2%
5209	Building & Grounds Maintenance	6,398	5,926	12,000	6,000	(6,000)	-50.0%
5210	Professional Services	2,974	3,189	4,500	2,000	(2,500)	-55.6%
5217	Electricity	6,950	7,214	8,444	3,884	(4,560)	-54.0%
5218	Water	781	655	998	361	(637)	-63.9%
5219	Sewer	935	715	1,241	398	(843)	-67.9%
5231	Tools and Equipment	3,371	2,985	4,000	1,856	(2,144)	-53.6%
5235	Membership Dues	265	370	500	265	(235)	-47.0%
5236	Transportation	1,015	1,262	2,000	933	(1,067)	-53.4%
5237	Subsistence	780	1,126	1,000	420	(580)	-58.0%
5256	Waste Oil Disposal	36,978	46,131	45,000	15,000	(30,000)	-66.7%
5258	Float and Ramp Repairs	9,940	23,532	15,000	7,500	(7,500)	-50.0%
5601	Uniform	3,170	3,120	3,500	1,408	(2,092)	-59.8%
5602	Safety Equipment	1,447	1,516	3,000	1,500	(1,500)	-50.0%
5603	Employee Training	1,974	1,575	3,000	1,000	(2,000)	-66.7%
5637	Diving Services	3,750	1,750	5,000	2,500	(2,500)	-50.0%
	<u>Total Maint. and Operations</u>	<u>115,300</u>	<u>145,732</u>	<u>147,783</u>	<u>64,386</u>	<u>(83,397)</u>	<u>-56.4%</u>
	<u>Total</u>	<u>358,098</u>	<u>382,648</u>	<u>426,989</u>	<u>195,282</u>	<u>(231,706)</u>	<u>-54.3%</u>

2021 Budget Notes:

5231 - Increased line item due to annual warranty fees associated with the fee collection kiosks

City of Homer
2021 Operating Budget

0612 PORT & HARBOR - PIONEER DOCK MAINTENANCE				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	19,866	20,510	21,155	9,698	(11,457)	-54.2%
5102	Fringe Benefits	7,597	5,945	11,539	5,430	(6,109)	-52.9%
5103	Part-time Wages	1,833	1,851	2,096	1,058	(1,037)	-49.5%
5104	Part-time Benefits	231	228	261	132	(129)	-49.5%
5105	Overtime	186	89	239	146	(93)	-38.9%
5107	Part-time Overtime	-	-	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	903	1,306	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>30,617</u>	<u>29,928</u>	<u>35,290</u>	<u>16,465</u>	<u>(18,825)</u>	<u>-53.3%</u>
<u>Maintenance and Operations</u>							
5202	Operating Supplies	309	0	500	500	0	0.0%
5209	Building & Grounds Maintenance	333	1,724	3,000	1,500	(1,500)	-50.0%
5231	Tools and Equipment	248	0	1,500	750	(750)	-50.0%
5602	Safety Equipment	0	305	1,000	500	(500)	-50.0%
	<u>Total Maint. and Operations</u>	<u>890</u>	<u>2,029</u>	<u>6,000</u>	<u>3,250</u>	<u>(2,750)</u>	<u>-45.8%</u>
	<u>Total</u>	<u>31,506</u>	<u>31,956</u>	<u>41,290</u>	<u>19,715</u>	<u>(21,575)</u>	<u>-52.3%</u>

Budget Notes:

City of Homer
2021 Operating Budget

0614 PORT & HARBOR - DEEP WATER DOCK MAINTENANCE				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
Salaries and Benefits							
5101	Salary and Wages	19,866	20,510	21,155	9,698	(11,457)	-54.2%
5102	Fringe Benefits	7,597	5,945	11,539	5,430	(6,109)	-52.9%
5103	Part-time Wages	1,833	1,851	2,096	1,058	(1,037)	-49.5%
5104	Part-time Benefits	231	228	261	132	(129)	-49.5%
5105	Overtime	186	89	239	146	(93)	-38.9%
5107	Part-time Overtime	-	-	-	-	0	0.0%
5108	Unemployment Benefits	-	-	-	-	0	0.0%
5112	PERS Relief	903	1,306	-	-	0	0.0%
	Total Salaries and Benefits	30,617	29,927	35,290	16,465	(18,825)	-53.3%
Maintenance and Operations							
5202	Operating Supplies	286	19	500	250	(250)	-50.0%
5203	Fuel and Lube	419	244	-	-	0	0.0%
5209	Building & Grounds Maintenance	11,476	7,053	8,000	4,000	(4,000)	-50.0%
5231	Tools and Equipment	71	263	1,000	500	(500)	-50.0%
5250	Camera Area Network	4,970	0	5,000	2,500	(2,500)	-50.0%
5602	Safety Equipment	0	244	2,000	1,000	(1,000)	-50.0%
	Total Maint. and Operations	17,222	7,822	16,500	8,250	(8,250)	-50.0%
	Total	47,838	37,750	51,790	24,715	(27,075)	-52.3%

Budget Notes:

**City of Homer
2021 Operating Budget**

0615 LOAD & LAUNCH RAMP				Adopted	Draft	Δ %	
A/C Num.	Expenditure Categories & Descriptions	12/31/18 Actual	12/31/19 Actual	12/31/20 Budget	06/30/21 Budget	2020 to 2021	
						\$	%
<u>Salaries and Benefits</u>							
5101	Salary and Wages	23,927	24,337	25,327	12,265	(13,061)	-51.6%
5102	Fringe Benefits	9,103	7,071	13,787	6,713	(7,075)	-51.3%
5103	Part-time Wages	14,491	13,934	11,450	5,782	(5,668)	-49.5%
5104	Part-time Benefits	1,832	1,715	1,427	721	(706)	-49.5%
5105	Overtime	639	439	629	315	(315)	-50.0%
5107	Part-time Overtime	49	14	-	-	0	0.0%
5108	Unemployment Benefits	39	0	-	-	0	0.0%
5112	PERS Relief	1,106	1,571	-	-	0	0.0%
	<u>Total Salaries and Benefits</u>	<u>51,185</u>	<u>49,081</u>	<u>52,620</u>	<u>25,795</u>	<u>(26,825)</u>	<u>-51.0%</u>
<u>Maintenance and Operations</u>							
5202	Operating Supplies	243	223	500	250	(250)	-50.0%
5203	Fuel and Lube	752	791	1,300	650	(650)	-50.0%
5209	Building & Grounds Maintenance	304	5,256	5,000	2,500	(2,500)	-50.0%
5210	Professional Services	220	20	500	500	0	0.0%
5217	Electricity	3,499	3,503	3,312	2,001	(1,310)	-39.6%
5218	Water	1,102	1,508	1,295	469	(826)	-63.8%
5219	Sewer	1,885	2,294	2,340	649	(1,691)	-72.3%
5220	Refuse and Disposal	936	2,235	3,300	1,500	(1,800)	-54.5%
5231	Tools and Equipment	1,100	1,718	1,000	2,200	1,200	120.0%
5250	Camera Area Network	2,082	0	5,000	2,500	(2,500)	-50.0%
5252	Credit Card Expenses	1,486	1,660	4,000	2,000	(2,000)	-50.0%
5602	Safety Equipment	-	-	1,000	500	(500)	-50.0%
	<u>Total Maint. and Operations</u>	<u>13,609</u>	<u>19,208</u>	<u>28,547</u>	<u>15,719</u>	<u>(12,828)</u>	<u>-44.9%</u>
<u>C/O and Transfers</u>							
5990	TRANSFERS TO L/L RESERVE	49,517	38,301	46,717	26,354	(20,363)	-43.6%
	<u>Total</u>	<u>114,311</u>	<u>106,589</u>	<u>127,884</u>	<u>67,868</u>	<u>(60,015)</u>	<u>-46.9%</u>

Budget Notes:

ORDINANCE REFERENCE SHEET
2020 ORDINANCE
ORDINANCE 20-94

An Ordinance of the City Council of Homer, Alaska Amending the FY2021 Operating Budget by Appropriating Funds in the Amount of \$78,579 in order to fund Emergency Temporary Hires at the Homer Volunteer Fire Department for an Additional 6-Months, Associated with COVID-19 Response.

Sponsor: City Manager

1. City Council Regular Meeting December 14, 2020 Introduction

Memorandum 20-201 from Fire Chief as backup

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

3 City Manager

4 **ORDINANCE 20-94**

5
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
7 AMENDING THE FY2021 OPERATING BUDGET BY APPROPRIATING
8 FUNDS IN THE AMOUNT OF \$78,579 IN ORDER TO FUND
9 EMERGENCY TEMPORARY HIRES AT THE HOMER VOLUNTEER FIRE
10 DEPARTMENT FOR AN ADDITIONAL 6-MONTHS, ASSOCIATED
11 WITH COVID-19 RESPONSE.
12

13 WHEREAS, On Friday, March 13, 2020, the President of the United States of America
14 declared a national emergency due to COVID-19; and
15

16 WHEREAS, On March 11, 2020, the Governor of the State of Alaska issued a Public Health
17 Disaster Emergency Declaration for COVID-19; and
18

19 WHEREAS, On March 18, 2020, the Mayor of the City of Homer declared a Local Health
20 Emergency due to COVID-19 which has been extended through December 31, 2020 with the
21 passage of Resolution 20-113(A); and
22

23 WHEREAS, Responding to the COVID-19 emergency requires available funding as the
24 City did not anticipate or budget for these expenditures; and
25

26 WHEREAS, The Homer Volunteer Fire Department has hired emergency temporary
27 employees to respond to the pandemic as authorized by the March 17, 2020 Personnel
28 Regulations adopted through Resolution 20-028, and;
29

30 WHEREAS, The CARES Act funds have reimbursed the City for all personnel costs
31 associated with the HVFD emergency temporary hires but will no longer be available as a
32 funding source as of December 31, 2020; and
33

34 WHEREAS, The Homer Volunteer Fire Department's need for additional temporary
35 personnel in order to respond to the COVID-19 pandemic still persists beyond December 30,
36 2020.
37

38 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:
39

40 Section 1: The FY 2021 Operating Budget is hereby amended by appropriating funds in
41 the amount of \$78,579 from the General Fund Balance for the purpose of funding emergency
42 temporary hires at HVFD associated with COVID-19 response:

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Account No.	Description:	Amount:
100-0100	COVID-19 Response	\$78,579

Section 2: This is a budget amendment ordinance, is not permanent in nature, and shall not be codified.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 11th day of January, 2021.

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

First Reading:

Public Hearing:

Second Reading:

Effective Date:



City of Homer

www.cityofhomer-ak.gov

Volunteer Fire Department

604 East Pioneer Ave
Homer, Alaska 99603

fire@cityofhomer-ak.gov

(p) 907-235-3155

(f) 907-235-3157

Memorandum 20-201

TO: Homer City Council
THROUGH: Rob Dumouchel
FROM: Mark Kirko, Fire Chief
DATE: December 9, 2020
SUBJECT: 2021 Covid-19 hires

In March of 2020 the Fire Department, through the City Manager's office, hired two temporary full-time Emergency Responders to aid in emergency medical response to the COVID-19 pandemic. This funding expires on December 30th. At the time the emergency hires were made, we had no clear idea how long the pandemic would last nor did we know what effect it would have on the emergency response system in Homer. The pandemic has proven to have had a significant effect on the health and wellbeing of Homer residents. It has also resulted in the Fire Department making changes to its operational response to meet this new challenge in a safe manner. While there are preparations underway for the deployment of vaccines, it is anticipated that COVID-19 will have an impact well into 2021.

For the proposed 2021 fiscal year (January 1 through June 30), I would like to retain one of the emergency hire positions and then fill the equivalent of a second position with temporary hires (depending on the available work force, temp hours could be split between more than one individual to provide coverage equivalent to one full-time temp employee). This will allow us to continue to provide emergency response that meets the needs of the community while managing the safety of our first responders. Additionally, the use of temporary hire(s) will result in savings of approximately \$20,000 when compared to maintaining two emergency hires for the same period.

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

City Clerk

3
4 **RESOLUTION 20-128**

5
6 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
7 ESTABLISHING THE 2021 REGULAR MEETING SCHEDULE FOR CITY
8 COUNCIL, ECONOMIC DEVELOPMENT ADVISORY COMMISSION,
9 LIBRARY ADVISORY BOARD, PARKS ART RECREATION AND
10 CULTURE ADVISORY COMMISSION, PLANNING COMMISSION,
11 PORT AND HARBOR ADVISORY COMMISSION, AND AMERICANS
12 WITH DISABILITIES ACT (ADA) COMPLIANCE COMMITTEE.
13

14 WHEREAS, Pursuant to Homer City Code (HCC) Section 1.14.020, the City Council
15 annually sets the schedule for regular and some special meetings, noting the dates, times and
16 places of the City Council, Planning Commission, Advisory Commissions and Boards, and
17 Standing Committee meetings; and
18

19 WHEREAS, The public is informed of such meetings through notices located at the City
20 Clerk's Office, Clerk's Calendar on KBBI, the City Clerk's Website, and postings at the Public
21 Library; and
22

23 WHEREAS, HCC 1.14.020 - 040 states that meetings may be advertised in a local paper
24 of general circulation at least three days before the date of the meeting and that special
25 meetings should be advertised in the same manner or may be broadcast by local radio at least
26 twice a day for three consecutive days or two consecutive days before the day of the meeting
27 plus the day of the meeting; and
28

29 WHEREAS, HCC 1.14.010 notes that the notice of meetings applies to the City Council
30 and all commissions, boards, committees, subcommittees, task forces and any sub-unit of the
31 foregoing public bodies of the City, whether meeting in a formal or informal meeting; that the
32 failure to give the notice provided for under this chapter does not invalidate or otherwise affect
33 any action or decision of a public body of the City; however, this sentence does not change the
34 consequences of failing to give the minimum notice required under State Statute; that notice
35 will ordinarily be given by the City Clerk; and that the presiding officer or the person or persons
36 calling a meeting are responsible for notifying the City Clerk of meetings in sufficient time for
37 the Clerk to publish notice in a newspaper of general circulation in the City; and
38

39 WHEREAS, This Resolution does not preclude additional meetings such as emergency
40 meetings, special meetings, worksessions, and the like; and
41

42 WHEREAS, Council adopted Resolution 06-144 on October 9, 2006 establishing the
 43 Regular Meeting site for all bodies to be the City Hall Cowles Council Chambers.
 44

45 NOW, THEREFORE, BE IT RESOLVED by the Homer City Council, that the 2021 meeting
 46 schedule is established for the City Council, Economic Development Advisory Commission,
 47 Library Advisory Board, Parks Art Recreation and Culture Advisory Commission, Planning
 48 Commission, Port and Harbor Advisory Commission, and the American with Disabilities Act
 49 (ADA) Compliance Committee of the City of Homer, Alaska, as follows:
 50

51 HOLIDAYS – City Offices closed:

January 1, New Year's Day, Friday	February 15, Presidents' Day, third Monday	March 29, Seward's Day, last Monday	May 31, Memorial Day, last Monday	July 4*, Independence Day, Monday	September 6, Labor Day, first Monday
October 18, Alaska Day, Monday	November 11, Veterans Day, Thursday	November 25 Thanksgiving Day, Thursday	November 26, Friday, the day after Thanksgiving	December 25, Christmas, Friday*	

52 *If on a Sunday, the following Monday is observed as the legal holiday; if on a Saturday, the
 53 preceding Friday is observed as the legal holiday pursuant to the City of Homer Personnel Rules
 54 and Regulations.
 55

56 CITY COUNCIL (CC)

January 11, 25	February 8, 22	March 8, 22	April 12, 26	May 10, 24	June 14, 28
July 26*	August 9, 23	September 13, 27	October 5 Election	October 11, 25 Oath of Office October 11	Canvass Board October 8
November 2 Runoff Election	November 22*	December 13**	December 20** if needed		

57 *There will be no First Regular Meeting in July or November.

58 ** The City Council traditionally cancels the last regular meeting in December and holds the
 59 first regular meeting and one to two Special Meetings as needed; the second Special Meeting
 60 the third week of December will not be held.
 61

62 City Council's Regular Committee of the Whole Meetings at 5:00 p.m. to no later than 5:50 p.m.
 63 prior to every Regular Meeting which are held the second and fourth Monday of each month at
 64 6:00 p.m. Council will not conduct a First Regular Meeting in July or November.
 65

66 ECONOMIC DEVELOPMENT ADVISORY COMMISSION (EDC)

January 12	February 9	March 9	April 13	May 11	June 8
July 13	August 10	September 14	October 12	November 9	December 14

67
 68 Economic Development Advisory Commission Regular Meetings are held on the second
 69 Tuesday of each month at 6:00 p.m.

70
 71 LIBRARY ADVISORY BOARD (LAB)

February 2	March 2	April 6	May 4	August 3
September 7	October 5	November 2	December 7	

72
 73 Library Advisory Board Regular Meetings are held on the first Tuesday of the following months:
 74 February, March, April, May, August, September, October, November, and December at 5:30
 75 p.m.

76
 77 PARKS ART RECREATION AND CULTURE ADVISORY COMMISSION (PARCAC)

February 18	March 18	April 15	May 20	June 17
August 19	September 16	October 21	November 18	

78
 79 Parks Art Recreation and Culture Advisory Commission Regular Meetings are held on the third
 80 Thursday February through June and August through November at 5:30 p.m.

81
 82 PLANNING COMMISSION (PC)

January 6, 20	February 3, 17	March 3, 17	April 7, 21	May 5, 19	June 2, 16
July 21*	August 4, 18	September 1, 15	October 6, 20	November 3*	December 1*

83 *There will be no First Regular Meeting in July or Second Regular Meetings in November and
 84 December.

85
 86 Planning Commission Regular Meetings are held on the first and third Wednesday of each
 87 month at 6:30 p.m.

88
 89 PORT AND HARBOR ADVISORY COMMISSION (PHC)

January 27	February 24	March 24	April 28	May 26	June 23
July 28	August 25	September 22	October 27	December 22	

90

91 Port and Harbor Advisory Commission Regular Meetings are held on the fourth Wednesday of
92 the following months: January, February, March, April, September, October, and December at
93 5:00 p.m.; and May, June, July, and August at 6:00 p.m.

94

95 AMERICANS WITH DISABILITIES ACT (ADA) COMPLIANCE COMMITTEE (ADA)

			April 8	May 13	June 10
July 8			October 14	November 10*	

96 * November meeting will be on second Wednesday due to Veteran's Day Holiday

97

98 The Americans with Disabilities Act (ADA) Compliance Committee are held on the second
99 Thursday in the months of April, May, June, July, October, November, and may call additional
100 meetings as needed.

101

102 PASSED AND ADOPTED by the Homer City Council this 14th day of December, 2020.

103

104

CITY OF HOMER

105

106

107

KEN CASTNER, MAYOR

108

109

110 ATTEST:

111

112

113

MELISSA JACOBSEN, MMC, CITY CLERK

114

115

116 Fiscal Impact: Advertising of meetings in regular weekly meeting ad and advertising of any

117 additional meetings.



City of Homer

www.cityofhomer-ak.gov

Office of the City Clerk

491 East Pioneer Avenue
Homer, Alaska 99603

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(p) 907-235-3130

(f) 907-235-3143

Memorandum 20-203

TO: MAYOR CASTNER AND CITY COUNCIL

FROM: MELISSA JACOBSEN, MMC, CITY CLERK

DATE: DECEMBER 9, 2020

SUBJECT: 2021 MEETING SCHEDULE FOR CITY COUNCIL & ADVISORY BODIES

The following advisory bodies reviewed, discussed, and approved their 2021 regular meeting schedules as provided in Resolution 20-128:

- Planning Commission – Approved under New Business at the November 4, 2020 Regular Meeting with no amendments.
- Parks, Art, Recreation and Culture Advisory Commission – Approved at the November 19, 2020 Regular Meeting under New Business with no amendments.
- Port and Harbor Advisory Commission – Approved under New Business at the October 28, 2020 Regular Meeting with no amendments.
- Library Advisory Board – Approved under New Business at the November 6, 2020 Regular Meeting with no amendments.
- Economic Development Advisory Commission – Approved under New Business at the November 10, 2020 Regular Meeting
- ADA Compliance Committee – Reviewed and noted necessary corrections at their November 12, 2020 Meeting. Those corrections have been made.

RECOMMENDATION

Adopt Resolution 20-128 establishing the 2021 regular meeting schedule for City Council, Economic Development Advisory Commission, Library Advisory Board, Parks Art Recreation and Culture Advisory Commission, Planning Commission, Port and Harbor Advisory Commission and ADA Compliance Committee.

**CITY OF HOMER
HOMER, ALASKA**

Mayor

RESOLUTION 20-129

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
EXTENDING THE CITY OF HOMER DISASTER EMERGENCY
DECLARATION TO MARCH 9, 2021, DUE TO THE CURRENT AND
EXPECTED IMPACTS OF THE COVID-19 NOVEL CORONAVIRUS
PANDEMIC

WHEREAS, Mayor Castner issued a Declaration of a Local Emergency on March 18, 2020, due to the current and expected impacts of the COVID-19 pandemic in the City of Homer; and

WHEREAS, The declaration activated the city's emergency response plan and requested disaster assistance from the State of Alaska by making available resources as needed for the ongoing response and recovery from the current and potential impacts, to provide individual assistance for affected businesses and individuals, and technical expertise and guidance to help the city in its response and recovery from this event; and

WHEREAS, On March 23, 2020 the declaration was ratified and extended for a period of 90 days by Resolution 20-029 and has been further extended by Resolutions 20-055, 20-069, and 20-113(A); and

WHEREAS, The Emergency Declaration is set to expire on December 31, 2020; and

WHEREAS, As the response and recovery efforts continue and are expected to require the ongoing use of city resources it is appropriate to extend the declaration; and

WHEREAS, While many of the expenses incurred by the City during 2020 have been covered by CARES ACT money, it remains incumbent that COVID-19 expenses in 2021 be separately accounted to remain eligible for any new or existing grants or reimbursements; and

WHEREAS, The distribution of vaccines is anticipated to begin in 2021 and point of dispensing planning is currently underway by the Unified Command partners; and

WHEREAS, The City Council finds that further extending this declaration is in the best interest of the public.

NOW, THEREFORE, BE IT RESOLVED that the City's Disaster Emergency Declaration issued by the Mayor on March 18, 2020, is hereby extended to March 9, 2021 in order to allow for a continued response.

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PASSED AND ADOPTED by the Homer City Council on this 14th day of December, 2020.

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal Note: N/A

**CITY OF HOMER
HOMER, ALASKA**

Lord

RESOLUTION 20-130

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
SUPPORTING AND ENCOURAGING ALL FORMS OF OUTDOOR
RECREATION ESPECIALLY DURING THE 2020-2021 WINTER WITH
THE ONGOING COVID-19 PANDEMIC

WHEREAS, Parks and recreation programs and areas are an integral part of communities throughout the country, including the City of Homer; and

WHEREAS, Parks and recreation are vitally important to establishing and maintaining the quality of life in our communities, ensuring the health of all citizens, and contributing to the economic and environmental well-being of a community and region; and

WHEREAS, City Parks and recreation programs and areas build healthy, active communities that aid in the prevention of chronic disease, provide therapeutic recreation services for people with mental or physical disabilities, and improve the mental and emotional health of all citizens; and

WHEREAS, As the result of the COVID-19 Pandemic, many traditional indoor recreational and leisure programs and opportunities have been suspended or cancelled; and

WHEREAS, City staff observed an increase in outdoor summer recreation and is anticipating significant levels of outdoor winter recreation during the COVID-19 Pandemic and

WHEREAS, Given the COVID-19 pandemic, opportunities for COVID conscious outdoor winter recreation is important for the health and wellbeing of Citizens of Homer; and

WHEREAS, The City of Homer Parks and Community Recreation divisions strive to meet the projected increased recreational needs and will pursue additional opportunities and programs as staff and resources allow; and

WHEREAS, The community in and around the City of Homer is extremely dedicated to facilitating outdoor recreation with organizations and individuals providing opportunities for cross country skiing, downhill skiing/snowboarding, ice skating, ice racing, snow machining, bike riding, running/walking, sledding, snowshoeing, skijoring, and other snow sports; and

WHEREAS, Numerous businesses in the City support outdoor winter recreation and the associated tourism when people come to recreate in Homer during the winter months.

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NOW, THEREFORE, BE IT RESOLVED the City of Homer supports and promotes maintaining our existing parks, trails, and “COVID-19 Safe” related outdoor recreational opportunities while encouraging city staff to pursue additional safe and healthy outdoor opportunities.

BE IT FURTHER RESOLVED the City of Homer celebrates and appreciates all of the efforts of volunteers, nonprofits, and businesses around Homer supporting a vibrant outdoor recreation community.

PASSED AND ADOPTED by the Homer City Council on this 14th day of December, 2020.

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal Note: N/A

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

Lord

3
4 **RESOLUTION 20-131**

5
6 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
7 URGING BUSINESSES AND INDIVIDUALS TO EMPLOY BASIC
8 COVID-19 SAFETY MEASURES SUCH AS MASKING AND SOCIAL
9 DISTANCING TO REDUCE THE SPREAD OF COVID-19 AND
10 PROTECT OUR PUBLIC HEALTHCARE SYSTEMS AND HEALTHCARE
11 WORKERS.

12
13 WHEREAS, On January 31, 2020, the United States Department of Public Health and
14 Human Services Secretary, Alex Azar, declared a public emergency for the novel coronavirus
15 (COVID-19) beginning on January 27, 2020; and

16
17 WHEREAS, On March 11, 2020 the World Health Organization declared the COVID-19
18 outbreak a pandemic; and

19
20 WHEREAS, On March 11, Alaska Governor Mike Dunleavy signed a Public Health Disaster
21 Emergency Declaration due to COVID-19 that provided for health mandates to be issued when
22 deemed necessary by the Alaska Department of Health and Social Services, the Alaska Chief
23 Medical Officer, the Alaska Division of Public Health and the Office of the Governor; and

24
25 WHEREAS, On April 3, 2020 the White House Coronavirus Task Force and the CDC
26 confirmed that in addition to sanitation, contact tracing and quarantine, practicing social
27 distancing and wearing a cloth face covering in public settings represented the best ways to
28 mitigate exposure to and the spread of COVID-19; and

29
30 WHEREAS, Governor Dunleavy's initial Health Mandates and more recent COVID-19
31 Outbreak Health Orders iterate these necessary and appropriate mitigation actions to protect
32 the health, safety, and welfare of Alaska's residents and visitors, but to date, do not require
33 Alaska's residents and visitors to wear a cloth face covering in public settings where social
34 distance cannot be maintained; and

35
36 WHEREAS, Despite Governor Dunleavy's assertion, the City of Homer lacks the authority
37 under the law or under statutory powers delegated by the State Constitution to enact and
38 enforce health mandates such as requiring face coverings, even in declared emergency; and

39
40 WHEREAS, Eight months into the COVID-19 pandemic, Alaska is experiencing
41 exponential growth of COVID-19 cases, which according to Department of Health and Social

42 Services had increased on December 6 to 36,196 cases statewide, with 483 of those cases
43 recorded in South Peninsula Hospital’s Service Area; and

44
45 WHEREAS, Of the total 403 positive test results recorded at South Peninsula Hospital,
46 over one-third were reported in the past two weeks, indicating significant local transmission
47 and the need for increased preventative measures; and

48
49 WHEREAS, The rapid escalation in COVID-19 cases threatens public mental and physical
50 health and welfare through:

- 51 • Exceeding the capacity of Public Health Nurses to keep up with contact tracing,
- 52 • Threatening the capacity of our hospital and medical staff to provide care to all who
- 53 need it, not just COVID-19 patients,
- 54 • Business and service interruptions and job loss which contribute to economic
- 55 slowdown and family financial instability,
- 56 • Requiring Kenai Peninsula Borough schools to move to remote learning; and

57
58 WHEREAS, Mask-wearing and social distancing are evidence-based practices that slow
59 the rapid escalation of COVID-19 cases and are of paramount necessity to keep our hospitals
60 stable, save lives, and keep local businesses and schools open; and

61
62 WHEREAS, The City of Homer is leading by example by requiring facial coverings in all
63 City facilities and is available to continue supporting businesses and individuals to the best of
64 our ability; and

65
66 WHEREAS, We can best get through this time as a community working together to care
67 for ourselves and for one another.

68
69 NOW, THEREFORE, BE IT RESOLVED that the Mayor and Homer City Council, based on
70 the recommendations of public health experts and in response to a serious threat to the public
71 health, safety, and welfare of its citizens, hereby strongly urge all businesses, establishments,
72 corporations, non-profit corporations and organizations located within the City to require
73 employees and customers to wear cloth face coverings in accordance with CDC guidelines.

74
75 BE IT FURTHER RESOLVED that the Mayor and Homer City Council strongly urge all
76 residents and visitors to practice six foot social distancing and to wear cloth face coverings in
77 any indoor or outdoor environment in which people cannot practice or maintain social
78 distancing in accordance with CDC guidelines.

79
80 PASSED AND ADOPTED by the Homer City Council this 14th day of December, 2020.

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82 CITY OF HOMER

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ATTEST:

KEN CASTNER, MAYOR

MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal Note: N/A

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

3 City Manager/
4 Finance Director

5 **RESOLUTION 20-132**

6
7 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
8 ACCEPTING THE 2019 BASIC FINANCIAL STATEMENTS AND
9 ACKNOWLEDGING THE MANAGEMENT LETTER SUBMITTED BY
10 THE CITY'S INDEPENDENT AUDITOR, BDO USA, LLP AND
11 AUTHORIZING THE CITY MANAGER TO EXECUTE THE FINANCIAL
12 REPORT.

13
14 WHEREAS, BDO USA, LLP conducted the annual audit, submitted the 2019 Basic
15 Financial Statements, and the management letter was delivered for review and distributed to
16 the Mayor and City Council December 2020; and

17
18 WHEREAS, BDO USA, LLP made a public presentation during the Regular Meeting of
19 December 14, 2020.

20
21 NOW, THEREFORE, BE IT RESOLVED by the City Council of Homer, Alaska, that the 2019
22 Basic Financial Statements is accepted and that the management letter is acknowledged as
23 submitted by BDO USA, LLP, the City's independent auditor.

24
25 PASSED AND ADOPTED by the Homer City Council this 14th day of December, 2020.


26
27 CITY OF HOMER

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30 _____
31 KEN CASTNER, MAYOR

32 ATTEST:

33
34
35 _____
36 MELISSA JACOBSEN, MMC, CITY CLERK

37
38 Fiscal Note: N/A



City of Homer, Alaska

Basic Financial Statements, Required
Supplementary Information, Supplementary
Information, and Government Auditing
Standards Report
Year Ended December 31, 2019

City of Homer, Alaska

Basic Financial Statements, Required Supplementary Information,
Supplementary Information, and Government Auditing Standards Report

Year Ended December 31, 2019



City of Homer
www.cityofhomer-ak.gov

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City of Homer, Alaska

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City of Homer, Alaska

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City of Homer, Alaska

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3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report

Honorable Mayor and Members of the City Council
City of Homer, Alaska

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Homer Alaska (the City), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Homer Alaska, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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 66 and 67, and the schedules of the City's information on the net pension and OPEB liability (assets) and City contributions to the pension and OPEB plans on pages 68 through 71, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Homer's basic financial statements. The accompanying combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules listed in the table of contents are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City of Homer as of and for the year ended December 31, 2018 (not presented herein), and have issued our report thereon dated October 10, 2019, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The individual fund financial statements and schedules for the year ended December 31, 2018 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 financial statements. The individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2018 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2018.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2020 on our consideration of the City of Homer's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Homer's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Homer's internal control over financial reporting and compliance.

BDO USA, LLP

Anchorage Alaska
December 7, 2020

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Management's Discussion and Analysis

City of Homer, Alaska

Management's Discussion and Analysis December 31, 2019

The City of Homer management offers readers financial statements, narrative overview, and analysis of the financial activities of the City of Homer for the fiscal year ending December 31, 2019. Readers are encouraged to read this narrative in conjunction with the City's financial statements, which follow this *section*.

Financial Highlights

- The assets and deferred outflows of resources of the City of Homer exceeded its liabilities and deferred inflows of resources on December 31, 2019, by \$139,533,734 (Net Position). Of this amount, unrestricted net position of \$13,889,064 may be used to meet the City's ongoing obligations to citizens and creditors. The City's total net position increased by \$4,923,831 from current year activity. For the fiscal year, governmental type activities increased by \$5,678,608 and business type activities decreased by \$754,777.

As of December 31, 2019, the City's governmental funds reported combined ending fund balances of \$30,163,426, an increase of \$6,775,719 from the prior year. A combination of factors contributed to the increase, but primarily due to an increase in property taxes and an overall decrease in spending. The Gas-Line Capital Project fund resulted in an increase of \$311,474 to the fund balance; The HART-Road Capital Project fund resulted in a decrease of \$132,301 to the fund balance; the Utility (Water & Sewer) Special Revenue fund balance increased by \$1,916,808; the City Facilities fund balance increased by \$1,955,704; the General fund balance increased by \$2,896,506; all other Non-Major fund balances have a net decrease of \$172,472.

- At the end of the current year, the fund balance for the General fund was \$10,051,587. Of this amount, \$9,522,558 was unassigned and available for future use.
- At year-end, the City of Homer's outstanding governmental debt totaled \$27,298,032. Business-type debt outstanding was \$5,457,978. These figures include both external debt (bonds, loans, capital leases) as well as accrued leave and net pension and OPEB liability.

Overview of the Financial Statements

This annual report is comprised of four segments as dictated by Generally Accepted Accounting Principles (GAAP): Management's Discussion and Analysis (this section), the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements include two kinds of statements that present different views of the City of Homer.

- Government-wide financial statements provide both long-term and short-term information about the City's overall condition in a summary format.
- Fund financial statements focus on individual parts of Homer's government, reporting the City's operations in more detail than the government-wide statements.
- The governmental funds statements explain how general government services like public safety were financed in the short-term as well as what remains for future spending.

City of Homer, Alaska

Management's Discussion and Analysis December 31, 2019

- Proprietary fund statements offer short-term and long-term financial information about the activities the government operates like businesses, such as the port and harbor fund.

The financial statements also include *notes*, which elaborate on some of the information in the basic financial statements that provide more detailed data. The notes to the basic financial statements are followed by a section of required supplementary information that includes budgetary comparison schedules and net pension, and OPEB schedules. In addition to these required elements, we have included other supplementary information such as the individual and combining fund financial statements and schedules.

Illustration A-1			
Major Features of City of Homer's Government-wide and Fund Financial Statements			
	Government-wide Statements	Fund Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire City government	The activities of the City that are not proprietary, such as police, fire, public works, and water/sewer utility	Activities the City operates similar to private businesses, such as port & harbor
Required financial statements	*Statement of net position *Statement of activities	*Balance sheet *Statement of revenues, expenditures and changes in fund balance	*Statement of net position *Statement of revenues, expenses and changes in net position *Statement of cash flows
Accounting basis and measurement focus	Accrual accounting	Modified accrual accounting and current financial resources focus	Accrual accounting
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

City of Homer, Alaska

Management's Discussion and Analysis December 31, 2019

Illustration A-1 summarizes the major features of the City's financial statements. The remainder of this overview section of the management's discussion and analysis explains the structure and contents of each of the statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Homer's finances in a manner similar to a private-sector business. These statements can be located as listed in the table of contents of this document.

- The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may indicate the improvement or deterioration of the City's financial position.
- The statement of activities presents information showing how the City's net position changed during the concluded fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The government-wide financial statements of the City are divided into two categories:

- **Governmental activities** - These are functions such as public safety and public works services that are principally supported by taxes and intergovernmental revenue.
- **Business-type activities** - These functions are intended to recover all or a significant portion of their costs through user fees and charges. The City's port & harbor system falls within this category.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Homer, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities. However, unlike the government-wide financial statements, governmental fund financial statements focus on short-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements.

City of Homer, Alaska

Management's Discussion and Analysis December 31, 2019

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Homer maintains twenty two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for all major funds. Individual fund data for each of the non-major funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund and Utility Special Revenue Fund. Budgetary comparison statements are provided for these funds to demonstrate compliance with the budgets.

Proprietary Funds - Services for which the City charges customers a fee are generally reported in the proprietary funds. Proprietary funds provide the same type of information as the government-wide statements, only in more detail. The City of Homer maintains two different types of proprietary funds.

- Enterprise funds - Are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses one enterprise fund to account for its port & harbor system.
- Internal service funds - Are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its health benefits and accrued leave cash-outs.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data presented in the government-wide and fund financial statements. The notes to the financial statements can be found as listed in the table of contents of this report. Please note, the following financial analysis is reported in thousands.

Government-wide Financial Analysis

At the close of the 2019 fiscal year, the City's net position (assets exceeding liabilities) totaled \$139,534 (see Table A-1). Of this amount, \$118,199 or 85%, represents the City's investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related outstanding debt used to acquire those assets. Because the City of Homer uses these capital assets to provide services to the community, these assets are not available for future spending. The remaining amounts of net position are labeled as restricted or unrestricted.

City of Homer, Alaska

Management's Discussion and Analysis December 31, 2019

The restricted balance of \$7,446 in the governmental activities is for capital projects and bond reserve. The total unrestricted amount totals \$13,889 and is available to meet the City's ongoing obligations to citizens and creditors.

The following schedule provides a summary of the City's net position:

**Table A-1
City of Homer's Net Position
(Amounts reported in thousands)**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets						
Current assets	\$ 39,920	\$ 33,931	\$ 2,566	\$ 1,945	\$ 42,486	\$ 35,876
Capital assets	82,839	81,096	50,505	52,461	133,344	133,557
Total Assets	122,759	115,027	53,071	54,406	175,830	169,433
Deferred outflows	1,341	1,399	262	277	1,603	1,675
Total Assets and Deferred Outflows						
	124,100	116,426	53,333	54,683	177,433	171,109
Liabilities						
Noncurrent liabilities	27,299	25,328	5,457	5,930	32,756	31,258
Other liabilities	2,846	2,591	1,405	1,481	4,251	4,072
Total Liabilities	30,145	27,919	6,862	7,411	37,007	35,330
Deferred inflows	746	976	146	193	892	1,169
Total Liabilities and Deferred Inflows						
	30,891	28,895	7,008	7,604	37,899	36,499
Net Position						
Net investment in capital assets	70,930	71,427	47,269	49,054	118,199	120,481
Restricted	7,446	7,502	-	-	7,446	7,502
Unrestricted	14,833	8,602	(944)	(1,975)	13,889	6,627
Total Net Position	\$ 93,209	\$ 87,531	\$ 46,325	\$ 47,079	\$ 139,534	\$ 134,610

City of Homer, Alaska

Management's Discussion and Analysis December 31, 2019

**Table A-2
City of Homer's Changes in Net Position
(Amounts reported in thousands)**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Program Revenues						
Charges for services	\$ 5,876	\$ 5,303	\$ 4,964	\$ 4,758	\$ 10,840	\$ 10,061
Operating grants and contributions	957	1,384	71	50	1,028	1,434
Capital grants and contributions	1,085	313	49	409	1,134	722
General Revenues						
Property taxes	3,680	3,526	-	-	3,624	3,526
Sales taxes	10,324	7,657	-	-	10,324	7,657
Other	1,012	322	82	74	1,094	396
Total Revenues	22,934	18,505	5,167	5,291	28,101	23,796
Expenses						
General government	3,182	3,059	-	-	3,182	3,059
Public safety	4,095	4,254	-	-	4,095	4,254
Public works	4,029	3,802	-	-	4,029	3,802
Library	996	1,028	-	-	996	1,028
Airport	251	253	-	-	251	253
Community services	100	93	-	-	100	93
Water and sewer	4,131	4,286	-	-	4,131	4,286
Unallocated interest	372	332	-	-	372	332
Port and harbor	-	-	5,920	5,996	5,920	5,996
Total Expenses	17,156	17,107	5,920	5,996	23,076	23,103
Increase (decrease) in net position before transfers and special item	\$ 5,778	\$ 1,398	(753)	(705)	\$ 5,025	\$ 693

City of Homer, Alaska

Management's Discussion and Analysis December 31, 2019

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Transfers	\$ 1	\$ (463)	\$ (1)	\$ 463	\$ -	\$ -
Special item	(101)	(3)	-	-	(101)	(3)
Increase (Decrease) In Net Position	5,678	932	(754)	(242)	4,924	690
Net Position, beginning	87,531	88,724	47,079	47,763	134,610	136,487
Net Position, ending	\$ 93,209	\$ 87,531	\$ 46,325	\$ 47,079	\$ 139,534	\$ 134,610

The City's net position increased by \$4,924. Revenues exceeded expenses in the governmental activities by \$5,778 and in the business-type activities expenses exceeded revenues by \$754. Key elements of the increases and decreases follow:

- Revenues in the governmental activities increased by \$4,429 in 2019 from 2018. This is mainly due to an increase of \$2,667, \$772, and \$690 in charges for services, capital grants and contributions, and other revenues, respectively.
- Expenses in the governmental activities increased by \$49 in 2019 from 2018. This is mainly due to a decrease of \$159 in public safety being offset by an increase of \$227 in public works.
- Revenues in the business-type activities decreased by \$125 in 2019 from 2018. This is mainly due to a decrease in capital grants and contributions of \$360 being offset by an increase of \$205 in charges for services.
- Expenses in the business-type activities also decreased by \$76 in 2019 from 2018.
- Sales Taxes reflect an increase from 2018. This breakdown shows the Sales Taxes by fund to receive them. Changes in sales tax dollars from 2019 to 2018 are as follows:

Sales Taxes	2019	2018	Change
Fund			
General	\$ 8,741	\$ 6,413	\$ 2,328
Utility (Water & Sewer – HAWSP)	1,583	1,244	339
Total	\$ 10,324	\$ 7,657	\$ 2,667

City of Homer, Alaska

Management's Discussion and Analysis December 31, 2019

Financial Analysis of the Governmental Funds

Governmental funds - The focus of the City of Homer's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending following the end of the fiscal year.

As of December 31, 2019, the City's governmental funds reported combined ending fund balances of \$30,163, an increase of \$6,776 compared to balances a year earlier. Of the ending balance, \$8,536, or 28% is unassigned. Most of the remaining fund balance is restricted for roads and police station construction \$9,099, committed for police station construction \$1,210, or assigned for future capital projects and other purposes \$11,127; and non-spendable in the form of inventory, inter-fund loan and prepaid items \$784. The increase of total fund balance during the year is attributed to:

- General Fund net change in fund balance of \$2,897
- Utility Special Revenue Fund's fund balance increased by \$1,917. This is mainly due to increase in sales taxes of \$339, intergovernmental revenues of \$592, and net transfers in of \$780.
- Issuance of bonds for construction of city facilities of \$4,804.

Government Funds (General and Utility Special Revenue) Budgetary Highlights

- General Fund Revenue: Final Budget and Original Budget excluded PERS relief revenue from the State of Alaska.
- General Fund Expenditures: Final Budget was above Original Budget by \$60 and actual expenditures were below Final Budget by \$194.
- Utility Fund Expenditures and Revenue: Final Operating Budget and original budget excluded intergovernmental and special assessments revenues and their corresponding expenditures. The net change in fund balance exceeded the final budget by \$1,663.

Capital Asset and Debt Administration

Capital assets - As detailed in Table A-3 below, the City of Homer's investment in capital assets for its governmental and business-type activities as of December 31, 2019, totals \$133,344 (net of accumulated depreciation). This amount represents a \$213 decrease over the previous year.

City of Homer, Alaska

Management's Discussion and Analysis December 31, 2019

**Table A-3
City of Homer's Capital Assets (net of depreciation)
(Amounts reported in thousands)**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 11,559	\$ 11,559	\$ 15,805	\$ 15,805	\$ 27,364	\$ 27,364
Construction in progress	4,802	844	183	583	4,985	1,427
Buildings	52,360	51,716	16,381	16,381	68,741	68,097
Improvements other than buildings	53,835	53,518	54,303	53,701	108,138	107,219
Machinery and equipment	16,686	16,597	3,163	3,163	19,849	19,760
Infrastructure	37,056	37,056	-	-	37,056	37,056
Accumulated depreciation	(93,459)	(90,193)	(39,330)	(37,172)	(132,789)	(127,365)
Total Capital Assets	\$ 82,839	\$ 81,097	\$ 50,505	\$ 52,461	\$ 133,344	\$ 133,558

Major Capital Asset Events During the 2019 Year Included

Capital Projects Completed

Governmental Funds:

- Water Storage Building
- City Hall Roof Replacement
- Police Department Equipment Upgrades

Port & Harbor (Enterprise Fund):

- Harbor Ramp 2 Restrooms

On-Going Projects

Governmental Funds:

- Police Station
- Sewer Plant HVAC Replacement
- Quiet Creek Tank Piping

Port & Harbor (Enterprise Fund):

- Barge Mooring Haul Out Repair Facility

City of Homer, Alaska

Management's Discussion and Analysis December 31, 2019

Additional information on the City's capital assets can be found in Note 5 to the basic financial statements.

**Table A-4
City of Homer's Debt
(Amounts reported in thousands)**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Notes payable - utility	\$ 8,731	\$ 9,612	\$ -	\$ -	\$ 8,731	\$ 9,612
General obligation bonds payable— police station	4,804	-	-	-	4,804	-
Capital Leases	27	58	-	-	27	58
Special assessment bond with government commitment	3,020	3,560	-	-	3,020	3,560
General obligation bond payable	-	-	2,915	3,060	2,915	3,060
Unamortized bond premium	-	-	321	346	321	346
Total	16,582	13,230	3,236	3,406	19,818	16,636
Net pension liability	9,758	9,478	1,912	1,878	11,670	11,356
Net OPEB liability	256	1,940	50	385	306	2,325
Compensated absences	702	681	260	260	962	941
Total Long-term Debt	\$ 27,298	\$ 25,329	\$ 5,458	\$ 5,929	\$ 32,756	\$ 31,258

Long-term liabilities - At the end of the 2019 year, the City of Homer had total debt outstanding of \$19,818 as detailed in Table A-4. This excludes \$11,670 related to net pension liability, \$306 related to the net OPEB liability, and \$962 related to the compensated absences.

The notes payable listed under Notes Payable Utility are used to add water and sewer lines and services to areas. Additionally, the new water treatment plant was built utilizing a loan. Loans are received through Alaska Department of Environmental Conservation for 20-year periods at 1.5% interest. The majority of the loans are repaid by the property owner through "SAD" (Special Assessment District). The remaining portion of the loans are paid back by the City of Homer with designated sales tax revenues.

City of Homer, Alaska
Management's Discussion and Analysis
December 31, 2019

Additional information on the City's Long-term liabilities can be found in Note 6 to the basic financial statements.

Economic Factors and Next Year's Budgets and Rates

The State's fiscal situation remains uncertain. The novel coronavirus pandemic has caused increased uncertainty in the City of Homer's future revenue and expenditure activities. However, the City of Homer is expected to receive approximately \$7,899 in federal funding from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) which is expected to be utilized during 2020 and 2021.

The Water and Sewer Utility Fund remains vulnerable because of a basic fundamental flaw. The City owns an expensive and expansive treatment, collection and distribution infrastructure and very few customers to pay for maintenance and operations. Priority should be placed on infill and hooking up customers where the infrastructure has already been installed. It is debatable if expanding the system into new, less densely populated areas is a net drain on the system as with those new customers comes increased miles of pipe to maintain.

Requests for Information

This financial report is designed to provide a general overview of the City of Homer's finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the following:

Finance Department
City of Homer
491 E. Pioneer Ave. Homer, Alaska 99603
Telephone: (907) 235-8121 [email: finance@ci.homer.ak.us](mailto:finance@ci.homer.ak.us)

Basic Financial Statements

City of Homer, Alaska

Statement of Net Position

<i>December 31, 2019</i>	Governmental Activities	Business-type Activities	Total
Assets and Deferred Outflows of Resources			
Assets			
Cash and investments	\$ 26,878,867	1,999,811	28,878,678
Receivables, net of allowance for doubtful accounts:			
Accounts	369,826	315,287	685,113
Sales and property taxes	1,626,048	-	1,626,048
State and federal grants and loans	713,843	35,784	749,627
Assessments	6,618,500	-	6,618,500
Internal balances	167,377	(167,377)	-
Inventory	432,949	-	432,949
Prepaid items	189,870	63,945	253,815
Restricted cash and investments	2,922,452	317,980	3,240,432
Capital assets not being depreciated:			
Land and land improvements	11,559,401	15,804,641	27,364,042
Construction work in progress	4,802,012	182,951	4,984,963
Other capital assets, net of accumulated depreciation	66,477,903	34,517,735	100,995,638
Total Assets	122,759,048	53,070,757	175,829,805
Deferred Outflows of Resources:			
Related to pensions	763,202	149,501	912,703
Related to OPEB	577,420	113,108	690,528
Total Deferred Outflows of Resources	1,340,622	262,609	1,603,231
Total Assets and Deferred Outflows of Resources	\$ 124,099,670	53,333,366	177,433,036

Liabilities, Deferred Inflows of Resources, and Net Position

Liabilities

Accounts payable	\$ 644,024	96,484	740,508
Enstar FMA refunds	1,865,178	-	1,865,178
Accrued payroll and related liabilities	143,631	17,743	161,374
Accrued interest payable	86,174	11,358	97,532
Prepaid rentals and deposits	54,890	1,117,067	1,171,957
Unearned revenue	47,011	18,000	65,011
Unearned grant revenue	5,237	-	5,237
Unearned lease revenue	-	144,000	144,000
Noncurrent liabilities:			
Due within one year:			
Accrued leave	559,000	96,000	655,000
Notes payable	869,522	-	869,522
Capital lease	27,617	-	27,617
General obligation bonds payable	190,000	150,000	340,000
Special assessment bond payable with government commitment to Kenai Peninsula Borough	556,686	-	556,686

See accompanying notes to basic financial statements.

City of Homer, Alaska
Statement of Net Position, continued

December 31, 2019	Governmental Activities	Business-type Activities	Total
Liabilities, Deferred Inflows of Resources, and Net Position, continued			
Liabilities, continued			
Due in more than one year:			
Accrued leave	143,403	164,010	307,413
Notes payable	7,861,086	-	7,861,086
General obligation bonds payable including bond premium	4,614,048	3,086,424	7,700,472
Special assessment bond payable with government commitment to Kenai Peninsula Borough	2,462,976	-	2,462,976
Net pension liability	9,757,589	1,911,376	11,668,965
Net OPEB liability	256,105	50,168	306,273
Total Liabilities	30,144,177	6,862,630	37,006,807
Deferred Inflows of Resources:			
Pension related	383,335	75,090	458,425
OPEB related	362,969	71,101	434,070
Total Deferred Inflows of Resources	746,304	146,191	892,495
Net Position			
Net investment in capital assets	70,929,495	47,268,903	118,198,398
Restricted for:			
Roads and trails	7,376,132	-	7,376,132
Special service district	70,140	-	70,140
Unrestricted (deficit)	14,833,422	(944,358)	13,889,064
Total Net Position	93,209,189	46,324,545	139,533,734
Total Liabilities, Deferred Inflows of Resources, and Net Position	124,099,670	53,333,366	177,433,036

See accompanying notes to basic financial statements.

City of Homer, Alaska
Statement of Activities
Year Ended December 31, 2019

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Fees, Fines & Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	
Governmental Activities							
General government	\$ 3,182,225	1,023,697	117,967	82,245	(1,958,316)	-	(1,958,316)
Public safety	4,095,116	242,727	672,450	-	(3,179,939)	-	(3,179,939)
Public works	4,027,873	178,663	53,019	-	(3,796,191)	-	(3,796,191)
Library	996,102	-	43,473	-	(952,629)	-	(952,629)
Airport	251,165	218,798	2,959	-	(29,408)	-	(29,408)
Community services	99,865	42,279	-	-	(57,586)	-	(57,586)
Water	2,590,671	2,302,176	38,101	1,002,459	752,065	-	752,065
Sewer	1,540,143	1,867,603	28,828	-	356,288	-	356,288
Unallocated interest	372,322	-	-	-	(372,322)	-	(372,322)
Total Governmental Activities	17,155,482	5,875,943	956,797	1,084,704	(9,238,038)	-	(9,238,038)
Business-type Activities							
Port and harbor	5,920,040	4,963,416	70,760	49,062	-	(836,802)	(836,802)
Total	\$ 23,075,522	10,839,359	1,027,557	1,133,766	(9,238,038)	(836,802)	(10,074,840)
General Revenues							
Property taxes					\$ 3,680,016	-	3,680,016
Sales taxes					10,323,783	-	10,323,783
Grants and entitlements not restricted to a specific purpose					48,996	59,647	108,643
Investment income					867,720	23,300	891,020
Other income					100,011	-	100,011
Loss on Disposal					(4,073)	-	(4,073)
Transfers					922	(922)	-
Total General Revenues, Transfers, and Loss on Disposal					15,017,375	82,025	15,099,400
Special Item - construction of gas pipeline on behalf of third parties					(100,729)	-	(100,729)
Change in Net Position					5,678,608	(754,777)	4,923,831
Beginning Net Position					87,530,581	47,079,322	134,609,903
Ending Net Position					\$ 93,209,189	46,324,545	139,533,734

See accompanying notes to basic financial statements.

City of Homer, Alaska
Governmental Funds
Balance Sheet

	Major Funds					Nonmajor Funds	Total Governmental Funds
	General	Utility Special Revenue	City Facilities Capital Project	Gas Line Capital Project	HART Roads Capital Project		
December 31, 2019							
Assets							
Cash and investments	\$ 8,307,578	4,903,438	2,384,743	-	5,693,799	5,316,643	26,606,201
Receivables, net of allowance:							
Accounts	172,180	196,875	-	-	-	771	369,826
Property taxes	100,544	-	-	-	-	-	100,544
Sales taxes	961,069	228,826	-	-	213,571	122,038	1,525,504
Assessments	-	3,393,907	-	2,678,450	-	546,143	6,618,500
State and federal grants	159,663	442,433	45,129	-	-	66,618	713,843
Interfund loans	161,122	-	-	-	-	6,255	167,377
Due from other funds	402,580	-	-	-	-	-	402,580
Inventory	27,691	405,258	-	-	-	-	432,949
Prepaid items	168,902	20,968	-	-	-	-	189,870
Restricted cash and investments	-	-	1,652,452	1,270,000	-	-	2,922,452
Total Assets	\$ 10,461,329	9,591,705	4,082,324	3,948,450	5,907,370	6,058,468	40,049,646
Liabilities							
Accounts payable	\$ 165,541	107,937	362,502	-	-	9,118	645,098
Accrued payroll and related liabilities	127,669	15,962	-	-	-	-	143,631
Unearned revenue	-	-	-	-	-	47,011	47,011
Unearned grant revenue	-	-	-	-	-	5,237	5,237
Customer deposits	12,437	42,453	-	-	-	-	54,890
Enstar FMA refunds	-	-	-	1,865,178	-	-	1,865,178
Due to other funds	-	-	-	25,355	-	377,225	402,580
Total Liabilities	305,647	166,352	362,502	1,890,533	-	438,591	3,163,625
Deferred Inflows of Resources							
Deferred property taxes	104,095	-	-	-	-	-	104,095
Deferred assessments	-	3,393,907	-	2,678,450	-	546,143	6,618,500
Total Deferred Inflows of Resources	104,095	3,393,907	-	2,678,450	-	546,143	6,722,595
Total Liabilities and Deferred Inflows of Resources	409,742	3,560,259	362,502	4,568,983	-	984,734	9,886,220
Fund Balances							
Nonspendable	357,715	426,226	-	-	-	-	783,941
Restricted	-	-	1,652,452	-	5,907,370	1,538,902	9,098,724
Committed	-	-	593,137	-	-	616,883	1,210,020
Assigned	171,314	5,605,220	1,474,233	-	-	3,283,920	10,534,687
Unassigned (deficit)	9,522,558	-	-	(620,533)	-	(365,971)	8,536,054
Total Fund Balances (Deficit)	10,051,587	6,031,446	3,719,822	(620,533)	5,907,370	5,073,734	30,163,426
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 10,461,329	9,591,705	4,082,324	3,948,450	5,907,370	6,058,468	40,049,646

See accompanying notes to basic financial statements.

City of Homer, Alaska
Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Position
December 31, 2019

Total fund balances for governmental funds		\$ 30,163,426
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
These assets, net of accumulated depreciation consist of:		
Land and land improvements	\$ 11,559,401	
Construction in progress	4,802,012	
Buildings	52,359,789	
Improvements other than buildings	53,835,002	
Machinery and equipment	16,686,586	
Infrastructure	37,055,664	
Accumulated depreciation	<u>(93,459,138)</u>	
Total Capital Assets		82,839,316
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Delinquent property taxes receivable	104,095	
Special assessments not yet due	<u>6,618,500</u>	
Total Other Long-term Assets		6,722,595
Internal service funds are used by the City to charge the cost of certain activities, such as insurance, to individual funds. A portion of the assets and liabilities of the internal service funds is included in the governmental activities in the Statement of Net Position.		
		273,740
Long-term liabilities, including notes payable, bonds payable, and accrued leave, are not due and payable in the current period and therefore are not reported as fund liabilities. These liabilities consist of:		
Accrued interest	(86,174)	
Note payable to Kenai Peninsula Borough	(3,019,662)	
Notes payable - Utility	(8,730,608)	
Bonds payable - Police Station, including premiums	(4,804,048)	
Capital leases	(27,617)	
Accrued leave	(702,403)	
Net pension liability	(9,757,589)	
Net OPEB liability	<u>(256,105)</u>	
Total Long-term Liabilities		(27,384,206)
Certain changes in net pension liabilities are deferred rather than recognized immediately. These items are amortized over time.		
Deferred outflows of resources related to pensions	763,202	
Deferred outflows of resources related to OPEB	577,420	
Deferred inflows of resources related to pensions	(383,335)	
Deferred inflows of resources related to OPEB	<u>(362,969)</u>	
Total Deferred Pension Items		594,318
Total Net Position of Governmental Activities		\$ 93,209,189

See accompanying notes to basic financial statements.

City of Homer, Alaska

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)

Year Ended December 31, 2019	Major Funds					Nonmajor Funds	Total Governmental Funds
	General	Utility Special Revenue	City Facilities Capital Project	Gas Line Capital Project	HART Roads Capital Project		
Revenues							
Property taxes	\$ 3,651,365	-	-	-	-	29,630	3,680,995
Sales and use taxes	6,398,988	1,583,087	-	-	1,503,204	838,504	10,323,783
Permits and licenses	41,152	-	-	-	-	-	41,152
Intergovernmental	916,369	640,158	429,230	-	-	103,914	2,089,671
Charges for services	2,205,197	3,946,563	-	-	-	-	6,151,760
Special assessments	-	426,218	-	1,047,965	-	67,251	1,541,434
Investment income	188,592	105,161	134,690	46,396	180,137	212,744	867,720
Fines and forfeitures	28,798	-	-	-	-	-	28,798
Donations	-	-	-	-	-	5,362	5,362
Other	-	100,011	-	-	-	(4,536)	95,475
Total Revenues	13,430,461	6,801,198	563,920	1,094,361	1,683,341	1,252,869	24,826,150
Expenditures							
Current:							
General government	3,201,579	-	-	-	115,085	58,063	3,374,727
Public safety	4,359,655	-	-	-	-	-	4,359,655
Public works	2,557,981	-	-	-	-	-	2,557,981
Library	873,440	-	-	-	-	-	873,440
Airport	196,901	-	-	-	-	-	196,901
Community services	94,000	-	-	-	-	-	94,000
Water	-	2,090,696	-	-	-	-	2,090,696
Sewer	-	1,522,675	-	-	-	-	1,522,675
Debt service:							
Principal	-	881,066	-	536,819	-	28,045	1,445,930
Interest	-	149,933	-	145,339	-	103,041	398,313
Capital outlay	-	1,019,555	3,984,541	-	20,126	712,146	5,736,368
Total Expenditures	11,283,556	5,663,925	3,984,541	682,158	135,211	901,295	22,650,686
Excess of Revenues Over (Under) Expenditures	2,146,905	1,137,273	(3,420,621)	412,203	1,548,130	351,574	2,175,464
Other Financing Sources (Uses)							
Issuance of bonds	-	-	4,804,048	-	-	-	4,804,048
Transfers in	1,671,930	779,535	572,277	-	-	1,075,744	4,099,486
Transfers out	(922,329)	-	-	-	(1,680,431)	(1,599,790)	(4,202,550)
Net Other Financing Sources (Uses)	749,601	779,535	5,376,325	-	(1,680,431)	(524,046)	4,700,984
Special Item - construction of gas pipeline on behalf of third parties							
	-	-	-	(100,729)	-	-	(100,729)
Net Change in Fund Balances	2,896,506	1,916,808	1,955,704	311,474	(132,301)	(172,472)	6,775,719
Beginning Fund Balances (Deficit)	7,155,081	4,114,638	1,764,118	(932,007)	6,039,671	5,246,206	23,387,707
Ending Fund Balances (Deficit)	\$ 10,051,587	6,031,446	3,719,822	(620,533)	5,907,370	5,073,734	30,163,426

See accompanying notes to basic financial statements.

City of Homer, Alaska
Reconciliation of the Change in Fund Balances of Governmental Funds
to Statement of Activities
Year Ended December 31, 2019

Net change in fund balances - total governmental funds		\$ 6,775,719
The change in net position reported for governmental activities in the Statement of Activities is different because:		
Governmental funds report capital outlays as expenditures. However, on the Statement of Activities, depreciation expense is recognized to allocate the cost of these items over their estimated useful lives. This is the amount by which capital outlays (\$5,411,359) exceeded depreciation (\$3,664,507) and loss on disposal (\$4,073)		1,742,779
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the amount of the decrease in other long-term assets.		(1,251,946)
Repayment of the principal of the long-term debt (\$1,445,930) consumes current financial resources in governmental funds. The issuance of long-term debt (\$4,804,048) provides current financial resources in governmental funds. This transaction has no effect on the net position.		(3,358,118)
Accrued interest on long-term debt is not reported in the funds until the liability matures. This is the decrease in accrued interest payable.		25,991
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Decrease in accrued leave	\$ (21,054)	
Increase in net pension liability and related deferred accounts	546,581	
Increase in net OPEB liability and related deferred accounts	1,028,801	
		1,554,328
Internal service funds are used by management to charge the cost of health insurance and accrued leave cash-outs to individual funds. A portion of the net income of these activities is reported with governmental activities.		189,855
Change in Net Position of Governmental Activities		\$ 5,678,608

See accompanying notes to basic financial statements.

City of Homer, Alaska

Proprietary Funds
Statement of Net Position

December 31, 2019	<u>Major Enterprise Fund Port of Homer</u>	<u>Internal Service Funds</u>
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and investments	\$ 1,942,518	\$ 329,959
Accounts receivable, net of allowance for doubtful accounts	315,287	-
State and federal grants receivable	35,784	-
Prepaid items	63,945	-
Total Current Assets	2,357,534	329,959
Noncurrent Assets		
Capital assets not being depreciated:		
Land and land improvements	15,804,641	-
Construction work in progress	182,951	-
Other capital assets, net of accumulated depreciation	34,517,735	-
Restricted cash and investments	317,980	-
Total Noncurrent Assets	50,823,307	-
Total Assets	53,180,841	329,959
Deferred Outflows of Resources:		
Pension related	149,501	-
OPEB related	113,108	-
Total Deferred Outflows of Resources	262,609	-
Total Assets and Deferred Outflows of Resources	\$ 53,443,450	\$ 329,959

See accompanying notes to basic financial statements.

City of Homer, Alaska
 Proprietary Funds
 Statement of Net Position, continued

December 31, 2019	<u>Major Enterprise Fund Port of Homer</u>	<u>Internal Service Funds</u>
Liabilities, Deferred Inflows of Resources, and Net Position		
Liabilities		
Current Liabilities		
Accounts payable	\$ 96,484	\$ (1,074)
Accrued payroll and related liabilities	17,743	-
Accrued leave	96,000	-
Accrued interest payable	11,358	-
General obligation bonds payable	150,000	-
Prepaid berth rentals and deposits	1,117,067	-
Unearned lease revenue	18,000	-
Interfund loans	33,291	-
Total Current Liabilities	1,539,943	(1,074)
Noncurrent Liabilities, Net of Current Portion		
Unearned lease revenue	144,000	-
Interfund loans	134,086	-
Accrued leave long term	164,010	-
General obligation bonds payable including bond premium	3,086,424	-
Net pension liabilities	1,911,376	-
Net OPEB liabilities	50,168	-
Total Noncurrent Liabilities	5,490,064	-
Total Liabilities	7,030,007	(1,074)
Deferred Inflows of Resources:		
Pension related	75,090	-
OPEB related	71,101	-
Total Deferred Inflows of Resources	146,191	-
Net Position		
Net investment in capital assets	47,268,903	-
Unrestricted (deficit)	(1,001,651)	331,033
Total Net Position	46,267,252	331,033
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 53,443,450	\$ 329,959
Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund	<u>57,293</u>	
Net Position of Business-type Activities	\$ 46,324,545	

See accompanying notes to basic financial statements.

City of Homer, Alaska

Proprietary Funds

Statement of Revenues, Expenses, and Changes in Net Position

Year Ended December 31, 2019	Major Enterprise Fund Port of Homer	Internal Service Funds
Operating Revenues		
Port and harbor charges for services	\$ 4,789,847	\$ -
Interfund charges	-	1,888,166
Employee health contributions	-	162,144
Total Operating Revenues	4,789,847	2,050,310
Operating Expenses		
Operations	2,465,448	185,403
Administration	1,175,768	27,411
Depreciation	2,156,999	-
Employee incentive fees	-	120,968
Insurance premiums	-	1,613,641
Total Operating Expenses	5,798,215	1,947,423
Operating income (loss)	(1,008,368)	102,887
Nonoperating Revenues (Expense)		
Investment income	23,300	-
Interest expense	(138,843)	-
State PERS relief	70,760	-
Other income	101,939	-
Cruise ship tax	71,630	-
Fish tax	59,647	-
Total Nonoperating Revenues (Expense)	188,433	-
Income (loss) before transfers and capital contributions	(819,935)	102,887
Transfers in (out)	(922)	103,986
Capital contributions	49,062	-
Change in net position	(771,795)	206,873
Beginning Net Position	47,039,047	124,160
Ending Net Position	46,267,252	\$ 331,033
Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund	17,018	
Change in Net Position of Business-type Activities	\$ (754,777)	

See accompanying notes to basic financial statements.

City of Homer, Alaska
 Proprietary Funds
 Statement of Cash Flows

Year Ended December 31, 2019	Major Enterprise Fund Port of Homer	Internal Service Funds
Cash Flows from (for) Operating Activities		
Receipts from customers and users	\$ 4,886,865	\$ -
Receipts from interfund services provided and employee contributions	-	2,050,310
Payments to suppliers	(1,958,107)	-
Payments to employees	(2,096,253)	(306,371)
Payments for insurance, claims, and administration	-	(1,642,180)
Net cash flows from (for) operating activities	832,505	101,759
Cash Flows from (for) Noncapital Financing Activities		
Transfers in (out)	(922)	103,986
Net cash flows from (for) noncapital financing activities	(922)	103,986
Cash Flows from (for) Capital and Related Financing Activities		
Principal paid on long-term debt	(150,000)	-
Interest paid on long-term debt	(163,569)	-
Capital contributions received	246,583	-
Cruise ship tax and fish tax received	131,277	-
Acquisition of property, plant and equipment	(196,334)	-
Decrease in interfund loan	300,000	-
Increase in interfund loan	(478,588)	-
Net cash flows from (for) capital and related financing activities	(310,631)	-
Cash Flows from Investing Activities		
Investment income received	23,300	-
Net Increase in Cash and Investments	544,252	205,745
Beginning Cash and Investments	1,716,246	124,214
Ending Cash and Investments	\$ 2,260,498	\$ 329,959
Reconciliation of Cash to Statement of Net Position		
Unrestricted cash and investments	\$ 1,942,518	\$ 329,959
Restricted cash and investments	317,980	-
Total Cash and Investments	\$ 2,260,498	\$ 329,959

See accompanying notes to basic financial statements.

City of Homer, Alaska
 Proprietary Funds
 Statement of Cash Flows, continued

<u>Year Ended December 31, 2019</u>	<u>Major Enterprise Fund Port of Homer</u>	<u>Internal Service Funds</u>
Reconciliation of Operating Loss to Net Cash		
Flows from Operating Activities		
Operating Income (loss)	\$ (1,008,368)	\$ 102,887
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	2,156,999	-
Noncash expense - PERS relief	70,760	-
Increase in allowance for doubtful accounts	7,929	-
Amortization of deferred lease revenue	(18,000)	-
Miscellaneous nonoperating revenues and expense, net	101,939	-
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable	(80,773)	-
Inventory	13,419	-
Prepaid items	(18,542)	-
Deferred outflows of resources related to pensions	14,048	-
Deferred outflows of resources related to OPEB	509	-
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	(140,545)	(1,128)
Accrued payroll and related liabilities	(3,691)	-
Unearned grant revenue	-	-
Accrued leave	(743)	-
Prepaid berth rentals and deposits	85,923	-
Net pension liability	33,094	-
Net OPEB liabilities	(334,276)	-
Deferred inflows of resources related to pensions	27,949	-
Deferred inflows of resources related to OPEB	(75,126)	-
Net Cash Flows from Operating Activities	\$ 832,505	\$ 101,759

See accompanying notes to basic financial statements.

City of Homer, Alaska

Notes to Basic Financial Statements Year Ended December 31, 2019

1. Summary of Significant Accounting Policies

Organization and Services Provided

The City of Homer, Alaska was incorporated March 31, 1964 as a first-class city and operates under a Council-Manager form of government. The City provides the full range of municipal services as provided for by Alaska Statute. This includes police and fire protection, ambulance and emergency medical service, water and wastewater service, library, parks and recreation, public improvements, planning and zoning, port and harbor, airport facilities, and general administrative services.

Scope and Presentation

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units.

Reporting Entity

The City has reviewed the standards established by the Governmental Accounting Standards Board (GASB) and determined that the City has no component units.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the City. In general, the effect of interfund activity has been removed from these statements to minimize the double-counting of internal activities. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely primarily on fees and charges to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) fees, fines and charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

City of Homer, Alaska

Notes to Basic Financial Statements

Year Ended December 31, 2019

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City generally considers all revenues except reimbursement grants to be available if they are collected within 60 days after year end. Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only to the extent they have matured.

Property and sales taxes, charges for services, intergovernmental revenues, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue in the current period. Most other revenue items are considered to be measurable and available only when received by the government.

The City reports the following major funds:

Major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be reported in another fund.

The *Utility Special Revenue Fund* accounts for the activities of the water and sewer facility operations including collection and treatment of sewage, and distribution and transmission of water.

The *City Facilities Fund* accounts for all activities related to the construction of the police department including issuance of bonds.

The *Gas Line Capital Project Fund* accounts for all activities related to the construction of the gas line.

The *HART Roads Capital Project Fund* accounts for operating grants and capital improvement projects for streets and sidewalks.

City of Homer, Alaska

Notes to Basic Financial Statements

Year Ended December 31, 2019

Major proprietary fund:

The *Port of Homer Enterprise Fund* accounts for all activities related to the operation of the City's port and harbor.

The City also reports Internal Service Funds which account for the activities relating to the City's self-insured health benefit plan and accrued leave cash-outs. These funds report revenues charged to the other funds based on estimated amounts to cover actual costs of benefits.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are allocated administration fees and charges between the enterprise fund and the various other funds and departments. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. In addition, general revenues include all taxes (including the City's restricted sales taxes), investment income, and State entitlement revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Port of Homer Enterprise Fund are charges to customers for sales and services. Operating expenses for the enterprise fund include the costs of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Revenues reported in the Utility Special Revenue Fund are comprised primarily of user charges for services. However, the fund also receives significant funding from sales tax. Lesser amounts are reflected from grants and local assessments. All revenues reported in the fund are committed to the Utility service, including operations, maintenance, and debt service.

Budgets and Budgetary Accounting

The City Council is required to pass an appropriation ordinance for the General Fund and Utility Special Revenue Fund which becomes the expenditure budget for each fund for the fiscal year. The City Council may pass subsequent supplemental appropriations which are added to the expenditure budget. Expenditures may not legally exceed the fund appropriations. The City Manager may transfer amounts between departments within a fund or between cost centers within a department's budget classification. Appropriations on annual budgets lapse at year-end. The City's legally prescribed budgetary basis of accounting differs with generally accepted accounting principles in that it did not budget any PERS relief payments and, accordingly, where budgetary data are presented, the City reports a budgetary to GAAP basis reconciliation. Budget and actual information conform to the same basis of accounting. The City's expenditures for the Utility Special Revenue Fund exceeded the final budget amounts due to Capital outlay in excess of \$1,019,555.

City of Homer, Alaska

Notes to Basic Financial Statements

Year Ended December 31, 2019

Encumbrance accounting is employed during the year under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year-end are reported as appropriate constraints of fund balance if they meet the definitions and criteria described later in these footnotes.

Cash and Investments

A central treasury is used to account for all the City's cash and investments to maximize interest income. Investment earnings are allocated to various funds based on average central treasury balances.

For purposes of the statement of cash flows, the City has defined cash and cash equivalents as the demand deposits and all investments maintained in the central treasury, regardless of maturity period, since the various funds use the central treasury essentially as a demand deposit account. Investments are recorded at fair value.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "due to / from other funds" (i.e., the current portion of interfund loans) or "advances to / from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to / from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Property Taxes

Property taxes are a lien on the assessed value of taxable property as of January 1. Pursuant to Alaska Statute, Title 29.45.240, the City establishes the mill rate levy by June 15. The City is located within the Kenai Peninsula Borough, which acts as the City's agent in the billing and collection of property taxes. Tax bills for one-half of the taxes are mailed prior to July 1 and are payable on August 15; tax bills for the second half of the taxes are mailed by October 1 and are payable on November 15. City property tax revenues in the fund financial statements are recognized in the fiscal year in which they are collectible and available (collected within sixty days after year-end) to finance expenditures of the fiscal period.

At December 31, the delinquent real and personal taxes not currently available are reflected as deferred inflows of the General Fund.

Unbilled Service Revenues

Utility revenues are based on cycle billings rendered monthly to customers. As a result of this cycle billing method, the utilities do not accrue revenues at the end of any fiscal period for services sold but not billed at such date. The Port of Homer bills annual moorage charges in advance, which are presented as unearned revenue at year-end.

City of Homer, Alaska

Notes to Basic Financial Statements Year Ended December 31, 2019

Inventory

Inventory of the Enterprise Fund is carried at average cost and is charged to expense in accordance with the consumption method of accounting for inventory.

Supplies or materials acquired by the Utility Special Revenue fund are recorded at cost (specific identification) and are charged as expenditures as used in accordance with the consumption method of accounting for inventory. All other governmental fund types use the purchase method of accounting for inventory. Accordingly, reported inventory for governmental fund types are equally offset by nonspendable fund balance.

Prepaid Items

Prepaid items primarily represent costs of insurance and similar services allocated to succeeding periods and rents paid in advance of the period to which they apply. The City's policy is to charge such costs to the period benefited. Accordingly, reported prepaid items for governmental fund types are equally offset by nonspendable fund balance.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire the asset with equivalent service potential in an ordinary market transaction at the acquisition date. In the case of the initial capitalization of infrastructure assets, the City chose to include all such items, regardless of their acquisition date.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the useful life of the asset are not capitalized.

Property, plant, and equipment of the City is depreciated using the straight-line method over the following estimated useful lives:

	Years
Buildings	15-45
Improvements other than buildings	3-45
Machinery and equipment	3-25
Infrastructure	10-50

City of Homer, Alaska

Notes to Basic Financial Statements Year Ended December 31, 2019

Accrued Leave

The City allows employees to accumulate earned, but unused personal leave benefits up to a maximum accumulation of 720 hours. All personal leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental fund financial statements only if they have matured (e.g. the employee has terminated employment).

Long-term Debt

In the government-wide and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount, as applicable.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balances

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form—prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of fund balances comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal ordinances of the City Council—the government’s highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the City Council removes the specified use through ordinance. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance – This classification reflects the amounts constrained by the City’s “intent” to be used for specific purposes but are neither restricted nor committed. The City Council has the authority to assign amounts to be used for specific purposes. Assigned fund

City of Homer, Alaska

Notes to Basic Financial Statements

Year Ended December 31, 2019

balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to use externally restricted resources first, then unrestricted resources—committed, assigned, and unassigned—in order as needed.

Deferred Outflows/Inflows

In addition to assets, the statement of the net position reports a separate section for deferred outflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of pension and OPEB related items. These items are amortized resulting in additional expense in future periods.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources consist of pension and OPEB related items. These items are amortized resulting in a reduction of expense at a later date.

Pensions and OPEB

For purpose of measuring the net pension and OPEB liability/assets, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System (PERS) and additions to/from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows, liabilities, and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

City of Homer, Alaska

Notes to Basic Financial Statements Year Ended December 31, 2019

2. Cash and Investments

The City of Homer utilizes a central treasury that is available for use by all funds. Each fund's portion of the central treasury is displayed on the balance sheet as "cash and investments" or in the case of "negative cash," is included in "due to other funds."

Reconciliation of Deposit and Investment Balances

The following is a reconciliation of the City's deposit and investment balances to the financial statements as of December 31, 2019.

Bank deposits	\$ 4,712,017
Investments	27,407,093
Total Cash and Investments	\$ 32,119,110
Cash and investments	\$ 30,531,130
Restricted cash and investments	1,587,980
Total Cash and Investments	\$ 32,119,110

Restricted cash and investments primarily represent funds set aside for capital projects, including unspent bond proceeds, interest earnings, refunds from utility corporations, or mandatory bond reserve accounts.

General Investments

Investment Policy

The City's investment policy authorizes investment in the following:

1. U.S. Treasury securities – 5 years;
2. Other obligations of the U.S. Government, its agencies and instrumentalities – five years;
3. Repurchase agreements of acceptable securities listed in (1) or (2) above which meet a margin requirement of 102%;
4. Units of the Alaska Municipal League Investment Pool;
5. Certificates of deposit and other deposits that are collateralized;
6. Uncollateralized deposits to the extent that the deposits are insured by the FDIC or FSLIC;
7. Taxable bonds or notes; graded AA or higher by Moody's or S&P – five years;
8. Commercial paper; graded P1 or higher by Moody's or A1 or higher by S&P – five years;
9. Bankers' acceptances; rated at least AA by Moody's or S&P; and
10. Money market mutual funds.

Investments in taxable bonds and notes, commercial paper, or bankers' acceptances must meet a minimum rating as determined by Moody's Investor Services or Standard and Poor's.

City of Homer, Alaska

Notes to Basic Financial Statements

Year Ended December 31, 2019

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Aside from the investment policy stated above, the City has no specific policy with respect to interest rate risk. Investment maturities at December 31, 2019 are as follows:

<i>Investment Type</i>	Fair Value	Investment Maturities (in Years)		
		Less Than 1	1 - 5	5 - 10
Federal Farm Credit Bank Bonds	\$ 1,172,856	\$ 1,172,856	\$ -	\$ -
Resolution FDG Corp Bonds	2,995,419	2,995,419	-	-
Federal National MTG Assn. Bonds	3,902,908	3,902,908	-	-
Certificates of deposit	7,757,173	2,120,049	5,637,124	-
Total Subject to Interest Rate Risk	15,828,356	10,191,232	5,637,124	-
Pooled investments (AMLIP)	10,274,345	-	-	-
Money market	1,304,392	-	-	-
Total Investments	\$ 27,407,093	\$ 10,191,232	\$ 5,637,124	\$ -

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy specifies the types of investments which can be purchased, in order to limit credit risk, as described above. All of the U.S. government agency investments are rated AAA by Standard and Poor's.

Pooled investments are invested with the Alaska Municipal League Investment Pool, Inc. (AMLIP). The AMLIP is an external investment pool which is rated AAAM by Standard and Poor's for credit risk purposes. Alaska Statute 37.23 establishes regulatory oversight of the Pool. The law sets forth numerous requirements regarding authorized investments and reporting. At December 31, 2019, the share value of investments in the AML pool is approximately equal to fair value.

Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has investments in money market funds and certificates of deposits totaling \$9,061,565 that are not held at fair value, but instead recorded at amortized cost, as of December 31, 2019. The City's investment in AMLIP is measured at net asset value, as of December 31, 2019. Management believes that these values approximate fair value. All government securities and certificates of deposit are Level 2 investments on the fair value hierarchy.

City of Homer, Alaska

Notes to Basic Financial Statements Year Ended December 31, 2019

3. Accounts Receivable, Valuation Allowances, Deferred Inflows and Unearned Revenues

The City maintains accounts receivable balances of which a portion is reserved as an allowance for doubtful accounts. At December 31, 2019, receivables for the City's individual major funds and nonmajor in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

	Accounts	Sales Taxes	Property Taxes	State and Federal Grants and Loans	Special Assessments	Less Allowance for Uncollectibles	Totals
General	\$215,391	961,069	102,634	159,663	-	(45,301)	1,393,456
Utility Special Revenue	228,565	228,826	-	442,433	3,393,907	(31,690)	4,262,041
City Facilities	-	-	-	45,129	-	-	45,129
Gas Line Capital Project	-	-	-	-	2,678,450	-	2,678,450
HART Roads Capital Project	-	213,571	-	-	-	-	213,571
Port of Homer Enterprise	416,945	-	-	35,784	-	(101,658)	351,071
Nonmajor Funds	771	122,038	-	66,618	546,143	-	735,570
Total Receivables	\$861,672	1,525,504	102,634	749,627	6,618,500	(178,649)	9,679,288

At December 31, 2019, the various components of *deferred inflows of resources and unearned revenue* reported in the governmental funds were as follows:

Deferred Inflows of Resources

Delinquent property taxes receivable – General Fund	\$ 104,095
Special assessments not yet due:	
Nonmajor Special Revenue Fund	546,143
Utility Special Revenue Fund	3,393,907
Gas Line Capital Project Fund	2,678,450
Total Deferred Inflows of Resources	\$ 6,722,595

Unearned Grant Revenue

Grant drawdowns prior to meeting all eligibility requirements:	
Nonmajor Funds	\$ 5,237

City of Homer, Alaska

Notes to Basic Financial Statements Year Ended December 31, 2019

4. Interfund Balances and Transfers

A schedule of interfund balances and transfers for the year ended December 31, 2019 follows:

Transfers

From General Fund to:	
Utility Special Revenue Fund	\$ 779,535
Nonmajor governmental funds	142,794
From HART Roads Capital Project Fund to:	
General Fund	1,671,930
City Facilities Capital Project Fund	8,501
From nonmajor governmental funds to:	
City Facilities Capital Project Fund	563,776
Internal Service Fund	103,986
Nonmajor Governmental Funds	932,950
From Port of Homer Enterprise Fund to nonmajor governmental funds	922
Total Transfers to Other Funds	\$ 4,203,472

Interfund transfers are routinely recorded throughout the year. In 2019, transfers from the general fund are to fund capital depreciation reserves and operating subsidies. Transfers from nonmajor governmental funds to the General Fund were to pay off debt and to other nonmajor funds were for the police station capital project. At December 31, 2019, an interfund balance of \$25,355 was owed from the Gas Line Capital Project Fund to the General Fund. At December 31, 2019, an interfund balance of \$377,225 was owed from the nonmajor governmental funds for capital projects to the General Fund.

Interfund Loan

In 2011, the City underwent an extensive energy audit with the goal of identifying areas for energy savings and efficiencies. Numerous minor upgrades or repairs were conducted in this effort. Most of these costs were funded by fund balances set aside in the prior year along with grant funds. The City approved and recorded an interfund loan from the Energy Revolving Loan Capital Project Fund to the Port of Homer Enterprise Fund in the amount of \$29,294 to fund a portion of the Port related upgrades. The Port will repay the loan in \$3,291 annual installments over nine years. The loan had a balance of \$6,255 as of December 31, 2019.

In 2018, the General Fund loaned \$300,000 to the Port of Homer Enterprise Fund in order to purchase land from the Alaska Mental Health Trust Authority. The loan is due in annual payment of \$30,000 plus interest at 3% per year payable over ten years. At December 31, 2019 the outstanding balance was \$161,122.

City of Homer, Alaska

Notes to Basic Financial Statements Year Ended December 31, 2019

5. Capital Assets

Capital asset activity for the year ended December 31, 2019 follows:

Governmental Activities	Balance January 1, 2019	Additions and Reclas- sifications	Deletions and Reclas- sifications	Balance December 31, 2019
<i>Capital assets not being depreciated:</i>				
Land and land improvements	\$ 11,559,401	-	-	11,559,401
Construction in progress	844,254	4,402,783	(445,025)	4,802,012
Total assets not being depreciated	12,403,655	4,402,783	(445,025)	16,361,413
<i>Capital assets being depreciated:</i>				
Buildings	51,715,487	644,302	-	52,359,789
Improvements other than buildings	53,517,863	317,139	-	53,835,002
Machinery and equipment	16,597,074	492,160	(402,648)	16,686,586
Infrastructure	37,055,664	-	-	37,055,664
Total assets being depreciated	158,886,088	1,453,601	(402,648)	159,937,041
<i>Less accumulated depreciation for:</i>				
Buildings	32,018,361	797,077	-	32,815,438
Improvements other than buildings	27,379,341	1,418,102	-	28,797,443
Machinery and equipment	11,212,558	471,288	(398,575)	11,285,271
Infrastructure	19,582,946	978,040	-	20,560,986
Total accumulated depreciation	90,193,206	3,664,507	-	93,459,138
Total assets being depreciated, net	68,692,882	(2,210,906)	(4,073)	66,477,903
Governmental Activities Capital Assets, net	\$ 81,096,537	2,191,877	(449,098)	82,839,316

City of Homer, Alaska

Notes to Basic Financial Statements

Year Ended December 31, 2019

Business-type Activities	Balance January 1, 2019	Additions and Reclas- sifications	Deletions and Reclas- sifications	Balance December 31, 2019
<i>Capital assets not being depreciated:</i>				
Land and land improvements	\$ 15,804,641	-	-	15,804,641
Construction in progress	582,682	146,426	(546,157)	182,951
Total assets not being depreciated	16,387,323	146,426	(546,157)	15,987,592
<i>Capital assets being depreciated:</i>				
Buildings	16,380,648	-	-	16,380,648
Improvements other than buildings	53,701,795	601,065	-	54,302,860
Machinery and equipment	3,163,574	-	-	3,163,574
Total assets being depreciated	73,246,017	601,065	-	73,847,082
Less accumulated depreciation for:				
Buildings	10,164,551	379,261	-	10,543,812
Improvements other than buildings	24,135,789	1,718,543	-	25,854,332
Machinery and equipment	2,872,008	59,195	-	2,931,203
Total accumulated depreciation	37,172,348	2,156,999	-	39,329,347
Total capital assets being depreciated, net	36,073,669	(1,555,934)	-	34,517,735
Business-Type Activities Capital Assets, net	\$ 52,460,992	(1,409,508)	(546,157)	50,505,327

City of Homer, Alaska

Notes to Basic Financial Statements Year Ended December 31, 2019

Depreciation expense was charged to the functions as follows for the year ended December 31, 2019:

Governmental Activities	
General government	\$ 171,622
Public safety	308,509
Public works	1,167,688
Library	218,257
Airport	70,551
Parks and recreation	255,534
Water utility	1,034,155
Sewer utility	438,191
Total Depreciation Expense – Governmental Activities	\$ 3,664,507

Business-type Activities	
Port and harbor	\$ 2,156,999

The Port of Homer Enterprise Fund received a building from the State of Alaska in 1993 in exchange for the use of land by the State Ferry System until the year 2031. The building houses the Port Maintenance Shop. The value of the building and related unearned revenue is as follows:

Original cost assigned to building	\$ 630,000
Revenue recognized on cumulative basis	(468,000)
	\$ 162,000
Current unearned revenue	\$ 18,000
Noncurrent unearned revenue	144,000
Total Unearned Lease Revenue	\$ 162,000

City of Homer, Alaska

Notes to Basic Financial Statements Year Ended December 31, 2019

6. Long-term Liabilities

The following is a summary of long-term liability transactions of the City for the year ended December 31, 2019:

Governmental Activities	Balance January 1, 2019	Additions	Retired	Balance December 31, 2019	Due Within One Year
Notes payable:					
\$3,462,403 2002 Sewer Utility Alaska Clean Water loan, due in annual installments of \$121,973 plus interest at 1.5% through August 18, 2025	\$ 853,801	-	121,972	731,829	121,972
\$3,389,321 2002 Water Utility Alaska Drinking Water loan, due in annual installments of \$143,078 plus interest at 1.5% through August 18, 2025	1,001,546	-	143,078	858,468	143,078
\$1,591,733 2012 Sewer Utility Alaska Clean Water loan, due in annual installments of \$66,415 plus interest at 1.5% through August 6, 2032	942,977	-	79,587	863,390	66,415
\$1,086,870 Sewer Utility Alaska Clean Water loan, due in annual installments of \$54,344 plus interest at 1.5% through November 14, 2034	869,496	-	54,344	815,152	54,344
\$2,023,006 2012 Water Utility Alaska Drinking Water loan, due in annual installments of \$117,832 including interest at 1.5% through August 18, 2032	1,478,005	-	95,661	1,382,344	97,096

City of Homer, Alaska

Notes to Basic Financial Statements

Year Ended December 31, 2019

Governmental Activities	Balance January 1, 2019	Additions	Retired	Balance December 31, 2019	Due Within One Year
\$8,000,000 (maximum) 2006 Water Utility Alaska Drinking Water loan, due in annual installments of \$364,001, plus interest at 1.5% through December 28, 2029	\$ 4,004,016	-	364,002	3,640,014	364,001
\$255,000 (maximum) Water Utility Alaska Drinking Water due in annual principal installments of \$9,546 plus interest at 1.5% through March 1, 2037	181,379	-	9,546	171,833	9,546
\$817,000 (maximum) Water Utility Alaska Drinking Water loan, due in annual installments of \$4,994 including interest at 1.5% through March 1, 2037	78,281	-	3,601	74,680	3,655
\$600,000 (maximum) Water Utility Alaska Drinking Water loan, due in annual installments of \$12,308 including interest at 1.5% through March 1, 2028	202,173	-	9,275	192,898	9,415
\$12,359,388 special assessment bond payable to the Kenai Peninsula Borough in eight equal principal and interest payments beginning September 1, 2016, interest at 4% through September 1, 2024. Additional principal payments made in 2016 based on early assessment collections.	3,559,817	-	540,155	3,019,662	556,686

City of Homer, Alaska

Notes to Basic Financial Statements Year Ended December 31, 2019

Governmental Activities	Balance January 1, 2019	Additions	Retired	Balance December 31, 2019	Due Within One Year
\$4,100,000 2019 Series A General Obligation Police Station Bonds, due in annual installments of \$190,000-\$375,000 plus interest at 5% through May 1, 2034.	-	4,100,000	-	4,100,000	190,000
Unamortized bond premium	-	704,048	-	704,048	-
Capital Leases: \$149,599 dump truck capital lease payable in equal monthly installments of \$2,650 including interest through September 2020	\$ 58,310	-	30,693	27,617	27,617
Accrued leave	681,349	548,930	527,876	702,403	559,000
Net pension liability	9,477,714	279,875	-	9,757,589	-
Net OPEB liability	1,939,885	-	1,683,780	256,105	-
Total Governmental Activities Long-Term Liabilities	\$ 25,328,749	5,632,853	3,663,570	27,298,032	2,202,825

All of the Utility Special Revenue Fund water and sewer charges and connection fees have been pledged for the repayment of the Alaska Drinking Water and Alaska Clean Water loans.

City of Homer, Alaska

Notes to Basic Financial Statements Year Ended December 31, 2019

Business-type Activities	Balance January 1, 2019	Additions	Retired	Balance December 31, 2019	Due Within One Year
\$3,375,000 Series 2013 Harbor General Obligation Bonds, due in annual installments of \$145,000- \$280,000 plus interest at 2% through June of 2033.	\$ 3,060,000	-	145,000	2,915,000	150,000
Unamortized bond premium	346,150	-	24,726	321,424	-
Accrued leave	260,321	93,195	93,506	260,010	95,000
Net pension liability	1,878,282	33,094	-	1,911,376	-
Net OPEB liability	384,444	-	334,276	50,168	-
Total Business-type Activities Long-Term Liabilities	\$ 5,929,197	126,289	597,508	5,457,978	245,000

Governmental activities accrued leave, pension and OPEB are typically liquidated by the General Fund. Debt has typically been liquidated through specific debt service funds.

Annual debt service requirements to maturity for long-term debt, and the loans not yet in repayment status, exclusive of accrued leave follow:

Governmental Activities <i>Year Ending December 31,</i>	Notes Payable			Special Assessment Bond Payable (KPB Loan)		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 869,522	131,143	1,000,665	556,686	123,026	679,712
2021	871,175	118,086	989,261	579,366	100,345	679,711
2022	872,852	105,003	977,855	602,970	76,741	679,711
2023	874,555	91,897	966,452	627,536	52,175	679,711
2024	876,282	78,765	955,047	653,104	26,608	679,712
2025-2029	3,348,045	219,764	3,567,809	-	-	-
2030-2034	939,989	40,198	980,187	-	-	-
2035-2037	78,188	2,349	80,537	-	-	-
	\$ 8,730,608	787,205	9,517,813	3,019,662	378,895	3,398,557

City of Homer, Alaska

Notes to Basic Financial Statements Year Ended December 31, 2019

Annual debt service requirements to maturity for the bonds follow:

Governmental Activities <i>Year Ending December 31,</i>	G. O. Bonds Payable		
	Principal	Interest	Total
2020	\$ 190,000	205,000	395,000
2021	200,000	195,500	395,500
2022	210,000	185,500	395,500
2023	220,000	175,000	395,000
2024	230,000	164,000	394,000
2025-2029	1,340,000	634,750	1,974,750
2030-2034	1,710,000	264,750	1,974,750
	\$ 4,100,000	1,824,500	5,924,500

Business-type Activities <i>Year Ending December 31,</i>	G. O. Bonds Payable		
	Principal	Interest	Total
2020	\$ 150,000	136,300	286,300
2021	160,000	130,100	290,100
2022	165,000	123,600	288,600
2023	170,000	116,900	286,900
2024	180,000	109,000	289,000
2025-2029	1,050,000	396,250	1,446,250
2030-2034	1,040,000	107,250	1,147,250
	\$ 2,915,000	1,119,400	4,034,400

The City acquired a dump truck under a capital lease agreement. The asset has a recorded cost of \$185,996 and a net book value (net of depreciation) at December 31, 2019 of \$92,981. The asset has an expected useful life of 10 years.

Future minimum payments under the capital lease agreement is as follows:

Governmental Activities <i>Year Ending December 31,</i>	Capital Leases Payable		
	Principal	Interest	Total
2020	\$ 27,617	335	27,952

City of Homer, Alaska

Notes to Basic Financial Statements

Year Ended December 31, 2019

In 2013, the City entered into a loan agreement with the Kenai Peninsula Borough to borrow up to \$12,700,000 for the design and construction of natural gas distribution improvements in the City. Concurrent with the issuance of the loan with the Borough, the City issued a \$12,700,000 natural gas distribution special assessment bond. The bond proceeds are to be used for the design and construction of natural gas distribution improvements in the City. After completion of the project, the City will establish an assessment district. This bond will be repaid from amounts to be levied against the property owners benefited by this construction in the assessment district. Those amounts, including interest, are 100 percent pledged to pay the scheduled principal and interest payments on the special assessment bonds. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the government must provide resources to cover the deficiency until other resources, for example, foreclosure proceeds, are received.

At December 31, 2014, the City had drawn \$12,359,388 on the loan to cover substantial completion of the project. In 2015, the City levied the customer special assessments, which requires the individuals to pay the assessment over a period of 10 years. Certain customers elected to pay the entire assessment up front. The City then used these funds to reduce the outstanding debt on the loan by approximately \$4.1 million. Because of the large reduction on the debt, and subsequent additional payments made on the loan, the loan has reamortized as noted on the payment schedule on the previous page and is expected to be paid in full in September 2024.

Debt Covenants

The Kenai Peninsula Borough gasoline loan required that a reserve account be established in the amount of \$1,270,000 from the date of the first drawdown. The City has complied with this covenant through the establishment of a dedicated investment account (reported as restricted cash and investments) in the Gas Line Capital Project Fund.

The 2013 Harbor bonds require that a reserve account be established in the amount of the largest annual debt service payment (\$290,100) and for the Port to establish and charge fees sufficient to produce 120% of the annual debt service amount. The City has complied with this covenant through the establishment of a dedicated investment account (reported as restricted cash and investments) in the Port of Homer Enterprise Fund.

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City of Homer, Alaska

Notes to Basic Financial Statements Year Ended December 31, 2019

7. Fund Balances

Fund balances, reported for the major funds and the nonmajor funds in the aggregate on the governmental funds balance sheet are subject to the following constraints:

	General	Utility Special Revenue	City Facilities	Gas Line Capital Project	HART Roads Capital Project	Nonmajor Funds	Totals
Nonspendable:							
Inventory	\$ 27,691	405,258	-	-	-	-	432,949
Prepaid items	168,902	20,968	-	-	-	-	189,870
Interfund loans	161,122	-	-	-	-	-	161,122
Total nonspendable	357,715	426,226	-	-	-	-	783,941
Restricted:							
Roads and trails	-	-	-	-	5,907,370	1,468,762	7,376,132
Special service district	-	-	-	-	-	70,140	70,140
Police station construction	-	-	1,652,452	-	-	-	1,652,452
Total Restricted	-	-	1,652,452	-	5,907,370	1,538,902	9,098,724
Committed:							
Police station debt service and construction	-	-	593,137	-	-	616,883	1,210,020
Assigned:							
Library	-	-	-	-	-	173,497	173,497
Public safety	-	-	-	-	-	44,990	44,990
Community schools	-	-	-	-	-	270	270
Sustainability	-	-	-	-	-	15,544	15,544
Water and sewer	-	5,605,220	-	-	-	-	5,605,220
PERS benefits	171,314	-	-	-	-	27,901	199,215
Capital and land	-	-	1,474,233	-	-	-	-
Total assigned	171,314	5,605,220	1,474,233	-	-	3,283,920	10,534,687
Unassigned (deficit)	9,522,558	-	-	(620,533)	-	(365,971)	8,536,054
Total Fund Balances	\$ 10,051,587	6,031,446	3,719,822	(620,533)	5,907,370	5,073,734	30,163,426

City of Homer, Alaska

Notes to Basic Financial Statements

Year Ended December 31, 2019

8. Risk Management

The City is exposed to various risks of loss including (a) damage to and loss of buildings and contents, (b) employee torts, (c) professional liability; i.e., errors and omissions, (d) workers' compensation; i.e., employee injuries, and (e) medical insurance costs of employees.

The City is a member of the Alaska Municipal League Joint Insurance Association (JIA), a governmental insurance pool established by the Alaska Municipal League. The JIA provides the City coverage for property, including building and contents, automobiles, mobile equipment and data processing equipment; casualty, including general liability, and public officials, law enforcement professional liability, auto liability and employee benefit liability; and workers' compensation, including employer's liability. In addition, commercial insurance policies are purchased that transfer the risk of loss, except for relatively low deductibles for marina keeper's legal liability, and underground tank liability. The City has no coverage for potential losses from environmental damages.

The JIA is a public entity risk pool organized to share risks among its members. The Association's bylaws provide for the assessment of supplemental contributions from members in the event that losses and expenses for any coverage year exceed the annual contributions and income earned on such contributions for the year. Such supplemental contributions shall be based upon each member's deposit contribution in comparison to the aggregate deposit contributions of all members. The Association made no supplemental assessments during the year ended December 31, 2019.

The JIA provides loss control services and conducts periodic inspections to ensure safe operations. The Finance Director coordinates risk management activities with the other City Directors and City Manager. The General Fund balance is sufficient to meet potential losses related to the JIA basic core coverage and coverage deductibles. The amount of settlements for the past three years did not materially exceed the City's insurance coverage.

9. Defined Benefit (DB) Pension Plan and OPEB Plans

General Information About the Plan

The City participates in the Alaska Public Employees' Retirement System (PERS). PERS is a cost-sharing multiple employer plan which covers eligible State and local government employees, other than teachers. The Plan was established and is administered by the State of Alaska Department of Administration. Plan was established and is administered by the State of Alaska to provide pension, postemployment healthcare, and death and disability benefits (OPEB). Benefit and contribution provisions are established by State law and may be amended only by the State Legislature.

The Plan is included in a comprehensive annual financial report that includes financial statements and other required supplemental information. That report is available via the internet at <http://doa.alaska.gov/drb/pers>. Actuarial valuation reports, audited financial statements, and other detailed plan information are also available on this website.

City of Homer, Alaska

Notes to Basic Financial Statements

Year Ended December 31, 2019

The Plan provides for retirement, death and disability, and post-employment health care benefits. There are three tiers of employees, based on entry date. For all tiers within the Defined Benefit (DB) plan, full retirement benefits are generally calculated using a formula comprised of a multiplier times the average monthly salary (AMS) times the number of years of service. The multiplier is increased at longevity milestone markers for most employees. Police/Fire employees accrue benefits at an accelerated rate. The tiers within the Plan establish differing criteria regarding normal retirement age, early retirement age, and the criteria for calculation of AMS, COLA adjustments, and other OPEB benefits. A complete benefit comparison chart is available at the website noted above.

The PERS DB Plan was closed to new entrants effective June 30, 2006. New employees hired after that date participate in the PERS Defined Contribution (DC) Plan described later in these notes.

As part of its participation in the PERS DB Plan (Tiers I, II, III), which is a cost-sharing multiple employer defined benefit plan, the City participates in the Alaska Retiree Healthcare Trust (ARHCT), Retiree Medical Plan (RMP) and Occupational Death and Disability Plan (ODD). The ARHCT is self-funded and provides major medical coverage to retirees of the System. Benefits vary by Tier level. The RMP provides major medical coverage to retirees of the PERS Defined Contribution Plan (Tier IV). The ODD provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within PERS. The Plans are administered by the State of Alaska, Department of Administration. Employer contribution rates are established in concert with the Defined Benefit Pension Plan

Historical Context and Special Funding Situation

In April 2008, the Alaska Legislature passed legislation converting the previously existing PERS plan from an agent-multiple employer plan to a cost-sharing plan with an effective date of July 1, 2008. In connection with this conversion, the State of Alaska passed additional legislation which statutorily capped the employer contribution rate, established a state funded "on-behalf" contribution (subject to funding availability), and required that employer contributions be calculated against *all* PERS eligible wages, including wages paid to participants of the PERS Tier IV defined contribution plan described later in these notes.

Alaska Statute 39.35.255 requires the State of Alaska to contribute to the Plan an amount such that, when combined with the employer contribution, is sufficient to pay the Plan's past service liability contribution rate as adopted by the Alaska Retirement Management Board. As such, the Plan is considered to be in a special funding situation as defined by GASB, and management has recorded all pension related liabilities, deferred inflows and outflows of resources, and disclosures on this basis. The City records the related on-behalf contributions as revenue and expense or expenditures as prescribed by GAAP, pursuant to the relevant basis of accounting based on fund type.

It is important to note that the Alaska Legislature has the power and authority to change the aforementioned statute through the legislative process.

City of Homer, Alaska

Notes to Basic Financial Statements Year Ended December 31, 2019

Employee Contribution Rates

Regular employees are required to contribute 6.75% (5.25% pension and 1.50% OPEB) of their annual covered salary. Police and firefighters are required to contribute 7.5% of their annual covered salary.

Employer and Other Contribution Rates

There are several contribution rates associated with the pension and healthcare contributions and related liabilities. These amounts are calculated on an annual basis.

Employer Effective Rate: This is the contractual employer pay-in rate. Under current legislation, this rate is statutorily capped at 22% of eligible wages, subject to a wage floor, and other termination events. This 22% rate is calculated on *all* PERS participating wages, including those wages attributable to employees in the defined contribution plan. Contributions derived from the defined contribution employees are referred to as the Defined Benefit Unfunded Liability or DBUL contribution.

ARM Board Adopted Rate: This is the rate formally adopted by the Alaska Retirement Management Board. This rate is actuarially determined and used to calculate annual Plan funding requirements, without regard to the statutory rate cap or the GASB accounting rate. Prior to July 1, 2015, there were no constraints or restrictions on the actuarial cost method or other assumptions used in the ARM Board valuation. Effective July 1, 2015, the Legislature requires the ARM Board to adopt employer contribution rates for past service liabilities using a level percent of pay method over a closed 25 year term which ends in 2039. This will result in lower ARM Board Rates in future years (as demonstrated in the contribution rate tables below).

On-behalf Contribution Rate: This is the rate paid in by the State as an on-behalf payment under the current statute. The statute requires the State to contribute, based on funding availability, an on-behalf amount equal to the difference between the ARM Board Rate and the Employer Effective Rate. In 2015, the State Legislature appropriated a one-time contribution to the Plan in the amount of \$1 billion. As a result, the on-behalf contribution in 2015 was significantly higher than the statutory amount. In 2016, the on-behalf contribution has returned to "normal" levels and generally equals the statutory calculation. In the governmental fund financial statements, on-behalf contribution amounts have been recognized as additional revenues and expenditures. On the enterprise fund and the government-wide financial statements, the on-behalf amounts are included in revenue and expense only to the extent they are applicable to the measurement period.

Contribution rates for the years ended June 30, 2018 and June 30, 2019 were determined in the June 30, 2017 and June 30, 2018 actuarial valuations, respectively.

City of Homer, Alaska

Notes to Basic Financial Statements

Year Ended December 31, 2019

City contribution rates for the 2019 calendar year were as follows:

<i>January 1, 2019 to June 30, 2019</i>	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
Pension	16.17%	23.21%	5.58%
Postemployment healthcare	5.83%	4.37%	-%
Total Contribution Rates	22.00%	27.58%	5.58%

<i>July 1, 2019 to December 31, 2019</i>	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
Pension	15.72%	23.73%	6.62%
Postemployment healthcare	6.28%	4.89%	-%
Total Contribution Rates	22.00%	28.62%	6.62%

In 2019, the City was credited with the following contributions into the pension/OPEB plan.

	Measurement Period July 1, 2018 to June 30, 2019	City Fiscal Year January 1, 2019 to December 31, 2019
Employer contributions pension (including DBUL)	\$ 801,186	\$ 786,093
Employer contributions OPEB	339,496	356,685
Nonemployer contributions (on-behalf pension)	394,025	431,874
Total Contributions	\$ 1,534,707	\$ 1,574,652

In addition, employee contributions to the Plan for pension totaled \$198,136 during the City's fiscal year.

City of Homer, Alaska

Notes to Basic Financial Statements

Year Ended December 31, 2019

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions/OPEB

At December 31, 2019, the City reported a liability for its proportionate share of the net pension/OPEB liability that reflected a reduction for State pension support provided to the City. The amounts recognized by the City for its proportional share, the related State proportion, and the total is as follows:

Net Pension Liability

City proportionate share	\$ 11,668,965
State's proportionate share associated with the City	4,631,725
Total Net Pension Liability	\$ 16,300,690

Net OPEB Liability - ARHCT

City proportionate share	\$ 316,184
State's proportionate share associated with the City	125,707
Total Net OPEB Liability - ARHCT	\$ 441,891

Net OPEB Liability (Asset) - ODD

City proportionate share	\$ (80,515)
State's proportionate share associated with the City	-
Total Net OPEB Liability (Asset) - ODD	\$ (80,515)

Net OPEB Liability - RMP

City proportionate share	\$ 70,604
State's proportionate share associated with the City	-
Total Net OPEB Liability - RMP	\$ 70,604

The net pension/OPEB liabilities were measured as of June 30, 2019, and the total pension/OPEB liability used to calculate the net pension/OPEB liability for each Plan was determined by an actuarial valuation as of June 30, 2018. The City's proportion of the net pension/OPEB liabilities were based on a projection of the City's long-term share of contributions to the pension/OPEB plans relative to the projected contributions of all participating entities, actuarially determined.

City of Homer, Alaska

Notes to Basic Financial Statements

Year Ended December 31, 2019

The City's proportionate share of the net pension/OPEB liability measured at June 30, 2019 was as follows:

City's proportionate share	Measurement Period Fiscal Year 2019	Measurement Period Fiscal Year 2018	Change
Net Pension Liability	0.21316%	0.22854%	(0.01538%)
Net OPEB Liability - ARHCT	0.21309%	0.22850%	(0.01541%)
Net OPEB Liability (Asset) - ODD	0.33209%	0.30999%	0.02210%
Net OPEB Liability - RMP	0.29512%	0.30999%	(0.01487%)

For the year ended December 31, 2019, the City recognized pension and OPEB expense (benefit) of \$1,780,452 and (\$2,114,984), respectively for PERS in the Statement of Activities. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Pension Related		OPEB Related	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Deferred Outflows/Inflows of Resources:</u>				
Difference between expected and actual experience	\$ -	(172,746)	-	(242,802)
Change in assumptions	357,252	-	453,745	(1,540)
Net difference between projected and actual earnings on pension plan investments	167,308	-	-	(139,765)
Change in proportion and differences in proportional share	-	(285,679)	47,757	(49,963)
City contributions subsequent to the measurement date	388,143	-	189,026	-
Total Deferred Outflows/Inflows Related to Pensions	\$ 912,703	(458,425)	690,528	(434,070)

The \$388,143 and \$189,026 reported as deferred outflows of resources related to pensions and OPEB, respectively, resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension/OPEB liability in the year ended December 31, 2020.

City of Homer, Alaska

Notes to Basic Financial Statements

Year Ended December 31, 2019

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in pension/OPEB expense as follows:

Year Ending December 31,	Pension Related	OPEB Related	Total
2020	\$ 84,465	98,567	183,032
2021	(123,526)	(109,367)	(232,893)
2022	47,470	34,168	81,638
2023	57,726	44,311	102,037
2024	-	(123)	(123)
Thereafter	-	(124)	(124)
Total Amortization	\$ 66,135	67,432	133,567

Actuarial Assumptions

The total pension/OPEB liability for the measurement period ended June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2019. The actuarial assumptions used in the June 30, 2018 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017, resulting in changes in actuarial assumptions adopted by the Alaska Retirement Management Board in January 2019 to better reflect expected future experience.

Actuarial Cost Method	Entry Age Normal – Level Percentage of Payroll
Asset Valuation Method	Invested assets are reported at fair value.
Allocation Methodology	Amounts were allocated to employers based on the projected present value of contributions for FY2021-FY2039. The liability is expected to go to zero at 2039.
Investment Return / Discount Rate	7.38% per year (geometric), compounded annually, net of expenses
Salary Scale	Inflation – 2.50% per year Productivity – 0.25% per year Peace Officer/Firefighter – graded by years of service from 7.75% to 2.75% All others – graded by years of service from 6.75% to 2.75%
Total Inflation	Measured by the consumer price index for urban and clerical workers for Anchorage and is assumed to increase 2.50% annually.

City of Homer, Alaska

Notes to Basic Financial Statements

Year Ended December 31, 2019

Mortality	Pre-termination – Based on the 2013-2017 actual mortality experience. 100% (male and female) of RP-2014 healthy annuitant table with MP-2017 generational improvement. Post-termination – 91% of male and 96% of female rates of RP-2014 healthy annuitant table with MP-2017 generational improvement. Deaths are assumed to be occupational 75% of the time for peace officer/firefighters, 40% of the time for all others.
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The long term expected rate of return on pension/OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension/OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

<i>Asset Class</i>	<i>Long-term Expected Real Rate of Return</i>
Domestic equity	8.16%
Global equity (non-US)	7.51%
Intermediate treasuries	1.58%
Opportunistic	3.96%
Real assets	4.76%
Private equity	11.39%
Cash equivalents	0.83%

Discount Rate

The discount rate used to measure the total pension/OPEB liability was 7.38%. The projection of cash flows used to determine the discount rate assumed that employer and nonemployer contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the pension/OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

Discount Rate Sensitivity

The following presents the Retirement System's net pension/OPEB liability and the City's proportionate share of the net pension/OPEB liability calculated using the discount rate of 7.38%, as well as what the City's proportionate share of the net pension/OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.38%) or 1-percentage point higher (8.38%) than the current rate:

City of Homer, Alaska

Notes to Basic Financial Statements

Year Ended December 31, 2019

PERS	Proportional Share	1% Decrease (6.38%)	Current Discount Rate (7.38%)	1% Increase (8.38%)
Net Pension Liability	0.21316%	\$ 15,400,986	11,668,965	8,543,519
Net OPEB Liability - ARHCT	0.21309%	\$ 2,543,306	316,184	(1,515,867)
Net OPEB Liability (Asset) - ODD	0.33209%	\$ (76,374)	(80,515)	(83,863)
Net OPEB Liability (Asset) - RMP	0.29512%	\$ 177,332	70,604	(9,748)

Pension Plan Fiduciary Net Position

Detailed information about the pension/OPEB plan's fiduciary net position is available in separately issued PERS financial reports.

10. Defined Contribution (DC) Pension Plan

Employees hired after July 1, 2006 participate in PERS Tier IV, a defined contribution plan. This Plan is administered by the State of Alaska, Department of Administration in conjunction with the defined benefit plan noted above. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature. The Alaska Retirement Management Board may also amend contribution requirements. Included in the Plan are individual pension accounts, retiree medical insurance plan and a separate Health Reimbursement Arrangement account that will help retired members pay medical premiums and other eligible medical expenses not covered by the medical plan. This Plan is included in the comprehensive annual financial report for PERS, and at the following website, as noted above. <http://doa.alaska.gov/dr/pers>.

Contributions to the DC plan consist solely of employer and employee contributions with no special funding or other nonemployer contributions. In addition, actual remittances to the PERS system require that the City contribute at 22%. After deducting the DC plan contributions (and related OPEB contributions), the remaining remittance (the DBUL) is deposited into the DB plan as noted earlier.

Benefit Terms

Employees are immediately vested in their own contributions and vest 25% with two years of service, plus an additional 25% per year thereafter for full vesting at five years of service.

Employee Contribution Rate

Employees are required to contribute 8.0% of their annual covered salary. This amount goes directly to the individual's account.

Employer Contribution Rate

For the year ended December 31, 2019, the City was required to contribute 5% of covered salary into the Plan.

City of Homer, Alaska

Notes to Basic Financial Statements

Year Ended December 31, 2019

The City and employee contributions to PERS for DC pensions for the year ended December 31, 2019 were \$193,557 and \$309,691, respectively. The City contribution amount was recognized as pension expense/expenditures. During the City's fiscal year forfeitures for DC pension used to offset the City's expense/expenditures was \$5,388.

11. Defined Contribution OPEB Plans

Defined Contribution Pension Plan participants (PERS Tier IV) participate in the Occupational Death and Disability Plan (ODD), and the Retiree Medical Plan. Information on these plans is included in the comprehensive annual financial report for the PERS Plan noted above. These plans provide for death, disability, and post-employment health care benefits.

Employer Contribution Rates

Employees do not contribute to the DC OPEB plans. Employer contribution rates for the year ended December 31, 2019 were as follows:

	Other Tier IV	Police/Fire Tier IV
Alaska retiree healthcare trust	5.83%	5.83%
Retiree medical plan	0.94%	0.94%
Occupational death and disability benefits	0.26%	0.76%
Total Contribution Rates	7.03%	7.53%

In addition, PERS defined contribution members also participate in the Health Reimbursement Arrangement. AS 39.30.370 establishes this contribution amount as "three percent of the average annual employee compensation of *all employees of all employers* in the plan". As of July 1, 2019, for actual remittance, this amount is calculated as a flat rate for each full time or part-time employee per pay period and approximates \$2,122 per year for each full-time employee, and \$1.36 per hour for part-time employees.

Annual Postemployment Healthcare Cost

In 2019, the City contributed \$129,304 in DC OPEB costs. This amount has been recognized as expense/expenditures.

12. Contingencies

The City is involved in various claims and pending litigation as part of the normal course of its activities. In the opinion of management, the disposition of these matters is not expected to have a material adverse effect on the City's financial statements. Amounts received or receivable from grantors are subject to audit and adjustment by the grantor agencies. Any disallowed claims, including amounts already collected, would become a liability of the General Fund or other applicable fund.

City of Homer, Alaska

Notes to Basic Financial Statements Year Ended December 31, 2019

13. Designated Sales Tax

City of Homer sales tax is designated for the following purposes:

Water, sewer, and related debt service	0.75%
Road and trail projects	0.75%
Public safety and infrastructure	0.35%
Debt service for construction of police station	0.30%
General Fund – undesignated	3.00%
Kenai Peninsula Borough	3.00%
<hr/>	
Total Sales Tax Percentage	8.15%

Effective January 1, 2009, Ordinance 08-32(s)(A-2) exempts sales tax on non-prepared foods from September 1 through May 31 annually.

15. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The deferred compensation plan permits all employees to defer a portion of their salary. The deferred compensation is not available for distribution to employees until termination, retirement, death or unforeseeable emergency. Internal Revenue Code provisions require that all assets and income of the plan be held in trust for the exclusive benefit of participants and their beneficiaries.

16. Related Parties

City purchases goods and services from local companies. Some of these purchases are considered related party transactions due to the nature of the relationships between employees of the City and these local companies. These transactions are not considered significant for individual disclosure.

17. Subsequent Events

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the City’s financial condition,

City of Homer, Alaska

Notes to Basic Financial Statements

Year Ended December 31, 2019

liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the City is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2020. The City is dependent upon its workforce to deliver its services. Developments such as social distancing and shelter-in-place directives will impact the City's ability to deploy its workforce effectively. While expected to be temporary, prolonged workforce disruptions may negatively impact the City's services, taxes collected in fiscal year 2020, and the City's overall liquidity. Adverse economic effects of the COVID-19 outbreak may decrease demand for the City's services based on restrictions in place by government efforts to curb the outbreak or changes in consumer behavior. Furthermore, it is possible that the pandemic will cause significant volatility in market value of the City's marketable securities.

Although the City cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have an adverse effect on the City's results of future operations, financial position, and liquidity in fiscal year 2020.

On March 27, 2020, the "Coronavirus Aid, Relief and Economic Security (CARES) Act" was signed into law. The CARES Act, among other things, appropriated funds for the Coronavirus Relief Fund to be used to make payments for specified uses to States and certain local governments. It also appropriated certain relief funds, for which the City of Homer became eligible to receive approximately \$7,899,000. This aid is expected to be utilized during 2020 and 2021, and is subject to certain federal criteria. The City will continue to examine the impact that the CARES Act may have. Currently, the City is unable to determine the full impact that the CARES Act will have on the City's financial condition, results of operations, or liquidity.

Effective January 1, 2020, the City of Homer is operating under a biennial budget which will cover two fiscal years in each budget.

Effective July 1, 2021, the City of Homer will change the fiscal year to the twelve-month period commencing July 1 through June 30 of the succeeding year. This will allow for reduced administrative burden as the fiscal year will coincide with the Kenai Peninsula Borough.

18. New Accounting Pronouncements

The Governmental Accounting Standards Board has passed several new accounting standards with upcoming implementation dates. Management has not fully evaluated the potential effects of these statements and actual impacts have not yet been determined.

GASB 83 – *Certain Asset Retirement Obligations* – Effective for year-end December 31, 2020, with earlier application encouraged – This statement addresses accounting and financial reporting for certain asset retirement obligations that are legally enforceable liabilities associated with the retirement of a tangible capital asset.

City of Homer, Alaska

Notes to Basic Financial Statements Year Ended December 31, 2019

GASB 84 – *Fiduciary Activities* – Effective for year-end December 31, 2020, with earlier application encouraged – This statement addresses criteria for identifying and reporting fiduciary activities.

GASB 87 – *Leases* – Effective for year-end December 31, 2022, with earlier application encouraged – This statement addresses accounting and financial reporting for certain lease assets and liabilities for leases that previously were classified as operating leases. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

GASB 88 - *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* - Effective for year-end December 31, 2020, with earlier application encouraged - This statement addresses note disclosures related to debt, clarifies which liabilities to include when disclosing information related to debt, and defines debt for the purpose of disclosure. It requires additional essential information related to debt be disclosed in the notes, as well as information for direct borrowings and direct placements.

GASB 89 - *Accounting for Interest Cost incurred before the End of a Construction Period* - Effective for year-end December 31, 2021, with earlier application encouraged - This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus.

GASB 90 – *Majority Equity Interests* - Effective for year-end December 31, 2020, with earlier application encouraged - This statement clarifies the definition of and classification of majority equity interests in legally separate organizations. It also clarifies measurement of component units in which governments have one hundred percent equity interest.

GASB 91 – *Conduit Debt Obligations* – Effective for year-end December 31, 2022, with earlier application encouraged - This statement establishes a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice of accounting for conduit debt obligations. This statement also establishes that conduit debt obligations are not a liability of the issuer and improves required note disclosures.

GASB 92 – *Omnibus 2020* – Provisions of this statement related to the effective date of Statement No. 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminologies used to refer to derivative instruments are effective upon issuance. The effective date for all other provisions of the Statement are to be implemented for year-end December 31, 2021. This Statement addresses a variety of topics such as leases, the applicability of Statement No. 73 and Statement No. 74 for reporting assets accumulated for postemployment benefits, the applicability of Statement No. 84 to postemployment benefit arrangements, the measurements of liabilities and assets related to asset retirement obligations in a government acquisition, reporting of public entity risk pools, referencing to nonrecurring fair value measurements, and terminology used to refer to derivative instruments.

City of Homer, Alaska

Notes to Basic Financial Statements

Year Ended December 31, 2019

GASB 93 – Replacement of Interbank Offered Rates – The provisions of this Statement, except for paragraph 11b, are required to be implemented for year-end December 31, 2022. The requirements in paragraph 11b are required to be implemented for year-end December 31, 2023. This Statement addresses accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR).

GASB 94 – Public-private and Public-public Partnerships and Availability Payment Arrangements – Effective for year-end December 31, 2023. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs) and also provides guidance for accounting and financial reporting for availability payment arrangements (APAs).

In light of the COVID-19 Pandemic, on May 8, 2020, the GASB issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance, to provide relief to governments. This Statement, which was effective upon issuance, postpones the effective dates of certain provisions in the above noted pronouncements for one year, except for Statement No. 87 and provisions related to leases in Statement No. 92 which are postponed for eighteen months, Certain other provisions of Statement No. 92 are excluded from Statement No. 95. Additionally, Statement No. 95 excludes provisions in Statement No. 93 related to lease modifications and excludes Statement No. 94 since the GASB considered the pandemic in determining effective dates. Earlier application of the standards is encouraged and is permitted to the extent specified in each pronouncement as originally issued.

GASB 96 – Subscription-based Information Technology Arrangements – Effective for year-end December 31, 2023. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement, among other things, defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset, provides capitalization criteria for outlays other than subscription payments, and requires note disclosures regarding a SBITA.

GASB 97 – Certain Component Units, and Accounting and Financial Reporting for Internal Revenue Code 457 Deferred Compensation Plans – an amendment of GASB Statement No. 14 and No. 84, and a supersession of GASB Statement No. 32 – Effective for year-end December 31, 2022, except the portion of the pronouncement related to component unit criteria, which is effective for year-end December 31, 2020. This statement modifies certain guidance contained in Statement No. 84 and enhances the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans.

Required Supplementary Information

City of Homer, Alaska
100 - General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2019	Budget		Actual GAAP Basis	Budget to GAAP Difference	Actual Budget Basis	Variance with Final Budget
	Original	Final				
Revenues						
Property taxes	\$ 3,406,952	3,406,952	3,651,365	-	3,651,365	244,413
Sales and use taxes	5,408,322	5,359,237	6,398,988	-	6,398,988	1,039,751
Permits and licenses	34,963	34,961	41,152	-	41,152	6,191
Intergovernmental	569,700	618,785	916,369	(294,185)	622,184	3,399
Charges for services	2,156,372	2,156,372	2,205,197	-	2,205,197	48,825
Interest Income	34,346	34,346	188,592	-	188,592	154,246
Fines and forfeitures	24,865	24,866	28,798	-	28,798	3,932
Total Revenues	11,635,520	11,635,519	13,430,461	(294,185)	13,136,276	1,500,757
Expenditures						
General government	3,193,887	3,193,886	3,201,579	-	3,201,579	7,693
Public safety	4,318,661	4,318,661	4,359,655	-	4,359,655	40,994
Public works	2,719,148	2,779,148	2,557,981	-	2,557,981	(221,167)
Library	932,402	932,402	873,440	-	873,440	(58,962)
Airport	219,842	219,842	196,901	-	196,901	(22,941)
Community services	94,000	94,000	94,000	-	94,000	-
Total Expenditures	11,477,940	11,537,939	11,283,556	-	11,283,556	(254,383)
Excess of Revenues Over (under)						
Expenditures	157,580	97,580	2,146,905	(294,185)	1,852,720	1,755,140
Other Financing Sources (Uses)						
Transfers in	614,843	614,843	1,671,930	-	1,671,930	1,057,087
Transfers out	(772,423)	(712,423)	(922,329)	-	(922,329)	(209,906)
Net Change in Fund Balance	\$ -	-	2,896,506	(294,185)	2,602,321	2,602,321
Fund Balance, beginning			7,155,081		7,155,081	
Fund Balance, ending			\$ 10,051,587		\$ 9,757,402	

See accompanying notes to required supplementary information.

City of Homer, Alaska
200 - Utility Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2019	Budget		Actual GAAP Basis	Budget to GAAP Difference	Actual Budget Basis	Variance with Final Budget
	Original	Final				
Revenues						
Sales taxes	\$ 1,338,809	1,338,809	1,583,087	-	1,583,087	244,278
Intergovernmental	-	-	640,158	(66,929)	573,229	573,229
Charges for services	3,729,021	3,737,312	3,946,563	-	3,946,563	209,251
Water and sewer special assessments	-	-	426,218	-	426,218	426,218
Investment income	9,294	1,003	105,161	-	105,161	104,158
Other	-	-	100,011	-	100,011	100,011
Total Revenues	5,077,124	5,077,124	6,801,198	(66,929)	6,734,269	1,657,145
Expenditures						
Water	2,114,194	2,151,694	2,090,696	(38,101)	2,052,595	99,099
Sewer	1,533,942	1,531,442	1,522,675	(28,828)	1,493,847	37,595
Debt service:						
Principal	868,835	868,835	881,066	-	881,066	(12,231)
Interest	172,665	172,665	149,933	-	149,933	22,732
Total debt service	1,041,500	1,041,500	1,030,999	-	1,030,999	10,501
Capital outlay	-	-	1,019,555	-	1,019,555	(1,019,555)
Total Expenditures	4,689,636	4,724,636	5,663,925	(66,929)	5,596,996	(872,360)
Excess of Revenues Over (Under) Expenditures	387,488	352,488	1,137,273	-	1,137,273	784,785
Other Financing Sources (Uses)						
Transfers in	73,779	-	779,535	-	779,535	779,535
Transfers out	(33,398)	(199,035)	-	-	-	199,035
Net Change in Fund Balance	\$ 427,869	153,453	1,916,808	-	1,916,808	1,763,355
Fund Balance, beginning			4,114,638			
Fund Balance, ending			\$ 6,031,446			

See accompanying notes to required supplementary information.

City of Homer, Alaska
Schedule of the City's Information on the Net Pension Liability
Public Employees Retirement System (PERS)

<i>Years Ended</i>	<i>Measurement Period Ended</i>	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	State of Alaska Proportionate Share of the Net Pension Liability	Total Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2019	2019	0.21316%	\$ 11,668,965	\$ 4,631,725	\$ 16,300,690	\$ 6,616,896	176.35%	63.42%
2018	2018	0.22854%	11,355,996	3,289,937	14,645,933	6,635,180	171.15%	65.19%
2017	2017	0.21319%	11,020,546	4,105,937	15,126,483	6,507,827	169.34%	63.37%
2016	2016	0.25432%	14,215,445	1,792,202	16,007,647	6,372,455	223.08%	59.55%
2015	2015	0.22501%	10,912,909	2,922,750	13,835,659	6,455,186	169.06%	63.96%
2014	2014	*	*	*	*	*	*	*
2013	2013	*	*	*	*	*	*	*
2012	2012	*	*	*	*	*	*	*
2011	2011	*	*	*	*	*	*	*
2010	2010	*	*	*	*	*	*	*

*GASB requires ten years of information be presented. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

See accompanying notes to required supplementary information.

City of Homer, Alaska
Schedule of the City's Information on the Net OPEB Liability (Assets)
Public Employees Retirement System (PERS)

Year Ended December 31,	Measurement Period Ended June 30,	City's proportion of the net OPEB liability	City's proportionate share of the net OPEB liability (asset)	State of Alaska proportionate share of the net OPEB liability (asset)	Total net OPEB liability (asset)	City's covered- employee payroll	City's proportionate share of the net OPEB liability as a percentage of covered- employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability (assets)
Alaska Retiree Healthcare Trust Plan (ARHCT):								
2019	2019	0.21309%	\$ 316,184	\$ 125,707	\$ 441,891	\$ 6,616,896	4.78%	98.13%
2018	2018	0.22850%	2,345,089	680,139	3,025,228	6,635,180	35.34%	88.12%
2017	2017	*	*	*	*	*	*	*
2016	2016	*	*	*	*	*	*	*
2015	2015	*	*	*	*	*	*	*
2014	2014	*	*	*	*	*	*	*
2013	2013	*	*	*	*	*	*	*
2012	2012	*	*	*	*	*	*	*
2011	2011	*	*	*	*	*	*	*
2010	2010	*	*	*	*	*	*	*
Occupational Death and Disability (ODD):								
2019	2019	0.33209%	\$ (80,515)	\$ -	\$ (80,515)	\$ 6,616,896	-1.22%	-297.43%
2018	2018	0.30999%	(60,206)	-	(60,206)	6,635,180	-0.91%	-270.62%
2017	2017	*	*	*	*	*	*	*
2016	2016	*	*	*	*	*	*	*
2015	2015	*	*	*	*	*	*	*
2014	2014	*	*	*	*	*	*	*
2013	2013	*	*	*	*	*	*	*
2012	2012	*	*	*	*	*	*	*
2011	2011	*	*	*	*	*	*	*
2010	2010	*	*	*	*	*	*	*
Retiree Medical Plan (RMP):								
2019	2019	0.29512%	\$ 70,604	\$ -	\$ 70,604	\$ 6,616,896	1.07%	-83.17%
2018	2018	0.01854%	39,446	-	39,446	6,635,180	0.59%	88.71%
2017	2017	*	*	*	*	*	*	*
2016	2016	*	*	*	*	*	*	*
2015	2015	*	*	*	*	*	*	*
2014	2014	*	*	*	*	*	*	*
2013	2013	*	*	*	*	*	*	*
2012	2012	*	*	*	*	*	*	*
2011	2011	*	*	*	*	*	*	*
2010	2010	*	*	*	*	*	*	*

*GASB requires ten years of information be presented. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

See accompanying notes to required supplementary information.

City of Homer, Alaska

Schedule of City Contributions - Pension
Public Employees Retirement System (PERS)

<i>Years Ended December 31,</i>	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2019	\$ 786,093	\$ 786,093	\$ -	\$ 6,616,896	11.880%
2018	843,414	843,414	-	6,651,553	12.680%
2017	820,166	820,166	-	6,619,157	12.391%
2016	1,031,207	1,031,207	-	6,414,407	16.076%
2015	644,804	644,804	-	6,402,816	10.071%
2014	*	*	*	*	*
2013	*	*	*	*	*
2012	*	*	*	*	*
2011	*	*	*	*	*
2010	*	*	*	*	*

*GASB requires ten years of information be presented. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

See accompanying notes to required supplementary information.

City of Homer, Alaska
Schedule of the City Contributions - OPEB
Public Employees Retirement System (PERS)

Year Ended December 31,	Contractually required contribution	Contributions in relation to the contractually required contribution	Contributions over (short)	City's covered- employee payroll	Contributions as a percentage of covered- employee payroll
<u>Alaska Retiree Healthcare Trust Plan (ARHCT):</u>					
2019	\$ 298,559	\$ 298,559	\$ -	\$ 6,616,896	4.512%
2018	271,357	271,357	-	6,651,553	4.080%
2017	*	*	*	*	*
2016	*	*	*	*	*
2015	*	*	*	*	*
2014	*	*	*	*	*
2013	*	*	*	*	*
2012	*	*	*	*	*
2011	*	*	*	*	*
2010	*	*	*	*	*
<u>Occupational Death and Disability (ODD):</u>					
2019	\$ 14,066	\$ 14,066	\$ -	\$ 6,616,896	0.213%
2018	10,678	10,678	-	6,651,553	0.161%
2017	*	*	*	*	*
2016	*	*	*	*	*
2015	*	*	*	*	*
2014	*	*	*	*	*
2013	*	*	*	*	*
2012	*	*	*	*	*
2011	*	*	*	*	*
2010	*	*	*	*	*
<u>Retiree Medical Plan (RMP):</u>					
2019	\$ 44,061	\$ 44,061	\$ -	\$ 6,616,896	0.666%
2018	35,366	35,366	-	6,651,553	0.532%
2017	*	*	*	*	*
2016	*	*	*	*	*
2015	*	*	*	*	*
2014	*	*	*	*	*
2013	*	*	*	*	*
2012	*	*	*	*	*
2011	*	*	*	*	*
2010	*	*	*	*	*

*GASB requires ten years of information be presented. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

See accompanying notes to required supplementary information.

City of Homer, Alaska

Notes to Required Supplementary Information

1. Budgetary Comparison Schedules

An operating budget is adopted each fiscal year for the General Fund and Utility Special Revenue Fund on the modified accrual basis used to reflect actual revenues and expenditures.

The City follows these procedures in establishing the budgetary data reflected in the required budgetary comparison Schedules:

- a. By the third Friday in October, the City Manager presents the budget proposal for the next fiscal year, including additional information.
- b. Public hearings are conducted by the City to obtain taxpayer comments.
- c. At a regular Council meeting no less than 10 days before the end of the fiscal year, the Council shall appropriate the funds.
- d. The Council may increase or decrease appropriations during the course of the year and may amend the budget using the same method as for initial adoption.
- e. The City Manager is authorized to transfer budgeted amounts within a department; however, any revisions that result in permanent staffing level revisions, require Council approval. Expenditures may not exceed appropriations at the fund level.
- f. Appropriations lapse at the end of the fiscal year to the extent they have not been fully expended or fully encumbered. Capital appropriations remain in force until the project is finished or abandoned.

The City publishes its annual budget document and it is available on the City's website at: www.cityofhomer-ak.gov. The City's expenditures for the Utility Special Revenue Fund exceeded the final budget amounts due to Capital outlay in excess of \$1,019,552.

2. Pension/OPEB Disclosures

In accordance with GASB Statement 82, "Covered Payroll" is defined as payroll on which contributions to the pension plan are based. Because a portion of the City's contributions to the Plan (the DBUL) are based on Defined Contribution Wages, covered payroll reported here includes all PERS participating wages (both DB and DC).

Both pension and OPEB tables are intended to present 10 years of information. Additional years' information will be added to the schedules as it becomes available.

Schedules of City's Information on the Net Pension/OPEB Liability

- This table is presented based on the Plan measurement date. For December 31, 2019, the Plan measurement date is June 30, 2019.
- There were no changes in benefit terms from the prior measurement period.
- The investment return/discount rate changed from 8.00% in the prior measurement period to 7.38% in the current measurement period. There were no other changes in assumptions from the prior measurement period.

Schedules of City Contributions – Pension/OPEB

- This table is based on the City's contributions for each year presented. A portion of these contributions are included in the plan measurement results, while a portion of the contributions have been reported as a deferred outflow on the statement of net position.

Supplementary Information

Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

A Special Revenue Fund is established to finance particular activities and is created from proceeds of specific revenue sources that are restricted or committed for specific purposes.

Police Station Debt – This fund accounts for principal and interest payments on the bonds for the police station capital project.

HART Assessments – This fund accounts for assessments that have been earmarked for road improvements.

Noncapital Projects – This fund accounts for projects and grant-related activities that are not capitalized.

Retainage Reimbursements – This fund accounts for deposits customers have provided for specific projects until their completion.

Ocean Dr Loop Assessments – This fund accounts for assessments that have been earmarked for bluff erosion control along Ocean Drive Loop.

PERS Funding – This fund accounts for funds set aside for future PERS obligation.

Fire Department Donations – This fund accounts for donations made to the fire department.

Library Donations – This fund accounts for donations made to the library.

Animal Shelter Donations – This fund accounts for donations made to the animal shelter.

Community Schools – This fund accounts for donations to be used for community schools.

Sustainability – This fund accounts for donations for sustainable global warming.

Ocean DR Loop Mill Rate Assessments – This fund accounts for assessments that have been earmarked for seawall maintenance.

Nonmajor Governmental Funds, continued

CAPITAL PROJECT FUNDS

Capital Project Funds are established to account for the financial resources expended to acquire or construct major capital assets of a relatively permanent nature. Such financial resources include grants, contributions, bond proceeds, and operating transfers from other funds.

Capital Project Funds provide a formal mechanism to ensure that revenues dedicated to a certain project are used only for that project and enable the City administration to report to grantors of Capital Project Fund revenue that their requirements regarding the use of the revenues are fully satisfied.

Land Reserves – This fund accounts for the accumulation of capital to purchase land.

Fleet Reserve Allocation – This fund accounts for the accumulation of capital to purchase vehicles.

Capital Outlay Reserves – This fund accounts for monies set aside each year from the General Fund to be used for the maintenance of City buildings and the purchase of General Fund equipment.

HART Trails – This fund accounts for improvements to City trails.

Energy Revolving Loan – This fund accounts for forward funding of energy efficiency improvement projects with corpus to be reinstated through future repayments.

City of Homer, Alaska
Nonmajor Governmental Funds
Combining Balance Sheet

	Special Revenue Funds										
	Police Station Debt Service 154	HART Assessments 155	Non-capital Projects 157	Retainage Reimbursements 159	Seawall Assessments 173	PERS Funding 615	Fire Department Donations 802	Library Donations 803	Animal Shelter Donations 804	Community Schools 805	Sustainability 807
December 31, 2019											
Assets											
Cash and investments	\$ 525,353	780,628	-	47,077	-	27,901	44,655	173,497	335	270	15,544
Receivables, net:											
Interfund loan	-	-	-	-	-	-	-	-	-	-	-
State and federal grants	-	-	66,618	-	-	-	-	-	-	-	-
Sales taxes	91,530	-	-	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-	-	-	-	-
Special assessments	-	416,558	-	-	129,585	-	-	-	-	-	-
Total Assets	\$ 616,883	1,197,186	66,618	47,077	129,585	27,901	44,655	173,497	335	270	15,544
Liabilities											
Accounts payable	\$ -	-	669	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	47,011	-	-	-	-	-	-	-
Unearned grant revenue	-	-	5,237	-	-	-	-	-	-	-	-
Due to other funds	-	-	11,254	-	365,971	-	-	-	-	-	-
Deferred assessments	-	416,558	-	-	129,585	-	-	-	-	-	-
Total Liabilities	-	416,558	17,160	47,011	495,556	-	-	-	-	-	-
Fund Balances											
Restricted:											
Roads and trails	-	780,628	-	-	-	-	-	-	-	-	-
Special service district	-	-	-	-	-	-	-	-	-	-	-
Committed:											
Police station debt service	616,883	-	-	-	-	-	-	-	-	-	-
Assigned:											
Library	-	-	-	-	-	-	-	173,497	-	-	-
Public safety	-	-	-	-	-	-	44,655	-	335	-	-
Community schools	-	-	-	-	-	-	-	-	-	270	-
Sustainability	-	-	-	-	-	-	-	-	-	-	15,544
PERS benefits	-	-	-	-	-	27,901	-	-	-	-	-
Capital and land	-	-	49,458	66	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	(365,971)	-	-	-	-	-	-
Total Fund Balances	616,883	780,628	49,458	66	(365,971)	27,901	44,655	173,497	335	270	15,544
Total Liabilities and Fund Balances	\$ 616,883	1,197,186	66,618	47,077	129,585	27,901	44,655	173,497	335	270	15,544

City of Homer, Alaska
Nonmajor Governmental Funds
Combining Balance Sheet, continued

	Special Revenue Funds		Capital Project Funds					Total Capital Project Funds	Total Nonmajor Governmental Funds
	Ocean Dr Loop Assessments 808	Total Special Revenue Funds	Land Reserves 150	Fleet Reserve Allocation 152	Capital Outlay Reserves 156	HART Trails 165	Energy Revolving Loan 620		
December 31, 2019									
Assets									
Cash and investments	\$ 70,140	1,685,400	199,814	946,329	1,550,763	657,626	276,711	3,631,243	5,316,643
Receivables, net:									
Interfund loan	-	-	-	-	-	-	6,255	6,255	6,255
State and federal grants	-	66,618	-	-	-	-	-	-	66,618
Sales taxes	-	91,530	-	-	-	30,508	-	30,508	122,038
Other	-	-	-	-	-	-	771	771	771
Special assessments	-	546,143	-	-	-	-	-	-	546,143
Total Assets	\$ 70,140	2,389,691	199,814	946,329	1,550,763	688,134	283,737	3,668,777	6,058,468
Liabilities									
Accounts payable	\$ -	669	-	-	8,419	-	30	8,449	9,118
Unearned revenue	-	47,011	-	-	-	-	-	-	47,011
Unearned grant revenue	-	5,237	-	-	-	-	-	-	5,237
Due to other funds	-	377,225	-	-	-	-	-	-	377,225
Deferred assessments	-	546,143	-	-	-	-	-	-	546,143
Total Liabilities	-	976,285	-	-	8,419	-	30.00	8,449	984,734
Fund Balances									
Restricted:									
Roads and trails	-	780,628	-	-	-	688,134	-	688,134	1,468,762
Special service district	70,140	70,140	-	-	-	-	-	-	70,140
Committed:									
Police station debt service	-	616,883	-	-	-	-	-	-	616,883
Assigned:									
Library	-	173,497	-	-	-	-	-	-	173,497
Public safety	-	44,990	-	-	-	-	-	-	44,990
Community schools	-	270	-	-	-	-	-	-	270
Sustainability	-	15,544	-	-	-	-	-	-	15,544
PERS benefits	-	27,901	-	-	-	-	-	-	27,901
Capital and land	-	49,524	199,814	946,329	1,542,344	-	283,707	2,972,194	3,021,718
Unassigned (deficit)	-	(365,971)	-	-	-	-	-	-	(365,971)
Total Fund Balances	70,140	1,413,406	199,814	946,329	1,542,344	688,134	283,707	3,660,328	5,073,734
Total Liabilities and Fund Balances	\$ 70,140	2,389,691	199,814	946,329	1,550,763	688,134	283,737	3,668,777	6,058,468

City of Homer, Alaska
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Year Ended	Special Revenue Funds										
	Police Station Debt Service	HART Assessments	Non-capital Projects	Retainage Reimbursements	Seawall Assessments	PERS Funding	Fire Department Donations	Library Donations	Animal Shelter Donations	Community Schools	Sustainability
<i>December 31, 2019</i>	154	155	157	159	173	615	802	803	804	805	807
Revenues											
Property taxes	\$ -	-	-	-	-	-	-	-	-	-	-
Sales taxes	664,701	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	103,914	-	-	-	-	-	-	-	-
Investment income	54,113	21,706	1,060	-	-	5,840	898	77	-	-	337
Special assessment	-	57,765	-	-	9,486	-	-	-	-	-	-
Donations	-	-	-	-	-	-	1,785	3,576	-	-	-
Other	-	-	(4,536)	-	-	-	-	-	-	-	-
Total Revenues	718,814	79,471	100,438	-	9,486	5,840	2,683	3,653	-	-	337
Expenditures											
Current -											
General government	-	-	29,292	-	-	-	-	-	-	-	-
Debt service principal	-	-	-	-	-	-	-	-	-	-	-
Debt service interest	101,931	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	101,931	-	29,292	-	-	-	-	-	-	-	-
Excess of Revenues Over (Under) Expenditures	616,883	79,471	71,146	-	9,486	5,840	2,683	3,653	-	-	337
Other Financing Sources (Uses)											
Issuance of bonds	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	7,390	-	-	-	-	165,892	-	-	-
Transfers out	-	-	(56,698)	-	(501,714)	-	-	-	-	-	-
Net Change in Fund Balances	616,883	79,471	21,838	-	(492,228)	5,840	2,683	169,545	-	-	337
Fund Balances, beginning	-	701,157	27,620	66	126,257	22,061	41,972	3,952	335	270	15,207
Fund Balances, ending	\$ 616,883	780,628	49,458	66	(365,971)	27,901	44,655	173,497	335	270	15,544

City of Homer, Alaska

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances, continued

Year Ended	Special Revenue Funds		Capital Project Funds					Total Capital Project Funds	Total Nonmajor Governmental Funds
	Ocean Dr Loop Assessments	Total Special Revenue Funds	Land Reserves	Fleet Reserve Allocation	Capital Outlay Reserves	HART Trails	Energy Revolving Loan		
December 31, 2019	808		150	152	156	165	620		
Revenues									
Property taxes	\$ 29,630	29,630	-	-	-	-	-	-	29,630
Sales taxes	-	664,701	-	-	-	173,803	-	173,803	838,504
Intergovernmental	-	103,914	-	-	-	-	-	-	103,914
Investment income	-	84,031	-	33,325	77,531	17,857	-	128,713	212,744
Special assessment	-	67,251	-	-	-	-	-	-	67,251
Donations	-	5,361	-	-	-	1	-	1	5,362
Other	-	(4,536)	-	-	-	-	-	-	(4,536)
Total Revenues	29,630	950,352	-	33,325	77,532	191,660	-	302,517	1,252,869
Expenditures									
Current -									
General government	-	29,292	-	-	-	28,771	-	28,771	58,063
Debt service principal	-	-	-	28,045	-	-	-	28,045	28,045
Debt service interest	-	101,931	-	1,110	-	-	-	1,110	103,041
Capital outlay	25,855	25,855	-	245,071	395,874	5,102	40,244	686,291	712,146
Total Expenditures	25,855	157,078	-	274,226	395,874	33,873	40,244	744,217	901,295
Excess of Revenues Over (Under) Expenditures	3,775	793,274	-	(240,901)	(318,342)	157,787	(40,244)	(441,700)	351,574
Other Financing Sources (Uses)									
Issuance of bonds	-	-	-	-	-	-	-	-	-
Transfers in	-	173,282	-	414,767	391,862	-	95,833	902,462	1,075,744
Transfers out	-	(558,412)	-	(95,500)	(888,100)	(38,005)	(19,773)	(1,041,378)	(1,599,790)
Net Change in Fund Balances	3,775	408,144	-	78,366	(814,580)	119,782	35,816	(580,616)	(172,472)
Fund Balances, beginning	66,365	1,005,262	199,814	867,963	2,356,924	568,352	247,891	4,240,944	5,246,206
Fund Balances, ending	\$ 70,140	1,413,406	199,814	946,329	1,542,344	688,134	283,707	3,660,328	5,073,734

General Fund

The General Fund accounts for the financial operations of the City of Homer which are not accounted for in any other fund. Principal sources of revenues are sales taxes, property taxes, charges for services, and intergovernmental revenues. Primary expenditures in the General Fund are for general government, public safety, and public works.

City of Homer, Alaska

100 - General Fund
Balance Sheets

December 31,	2019	2018
Assets		
Cash and investments	\$ 8,307,578	\$ 5,355,651
Receivables		
Property taxes - delinquent, net of allowance for doubtful accounts of \$1,862 (\$8,719 in 2018)	100,544	114,979
Sales taxes	961,069	393,314
Assessments	-	-
Grants receivables	159,663	133,772
Accounts receivable, net of allowance for doubtful accounts of \$43,211 (\$26,827 in 2018)	172,180	119,843
Total Receivables	1,393,456	761,908
Due from other funds	402,580	896,181
Interfund loan receivable	161,122	339,710
Inventory	27,691	42,108
Prepaid items	168,902	176,365
Total Assets	\$ 10,461,329	\$ 7,571,923
Liabilities		
Accounts payable	\$ 165,541	\$ 142,083
Accrued payroll and related liabilities	127,669	132,898
Unearned revenue	-	19,383
Customer deposits	12,437	17,404
Total Liabilities	305,647	311,768
Deferred Inflows of Resources		
Deferred assessments	-	-
Deferred property taxes	104,095	105,074
Total Deferred Inflows of Resources	104,095	105,074
Total Liabilities and Deferred Inflows of Resources	409,742	416,842
Fund Balance		
Nonspendable	357,715	558,183
Assigned - PERS benefits	171,314	171,314
Unassigned	9,522,558	6,425,584
Total Fund Balance	10,051,587	7,155,081
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 10,461,329	\$ 7,571,923

City of Homer, Alaska
 100 - General Fund
 Schedules of Revenues, Expenditures, and
 Changes in Fund Balance - with 2019 Budget and Actual

<i>Year Ended December 31,</i>	2019					2018
Final Budget	Actual GAAP Basis	Budget to GAAP Difference	Actual Budget Basis	Variance	Actual GAAP Basis	
Revenues						
Taxes:						
Property taxes	\$ 3,406,952	3,651,365	-	3,651,365	244,413	3,493,713
Sales and use taxes	5,359,237	6,398,988	-	6,398,988	1,039,751	6,412,983
Total taxes	8,766,189	10,050,353	-	10,050,353	1,284,164	9,906,696
Permits and licenses	34,961	41,152	-	41,152	6,191	46,814
Intergovernmental:						
State PERS relief	-	294,185	(294,185)	-	-	206,427
Utility cooperative	24,968	23,996	-	23,996	(972)	24,657
Alcohol beverage tax	24,117	25,000	-	25,000	883	25,650
Public safety	528,800	528,866	-	528,866	66	648,407
Library grants	6,900	10,322	-	10,322	3,422	2,116
Public works	34,000	34,000	-	34,000	-	34,000
Total intergovernmental	618,785	916,369	(294,185)	622,184	3,399	941,257
Charges for services:						
Administrative services	1,397,334	1,395,834	-	1,395,834	(1,500)	1,179,764
Ambulance services	178,760	122,725	-	122,725	(56,035)	141,706
Fire contracts	86,195	91,204	-	91,204	5,009	88,594
Camping fees	212,054	178,663	-	178,663	(33,391)	181,114
Rental and leases	-	-	-	-	-	8,601
Airport services	148,733	218,798	-	218,798	70,065	203,822
Community school fees	38,348	42,279	-	42,279	3,931	38,063
Miscellaneous services	94,948	155,694	-	155,694	60,746	130,129
Total charges for services	2,156,372	2,205,197	-	2,205,197	48,825	1,971,793
Interest Income	34,346	188,592	-	188,592	154,246	64,372
Special assessments	-	-	-	-	-	-
Fines and forfeitures	24,866	28,798	-	28,798	3,932	15,980
Total Revenues	\$ 11,635,519	13,430,461	(294,185)	13,136,276	1,500,757	12,946,912

City of Homer, Alaska
100 - General Fund
Schedules of Revenues, Expenditures, and
Changes in Fund Balance - with 2019 Budget and Actual, continued

Year Ended December 31,	2019					2018
	Final Budget	Actual GAAP Basis	Budget to GAAP Difference	Actual Budget Basis	Variance	Actual GAAP Basis
Expenditures						
General government:						
City council/mayor:						
Salaries and benefits	\$ 14,056	17,918	-	17,918	3,862	\$ 12,864
Maintenance and operations	373,059	422,742	-	422,742	49,683	325,166
Total city council/mayor	387,115	440,660	-	440,660	53,545	338,030
City clerk:						
Salaries and benefits	309,496	321,325	-	321,325	11,829	295,057
Maintenance and operations	55,211	44,409	-	44,409	(10,802)	42,014
Total city clerk	364,707	365,734	-	365,734	1,027	337,071
City manager:						
Salaries and benefits	248,083	242,248	-	242,248	(5,835)	257,171
Maintenance and operations	26,140	26,439	-	26,439	299	18,619
Total city manager	274,223	268,687	-	268,687	(5,536)	275,790
Personnel:						
Salaries and benefits	128,295	132,179	-	132,179	3,884	122,194
Maintenance and operations	50,589	48,792	-	48,792	(1,797)	36,558
Total personnel	178,884	180,971	-	180,971	2,087	158,752
Economic development:						
Salaries and benefits	106,414	111,002	-	111,002	4,588	103,277
Maintenance and operations	65,778	60,919	-	60,919	(4,859)	56,676
Total economic development	172,192	171,921	-	171,921	(271)	159,953
Information technology:						
Salaries and benefits	225,124	233,451	-	233,451	8,327	217,659
Maintenance and operations	95,427	76,498	-	76,498	(18,929)	69,168
Total information technology	320,551	309,949	-	309,949	(10,602)	286,827
HERC Building -						
Maintenance and operations	51,898	47,741	-	47,741	(4,157)	40,225
Community recreation:						
Salaries and benefits	125,275	124,048	-	124,048	(1,227)	119,855
Maintenance and operations	28,536	22,476	-	22,476	(6,060)	23,363
Total community recreation	153,811	146,524	-	146,524	(7,287)	143,218
Finance:						
Salaries and benefits	613,253	628,133	-	628,133	14,880	589,351
Maintenance and operations	84,001	69,246	-	69,246	(14,755)	52,951
Total Finance	697,254	697,379	-	697,379	125	642,302
Planning and zoning:						
Salaries and benefits	346,535	360,311	-	360,311	13,776	345,369
Maintenance and operations	27,798	17,281	-	17,281	(10,517)	11,128
Total planning and zoning	374,333	377,592	-	377,592	3,259	356,497

City of Homer, Alaska

100 - General Fund

Schedules of Revenues, Expenditures, and

Changes in Fund Balance - with 2019 Budget and Actual, continued

Year Ended December 31,	2019					2018
	Final Budget	Actual GAAP Basis	Budget to GAAP Difference	Actual Budget Basis	Variance	Actual GAAP Basis
Expenditures, continued						
General government, continued:						
City hall complex -						
Maintenance and operations	\$ 133,686	109,189	-	109,189	(24,497)	\$ 113,224
Leave cash out -						
Salaries and benefits	85,232	85,232	-	85,232	-	161,373
Total general government	3,193,886	3,201,579	-	3,201,579	7,693	3,013,262
Public safety:						
Emergency services:						
Fire - administration:						
Salaries and benefits	254,371	233,878	-	233,878	(20,493)	115,458
Maintenance and operations	181,559	153,135	-	153,135	(28,424)	141,506
Total fire - administration	435,930	387,013	-	387,013	(48,917)	256,964
Fire services:						
Salaries and benefits	252,102	259,076	-	259,076	6,974	230,975
Maintenance and operations	68,700	73,452	-	73,452	4,752	56,192
Total fire services	320,802	332,528	-	332,528	11,726	287,167
Emergency medical services:						
Salaries and benefits	252,102	259,283	-	259,283	7,181	230,973
Maintenance and operations	50,600	44,465	-	44,465	(6,135)	40,821
Total emergency medical servic	302,702	303,748	-	303,748	1,046	271,794
Fire grant - assistant chief -						
Salaries and benefits	-	-	-	-	-	131,576
Total fire grant - assistant chief	-	-	-	-	-	131,576
Total emergency services	1,059,434	1,023,289	-	1,023,289	(36,145)	947,501
Police department:						
Police administration:						
Salaries and benefits	133,530	143,059	-	143,059	9,529	134,677
Maintenance and operations	267,933	237,404	-	237,404	(30,529)	209,961
Total police administration	401,463	380,463	-	380,463	(21,000)	344,638
Police dispatch:						
Salaries and benefits	577,386	590,223	-	590,223	12,837	529,500
Maintenance and operations	38,500	26,571	-	26,571	(11,929)	34,158
Total police dispatch	615,886	616,794	-	616,794	908	563,658
Police investigation:						
Salaries and benefits	186,662	205,826	-	205,826	19,164	196,800
Maintenance and operations	29,100	19,156	-	19,156	(9,944)	19,714
Total police investigation	215,762	224,982	-	224,982	9,220	216,514

City of Homer, Alaska
 100 - General Fund
 Schedules of Revenues, Expenditures, and
 Changes in Fund Balance - with 2019 Budget and Actual, continued

Year Ended December 31,	2019					2018
	Final Budget	Actual GAAP Basis	Budget to GAAP Difference	Actual Budget Basis	Variance	Actual GAAP Basis
Expenditures, continued						
Public safety, continued						
Police department, continued						
Police patrol:						
Salaries and benefits	\$ 1,162,359	1,244,668	-	1,244,668	82,309	\$ 1,196,245
Maintenance and operations	7,500	3,445	-	3,445	(4,055)	4,430
Total police patrol	1,169,859	1,248,113	-	1,248,113	78,254	1,200,675
Jail:						
Salaries and benefits	530,596	570,982	-	570,982	40,386	580,914
Maintenance and operations	108,338	84,245	-	84,245	(24,093)	79,425
Total jail	638,934	655,227	-	655,227	16,293	660,339
Animal control -						
Maintenance and operations	217,323	210,787	-	210,787	(6,536)	215,027
Total animal control	217,323	210,787	-	210,787	(6,536)	215,027
Total police department	3,259,227	3,336,366	-	3,336,366	77,139	3,200,851
Total public safety	4,318,661	4,359,655	-	4,359,655	40,994	4,148,352
Public works:						
Administration:						
Salaries and benefits	108,184	82,433	-	82,433	(25,751)	81,160
Maintenance and operations	70,301	49,582	-	49,582	(20,719)	47,050
Total administration	178,485	132,015	-	132,015	(46,470)	128,210
Maintenance:						
Salaries and benefits	269,862	286,487	-	286,487	16,625	216,483
Maintenance and operations	132,975	99,450	-	99,450	(33,525)	112,626
Total maintenance	402,837	385,937	-	385,937	(16,900)	329,109
Roads:						
Salaries and benefits	461,974	472,670	-	472,670	10,696	475,071
Maintenance and operations	306,296	266,139	-	266,139	(40,157)	262,583
Total roads	768,270	738,809	-	738,809	(29,461)	737,654
Parks:						
Salaries and benefits	279,227	308,217	-	308,217	28,990	236,931
Maintenance and operations	165,590	143,604	-	143,604	(21,986)	142,379
Total parks	444,817	451,821	-	451,821	7,004	379,310
Motor pool:						
Salaries and benefits	185,786	160,353	-	160,353	(25,433)	181,599
Maintenance and operations	420,200	372,404	-	372,404	(47,796)	314,509
Total motor pool	605,986	532,757	-	532,757	(73,229)	496,108

City of Homer, Alaska
100 - General Fund
Schedules of Revenues, Expenditures, and
Changes in Fund Balance - with 2019 Budget and Actual, continued

Year Ended December 31,	2019					2018
	Final Budget	Actual GAAP Basis	Budget to GAAP Difference	Actual Budget Basis	Variance	Actual GAAP Basis
Expenditures, continued						
Public works, continued:						
Engineer inspection:						
Salaries and benefits	\$ 174,558	126,028	-	126,028	(48,530)	\$ 164,787
Maintenance and operations	14,300	6,494	-	6,494	(7,806)	6,958
Total engineer inspection	188,858	132,522	-	132,522	(56,336)	171,745
Janitorial:						
Salaries and benefits	147,245	142,515	-	142,515	(4,730)	141,491
Maintenance and operations	42,650	41,605	-	41,605	(1,045)	42,060
Total Janitorial	189,895	184,120	-	184,120	(5,775)	183,551
Total public works	2,779,148	2,557,981	-	2,557,981	(221,167)	2,425,687
Library:						
Salaries and benefits	712,347	684,762	-	684,762	(27,585)	670,263
Maintenance and operations	220,055	188,678	-	188,678	(31,377)	181,934
Total library	932,402	873,440	-	873,440	(58,962)	852,197
Airport:						
Salaries and benefits	95,407	93,770	-	93,770	(1,637)	81,334
Maintenance and operations	124,435	103,131	-	103,131	(21,304)	108,171
Total airport	219,842	196,901	-	196,901	(22,941)	189,505
Non-Departmental:						
Museum	69,000	69,000	-	69,000	-	69,000
Homer Foundation Non-Profit	25,000	25,000	-	25,000	-	25,000
Total non-departmental	94,000	94,000	-	94,000	-	94,000
Debt service on loans:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total debt service on loans	-	-	-	-	-	-
Capital Outlay						
	-	-	-	-	-	-
Total Expenditures	11,537,939	11,283,556	-	11,283,556	(254,383)	10,723,003
Excess of Revenues Over Expenditures	97,580	2,146,905	(294,185)	1,852,720	1,755,140	2,223,909
Other Financing Sources (Uses):						
Transfers in	614,843	1,671,930	-	1,671,930	1,057,087	14,576
Transfers out	(712,423)	(922,329)	-	(922,329)	(209,906)	(2,290,433)
Net Change in Fund Balance	\$ -	2,896,506	(294,185)	2,602,321	2,602,321	(51,948)
Fund Balance, beginning		7,155,081		7,155,081		7,207,029
Fund Balance, ending		\$ 10,051,587		9,757,402		\$ 7,155,081

Utility Special Revenue Fund

The Utility Special Revenue Fund accounts for the activities of the water and sewer facility operations, including collection and treatment of sewage, and distribution and transmission of water.

City of Homer, Alaska
Utility Special Revenue Fund
Combining Balance Sheet

December 31, 2019	Utility Operations 200	HAWSP Debt Service 205	Utility Capital Projects 215	Utility Reserves 256	Total Utility Fund
Assets					
Cash and investments	\$ 164,016	1,946,924	(1,937,315)	4,729,813	4,903,438
Receivables					
Accounts	196,875	-	-	-	196,875
Sales taxes	-	228,826	-	-	228,826
Assessments	-	3,393,907	-	-	3,393,907
State and Federal grants and loans	-	-	442,433	-	442,433
Total Receivables	196,875	3,622,733	442,433	-	4,262,041
Inventory	405,258	-	-	-	405,258
Prepaid	20,968	-	-	-	20,968
Total Assets	\$ 787,117	5,569,657	(1,494,882)	4,729,813	9,591,705
Liabilities					
Accounts payable	\$ 55,094	-	3,420	49,423	107,937
Accrued payroll and related liabilities	15,962	-	-	-	15,962
Customer deposits	42,453	-	-	-	42,453
Total Liabilities	113,509	-	3,420	49,423	166,352
Deferred Inflows of Resources					
Deferred assessments	-	3,393,907	-	-	3,393,907
Total Liabilities and Deferred Inflows of Resources	113,509	3,393,907	3,420	49,423	3,560,259
Fund Balances (Deficits)					
Nonspendable - inventory and prepaid	426,226	-	-	-	426,226
Assigned - water and sewer	247,382	2,175,750	(1,498,302)	4,680,390	5,605,220
Total Fund Balances (Deficits)	673,608	2,175,750	(1,498,302)	4,680,390	6,031,446
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	\$ 787,117	5,569,657	(1,494,882)	4,729,813	9,591,705

City of Homer, Alaska
Utility Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2019	Budget	Actual	Variance
Revenues			
Sales taxes	1,338,809	\$ 1,583,087	\$ 244,278
Intergovernmental	-	640,158	640,158
Other	-	100,011	100,011
Charges for services:			
Water charges and connection fees	2,015,298	2,190,568	175,270
Sewer charges and connection fees	1,722,014	1,755,995	33,981
Total charges for services	3,737,312	3,946,563	209,251
Water and sewer special assessments	-	426,218	426,218
Investment income	1,003	105,161	104,158
Total Revenues	5,077,124	6,801,198	1,724,074
Expenditures			
Water:			
Administration	630,904	643,808	(12,904)
Treatment plant	634,642	588,673	45,969
Water system testing	27,400	21,194	6,206
Pumping stations	97,020	88,521	8,499
Distribution system	303,476	305,560	(2,084)
Water reservoir	29,047	22,003	7,044
Water meters	239,972	224,953	15,019
Water hydrants	189,233	195,984	(6,751)
Total water	2,151,694	2,090,696	60,998
Sewer:			
Administration	402,246	393,377	8,869
Sewer plant operations	673,034	693,445	(20,411)
Sewer system testing	14,500	9,235	5,265
Sewer lift stations	199,213	194,147	5,066
Collection system	242,449	232,471	9,978
Total Sewer	1,531,442	1,522,675	8,767
Debt service:			
Principal	868,835	881,066	(12,231)
Interest	172,665	149,933	22,732
Total debt service	1,041,500	1,030,999	10,501
Capital outlay	-	1,019,555	(1,019,555)
Total Expenditures	4,724,636	5,663,925	(939,289)
Excess of Revenues Over (Under) Expenditures	352,488	1,137,273	784,785
Other Financing Sources (Uses)			
Transfers in	-	779,535	779,535
Transfers out	(199,035)	-	199,035
Net Change in Fund Balance	153,453	1,916,808	\$ 1,763,355
Fund Balance, beginning		4,114,638	
Fund Balance, ending		\$ 6,031,446	

City of Homer, Alaska

Utility Special Revenue Fund

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances (Deficits)

	Utility Operations 200	HAWSP Debt Service 205	Utility Capital Projects 215	Utility Reserves 256	Total Utility Fund
<i>Year Ended December 31, 2019</i>					
Revenues					
Sales taxes	\$ -	1,583,087	-	-	1,583,087
Intergovernmental	66,929	-	573,229	-	640,158
Other	-	100,011	-	-	100,011
Charges for services:					
Water charges and connection fees	2,190,568	-	-	-	2,190,568
Sewer charges and connection fees	1,755,995	-	-	-	1,755,995
Total charges for services	3,946,563	-	-	-	3,946,563
Water and sewer special assessments	-	426,218	-	-	426,218
Investment income	105,161	-	-	-	105,161
Total Revenues	4,118,653	2,109,316	573,229	-	6,801,198
Expenditures					
Water:					
Administration	499,951	143,857	-	-	643,808
Treatment plant	588,673	-	-	-	588,673
Water system testing	21,194	-	-	-	21,194
Pumping stations	88,521	-	-	-	88,521
Distribution system	305,560	-	-	-	305,560
Water reservoir	22,003	-	-	-	22,003
Water meters	224,953	-	-	-	224,953
Water hydrants	195,984	-	-	-	195,984
Total water	1,946,839	143,857	-	-	2,090,696
Sewer:					
Administration	393,377	-	-	-	393,377
Sewer plant operations	693,445	-	-	-	693,445
Sewer system testing	9,235	-	-	-	9,235
Sewer lift stations	194,147	-	-	-	194,147
Collection system	232,471	-	-	-	232,471
Total Sewer	1,522,675	-	-	-	1,522,675
Debt service:					
Principal	-	881,066	-	-	881,066
Interest	1,233	148,700	-	-	149,933
Total debt service	1,233	1,029,766	-	-	1,030,999
Capital outlay	-	-	822,345	197,210	1,019,555
Total Expenditures	3,470,747	1,173,623	822,345	197,210	5,663,925
Excess of Revenues Over (Under)					
Expenditures	647,906	935,693	(249,116)	(197,210)	1,137,273
Other Financing Sources (Uses)					
Transfers in	-	3,989,047	-	(3,209,512)	779,535
Transfers out	(3,300,117)	-	(27,106)	3,327,223	-
Net Change in Fund Balances	(2,652,211)	4,924,740	(276,222)	(79,499)	1,916,808
Fund Balances (Deficits), beginning	3,325,819	(2,748,990)	(1,222,080)	4,759,889	4,114,638
Fund Balances (Deficits), ending	673,608	2,175,750	(1,498,302)	4,680,390	6,031,446

Port of Homer Enterprise Fund

Enterprise Funds account for operations that are financed and operated in a manner similar to private business operations. The City of Homer utilizes one Enterprise Fund.

Port of Homer – This fund accounts for the operations of the port and harbor.

City of Homer, Alaska
Port of Homer Enterprise Fund
Statements of Net Position

December 31,	2019	2018
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and investments	\$ 1,942,518	\$ 1,426,146
Receivables:		
Accounts, net of allowance for doubtful accounts of \$101,658 (\$93,729 in 2018)	315,287	242,443
State and federal grants	35,784	233,305
Inventory	-	13,419
Prepaid items	63,945	45,403
Total Current Assets	2,357,534	1,960,716
Restricted Cash and Investments		
Bond reserves	317,980	290,100
Property, Plant and Equipment		
Property, plant and equipment in service	73,847,082	73,246,017
Land and land improvements	15,804,641	15,804,641
Construction work in progress	182,951	582,682
Less accumulated depreciation	(39,329,347)	(37,172,348)
Net Property, Plant and Equipment	50,505,327	52,460,992
Total Assets	53,180,841	54,711,808
Deferred Outflows of Resources:		
Pension related	149,501	163,549
OPEB related	113,108	113,617
Total Deferred Outflows of Resources	262,609	277,166
Total Assets and Deferred Outflows of Resources	\$ 53,443,450	\$ 54,988,974

City of Homer, Alaska
Port of Homer Enterprise Fund
Statements of Net Position, continued

December 31,	2019	2018
Liabilities, Deferred Inflows of Resources, and Net Position		
Current Liabilities		
Accounts payable	\$ 96,484	\$ 237,029
Accrued payroll and related liabilities	17,743	21,434
Accrued leave	96,000	96,000
Accrued interest payable	11,358	11,790
General obligation bonds payable	150,000	145,000
Prepaid berth rentals and deposits	1,117,067	1,031,144
Unearned lease revenue	18,000	18,000
Interfund loan	33,291	66,939
Total Current Liabilities	1,539,943	1,627,336
Noncurrent Liabilities, net of current portion:		
Unearned lease revenue	144,000	162,000
Interfund loan	134,086	279,026
Accrued leave long term	164,010	164,321
General obligation bonds payable including bond premium	3,086,424	3,261,150
Net pension liabilities	1,911,376	1,878,282
Net OPEB liabilities	50,168	384,444
Total Noncurrent Liabilities	5,490,064	6,129,223
Total Liabilities	7,030,007	7,756,559
Deferred Inflows of Resources:		
Pension related	75,090	47,141
OPEB related	71,101	146,227
Total Deferred Inflows of Resources	146,191	193,368
Net Position		
Net investment in capital assets	47,268,903	49,054,842
Unrestricted (deficit)	(1,001,651)	(2,015,795)
Total Net Position	46,267,252	47,039,047
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 53,443,450	\$ 54,988,974

City of Homer, Alaska

Port of Homer Enterprise Fund

Statements of Revenues, Expenses, and Changes in Net Position

<i>Year Ended December 31,</i>	2019	2018
Operating Revenues		
Harbor	\$ 3,052,269	\$ 2,835,577
Main dock	307,440	290,805
Fish dock	573,228	558,664
Deep water dock	255,404	233,948
Rents, leases and storage	593,671	497,066
Fish grinder	7,835	7,975
Total Operating Revenues	4,789,847	4,424,035
Operating Expenses		
Harbor	1,583,603	1,634,736
Main dock	103,270	84,028
Fish dock	572,045	561,983
Deep water dock	184,997	213,511
Fish grinder	21,533	27,313
Administration	1,175,768	1,159,651
Depreciation	2,156,999	2,208,536
Total Operating Expenses	5,798,215	5,889,758
Operating Loss	(1,008,368)	(1,465,723)
Nonoperating Revenues (Expenses)		
Investment income	23,300	11,284
Interest expense	(138,843)	(131,965)
State PERS relief	70,760	50,398
Other income	101,939	118,995
Cruise ship tax	71,630	214,878
Fish tax	59,647	62,069
Net Nonoperating Revenues (Expenses)	188,433	325,659
Loss Before Transfers and Capital Contributions	(819,935)	(1,140,064)
Transfers in (out)	(922)	462,483
Capital contributions	49,062	409,138
Change in Net Position	(771,795)	(268,443)
Beginning Net Position	47,039,047	47,307,490
Ending Net Position	\$ 46,267,252	\$ 47,039,047

**Port of Homer Enterprise Fund
Statements of Cash Flows**

Year Ended December 31,	2019	2018
Cash Flows from (for) Operating Activities		
Receipts from customers and users	\$ 4,886,865	\$ 4,336,683
Payments to suppliers	(1,958,107)	(1,810,444)
Payments to employees	(2,096,253)	(1,960,032)
Net cash flows from (for) operating activities	832,505	566,207
Cash Flows from (for) Noncapital Financing Activities		
Transfers in (out)	(922)	462,483
Net cash flows from (for) noncapital financing activities	(922)	462,483
Cash Flows from (for) Capital and Related Financing Activities		
Principal paid on long-term debt	(150,000)	(145,000)
Interest paid on long-term debt	(163,569)	(156,691)
Capital contributions received	246,583	183,347
Cruise ship tax and fish tax received	131,277	276,947
Acquisition of property, plant and equipment	(196,334)	(1,590,068)
Increase in interfund loan	300,000	300,000
Decrease in interfund loan	(478,588)	(93,928)
Net cash flows from (for) capital and related financing activities	(310,631)	(1,225,393)
Cash Flows from Investing Activities		
Investment income received	23,300	11,284
Net (Decrease) Increase in Cash and Investments	544,252	(185,419)
Beginning Cash and Investments	1,716,246	1,901,665
Ending Cash and Investments	\$ 2,260,498	\$ 1,716,246

City of Homer, Alaska
Port of Homer Enterprise Fund
Statements of Cash Flows, continued

Year Ended December 31,	2019	2018
Reconciliation of Operating Loss to Net Cash		
Flows from (for) Operating Activities		
Operating loss	\$ (1,008,368)	\$ (1,465,723)
Adjustments to reconcile operating loss to net cash flows from (for) operating activities:		
Depreciation	2,156,999	2,208,536
Noncash expense - PERS relief	70,760	50,398
Increase in allowance for doubtful accounts	7,929	60,045
Amortization of deferred lease revenue	(18,000)	(18,000)
Miscellaneous nonoperating revenues and expense, net	101,939	118,995
 (Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable	(80,773)	(162,524)
Inventory	13,419	(2,060)
Prepaid items	(18,542)	(27,720)
Deferred outflows of resources related to pensions	14,048	(22,854)
Deferred outflows of resources related to OPEB	509	(92,001)
 Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	(140,545)	71,781
Accrued payroll and related liabilities	(3,691)	8,000
Unearned grant revenue	-	(151,813)
Accrued leave	(743)	31,354
Prepaid berth rentals and deposits	85,923	65,945
Net pension liability	33,094	(15,960)
Net OPEB liabilities	(334,276)	79,571.00
Deferred inflows of resources related to pensions	27,949	(158,022)
Deferred inflows of resources related to OPEB	(75,126)	(11,741.00)
 Net Cash Flows from (for) Operating Activities	 \$ 832,505	 \$ 566,207

City of Homer, Alaska
Port of Homer Enterprise Fund
Combining Schedule of Net Position

	Port & Harbor 400	Capital Projects 415	Fleet Reserve 452	Capital Outlay Reserve 456	Total Port Fund
December 31, 2019					
Assets and Deferred Outflows of Resources					
Current Assets					
Cash and investments	\$ (553,116)	123,350	192,603	2,179,681	1,942,518
Receivables:					
Trade, net of allowance for doubtful accounts	315,287	-	-	-	315,287
State and federal grants	-	35,784	-	-	35,784
Inventory	-	-	-	-	-
Prepaid items	63,945	-	-	-	63,945
Total Current Assets	(173,884)	159,134	192,603	2,179,681	2,357,534
Restricted Cash and Investments					
Bond reserves	317,980	-	-	-	317,980
Property, plant and equipment:					
Property, plant and equipment in service	73,847,082	-	-	-	73,847,082
Land and land improvements	15,804,641	-	-	-	15,804,641
Construction work in progress	182,951	-	-	-	182,951
Less accumulated depreciation	(39,329,347)	-	-	-	(39,329,347)
Net Property, Plant and Equipment	50,505,327	-	-	-	50,505,327
Total Assets	50,649,423	159,134	192,603	2,179,681	53,180,841
Deferred Outflows of Resources:					
Pension related	149,501	-	-	-	149,501
OPEB related	113,108	-	-	-	113,108
Total Deferred Outflows of Resources	262,609	-	-	-	262,609
Total Assets and Deferred Outflows of Resources	\$ 50,912,032	159,134	192,603	2,179,681	53,443,450

City of Homer, Alaska
Port of Homer Enterprise Fund
Combining Schedule of Net Position, continued

	Port & Harbor 400	Capital Projects 415	Fleet Reserve 452	Capital Outlay Reserve 456	Total Port Fund
December 31, 2019					
Liabilities, Deferred Inflows of Resources, and Net Position					
Liabilities					
Current Liabilities					
Accounts payable	\$ 76,334	691	-	19,459	96,484
Accrued payroll and related liabilities	17,743	-	-	-	17,743
Accrued leave	96,000	-	-	-	96,000
Accrued interest payable	11,358	-	-	-	11,358
General obligation bonds payable	150,000	-	-	-	150,000
Prepaid berth rentals and deposits	1,117,067	-	-	-	1,117,067
Unearned lease revenue	18,000	-	-	-	18,000
Interfund loan	33,291	-	-	-	33,291
Total Current Liabilities	1,519,793	691	-	19,459	1,539,943
Noncurrent Liabilities, net of current portion:					
Unearned lease revenue	144,000	-	-	-	144,000
Interfund loan	134,086	-	-	-	134,086
Accrued leave long term	164,010	-	-	-	164,010
General obligation bonds payable including bond premium	3,086,424	-	-	-	3,086,424
Net pension liabilities	1,911,376	-	-	-	1,911,376
Net OPEB liabilities	50,168	-	-	-	50,168
Total Noncurrent Liabilities	5,490,064	-	-	-	5,490,064
Total Liabilities	7,009,857	691	-	19,459	7,030,007
Deferred Inflows of Resources:					
Pension related	75,090	-	-	-	75,090
OPEB related	71,101	-	-	-	71,101
Total Deferred Inflows of Resources	146,191	-	-	-	146,191
Net Position					
Net investment in capital assets	47,268,903	-	-	-	47,268,903
Unrestricted (deficit)	(3,512,919)	158,443	192,603	2,160,222	(1,001,651)
Total Net Position	43,755,984	158,443	192,603	2,160,222	46,267,252
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 50,912,032	159,134	192,603	2,179,681	53,443,450

City of Homer, Alaska
Port of Homer Enterprise Fund
Combining Schedule of Revenues, Expenses and Changes in Net Position (Deficits)

<i>Year Ended December 31, 2019</i>	Port & Harbor 400	Capital Projects 415	Fleet Reserve 452	Capital Outlay Reserve 456	Cruise Ship Landing Tax 460	Total Port Fund
Operating Revenues						
Harbor	\$ 3,052,269	-	-	-	-	3,052,269
Main dock	307,440	-	-	-	-	307,440
Fish dock	573,228	-	-	-	-	573,228
Deep water dock	255,404	-	-	-	-	255,404
Rents, leases and storage	593,671	-	-	-	-	593,671
Fish grinder	7,835	-	-	-	-	7,835
Total Operating Revenues	4,789,847	-	-	-	-	4,789,847
Operating Expenses						
Harbor	1,520,775	557	-	62,271	-	1,583,603
Main dock	103,270	-	-	-	-	103,270
Fish dock	572,045	-	-	-	-	572,045
Deep water dock	184,997	-	-	-	-	184,997
Fish grinder	21,533	-	-	-	-	21,533
Administration	1,175,768	-	-	-	-	1,175,768
Depreciation	2,156,999	-	-	-	-	2,156,999
Total Operating Expenses	5,735,387	557	-	62,271	-	5,798,215
Operating Loss	(945,540)	(557)	-	(62,271)	-	(1,008,368)
Nonoperating Revenues (Expenses)						
Investment income	23,300	-	-	-	-	23,300
Interest expense	(138,843)	-	-	-	-	(138,843)
State PERS relief	70,760	-	-	-	-	70,760
Other income	90,214	11,400	-	325	-	101,939
Cruise ship tax	-	-	-	-	71,630	71,630
Fish tax	59,647	-	-	-	-	59,647
Net Nonoperating Revenues (Expenses)	105,078	11,400	-	325	71,630	188,433
Income (Loss) Before Transfers and Capital Contributions	(840,462)	10,843	-	(61,946)	71,630	(819,935)
Transfers in (out)	518,652	1,708,987	30,000	(2,186,931)	(71,630)	(922)
Capital contributions	-	49,062	-	-	-	49,062
Change in Net Position	(321,810)	1,768,892	30,000	(2,248,877)	-	(771,795)
Beginning Net Position	44,077,794	(1,610,449)	162,603	4,409,099	-	47,039,047
Ending Net Position	\$ 43,755,984	158,443	192,603	2,160,222	-	46,267,252

Internal Service Funds

Internal Service Funds account for the financing of goods or services provided to other City departments on a cost-reimbursement basis.

Health Insurance Fund – This fund accounts for the cost of medical, dental, vision insurance activities.

Leave Cash-out Fund – This fund accounts for anticipated employee leave cash outs.

City of Homer, Alaska
Internal Service Funds
Combining Statement of Net Position

<i>December 31, 2019</i>	Health Insurance	Leave Cash-out	Total
Current Assets			
Cash and investments	\$ 265,427	\$ 64,532	\$ 329,959
Liabilities and Net Position			
Current Liabilities			
Accounts Payable	(1,074)	-	(1,074)
Net Position			
Unrestricted	266,501	64,532	331,033
Total Liabilities and Net Position	\$ 265,427	\$ 64,532	\$ 329,959

City of Homer, Alaska

Internal Service Funds

Combining Statement of Revenues, Expenses, and Changes in Net Position

<i>Year Ended December 31, 2019</i>	Health Insurance	Leave Cash-out	Total
Operating Revenues			
Interfund charges	\$ 1,758,835	\$ 129,331	\$ 1,888,166
Employee health contributions	162,144	-	162,144
Total Operating Revenues	1,920,979	129,331	2,050,310
Operating Expenses			
Salaries and benefits	-	185,403	185,403
Insurance premiums	1,613,641	-	1,613,641
Administration	27,411	-	27,411
Employee incentive fees	120,968	-	120,968
Total Operating Expenses	1,762,020	185,403	1,947,423
Transfers in (out)	103,986	-	103,986
Change in Net Position	262,945	(56,072)	206,873
Beginning Net Position	3,556	120,604	124,160
Ending Net Position	\$ 266,501	\$ 64,532	\$ 331,033

City of Homer, Alaska
Internal Service Funds
Combining Statement of Cash Flows

Year Ended December 31, 2019	Health Insurance	Leave Cash-out	Total
Cash Flows from (for) Operating Activities			
Receipts from interfund services provided and employee contributions	\$ 1,920,979	\$ 129,331	\$ 2,050,310
Payments to employees	(120,968)	(185,403)	(306,371)
Payments for insurance, claims, and administration	(1,642,180)	-	(1,642,180)
Net cash flows from (for) operating activities	157,831	(56,072)	101,759
Cash Flows from (for) Noncapital Financing Activities			
Transfers in (out)	103,986	-	103,986
Net Increase in Cash and Investments	261,817	(56,072)	205,745
Cash and Investments, beginning	3,610	120,604	124,214
Cash and Investments, ending	\$ 265,427	\$ 64,532	\$ 329,959
Reconciliation of Operating Income to Net Cash Flows from (for) Operating Activities			
Operating income	\$ 158,959	\$ (56,072)	\$ 102,887
Adjustments to reconcile operating loss to net cash flows from (for) operating activities:			
Increase (decrease) in liabilities:			
Accounts payable	(1,128)	-	(1,128)
Net Cash Flows from (for) Operating Activities	\$ 157,831	\$ (56,072)	\$ 101,759

City of Homer, Alaska

**600 - Health Insurance Internal Service Fund
Statements of Net Position**

December 31,	2019	2018
Assets		
Cash and investments	\$ 265,427	\$ 3,610
Liabilities and Net Position		
Current Liabilities		
Accounts Payable	(1,074)	54
Net Position		
Unrestricted	266,501	3,556
Total Liabilities and Net Position	\$ 265,427	\$ 3,610

City of Homer, Alaska

600 - Health Insurance Internal Service Fund
 Statements of Revenues, Expenses, and Changes in Net Position

Year Ended December 31,	2019	2018
Operating Revenues		
Interfund insurance charges	\$ 1,758,835	\$ 1,621,275
Employee health contributions	162,144	173,958
Total Operating Revenues	1,920,979	1,795,233
Operating Expenses		
Insurance premiums	1,613,641	1,558,692
Administration	27,411	25,360
Employee incentive fees	120,968	110,988
Total Operating Expenses	1,762,020	1,695,040
Operating Income	158,959	100,193
Transfers in (out)	103,986	(1,000,000)
Change in Net Position	262,945	(899,807)
Beginning Net Position	3,556	903,363
Ending Net Position	\$ 266,501	\$ 3,556

City of Homer, Alaska

600 - Health Insurance Internal Service Fund
Statements of Cash Flows

Year Ended December 31,	2019	2018
Cash Flows from (for) Operating Activities		
Receipts from interfund services provided and employee contributions	\$ 1,920,979	\$ 1,795,233
Payments for insurance, claims, and administration	(1,642,180)	(1,583,998)
Payments to employees for incentive fees	(120,968)	(110,988)
Net cash flows from (for) operating activities	157,831	100,247
Cash Flows from (for) Noncapital Financing Activities		
Transfers in (out)	103,986	(1,000,000)
Net (Decrease) Increase in Cash and Investments	261,817	(899,753)
Cash and Investments, beginning	3,610	903,363
Cash and Investments, ending	\$ 265,427	\$ 3,610
Reconciliation of Operating Income to Net Cash		
Flows from (for) Operating Activities		
Operating income	\$ 158,959	\$ 100,193
Adjustments to reconcile operating loss to net cash flows from (for) operating activities:		
Increase (decrease) in liabilities:		
Accounts payable	(1,128)	54
Net Cash Flows from (for) Operating Activities	\$ 157,831	\$ 100,247

City of Homer, Alaska
610 - Leave Cash-out Internal Service Fund
Statements of Net Position

<i>December 31,</i>	2019	2018
Current Assets		
Cash and investments	\$ 64,532	\$ 120,604
Net Position		
Unrestricted	\$ 64,532	\$ 120,604

City of Homer, Alaska

610 - Leave Cash-out Internal Service Fund

Statements of Revenues, Expenses, and Changes in Net Position (Deficit)

<i>Year Ended December 31,</i>	2019	2018
Operating Revenues		
Interfund leave cash-out charges	\$ 129,331	\$ 238,969
Operating Expenses		
Salaries and benefits	185,403	181,960
Change in Net Position	(56,072)	57,009
Beginning Net Position (Deficit)	120,604	63,595
Ending Net Position (Deficit)	\$ 64,532	\$ 120,604

City of Homer, Alaska
610 - Leave Cash-out Internal Service Fund
Statements of Cash Flows

Year Ended December 31,	2019	2018
Cash Flows from (for) Operating Activities		
Receipts from interfund services provided	\$ 129,331	\$ 238,969
Payments to employees	(185,403)	(181,960)
Net cash flows from (for) operating activities	(56,072)	57,009
Net Increase (Decrease) in Cash and Investments	(56,072)	57,009
Cash and Investments, beginning	120,604	63,595
Cash and Investments, ending	\$ 64,532	\$ 120,604
Reconciliation of Operating Income to Net Cash		
Flows from (for) Operating Activities		
Operating income (loss)	\$ (56,072)	\$ 57,009

Government Auditing Standards Report



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3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Honorable Mayor and Members of the City Council
City of Homer, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Homer (the City), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 7, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Homer's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Homer's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Homer's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Homer's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, LLP

Anchorage, Alaska
December 7, 2020

City of Homer, Alaska
Schedule of Findings and Responses
Year Ended December 31, 2019

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

yes

no

Significant deficiency(ies) identified?

yes

(none reported)

Noncompliance material to financial statements noted?

yes

no

Section II - Financial Statement Findings Required to be Reported in Accordance with Government Auditing Standards

There were no findings related to the financial statements which are required to be reported in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*.

**CITY OF HOMER
HOMER, ALASKA**

Mayor

RESOLUTION 20-133

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA EXPRESSING INTENT PARTICIPATE IN THE PURCHASE OF KENAI PENINSULA BOROUGH PARCEL NUMBER 17936032 T 06S R 13W SEC 22 SEWARD MERIDIAN HM 2017050 HODNIK SUB LOT 4, BY KACHEMAK BAY MOOSE HABITAT, INC, AND DIRECTING THE CITY MANAGER TO NEGOTIATE THE CITY’S FINANCIAL CONTRIBUTION, AND ASSURE THE BINDING PUBLIC PURPOSE CONDITIONS ARE MET.

WHEREAS, Township 6 South, Range 13 West, Section 22, Lot 4 Hodnick Subdivision Seward Meridian, Lot 4 Hodnick Subdivision, Kenai Peninsula Borough parcel number 17936032 (herein after referred to as the “Property”), a twenty one acre property, will be purchased by Kachemak Moose Habitat, Inc., a small nonprofit that has preserved more than 630 acres of moose habitat on the Southern Kenai Peninsula since 1996; and

WHEREAS, Kachemak Moose Habitat, Inc. has an emphasis on conserving land in the Kachemak Drive area for moose habitat; and

WHEREAS, During tough winters and deep snow the moose congregate in the Beluga Lake wetlands near the airport to feed and rest; and

WHEREAS, The Property has unpaid utility assessments that the Buyers and Seller request the City of Homer assume to facilitate the transfer; and

WHEREAS, While the City is not purchasing the property, ~~but~~ the public would be gaining access to recreational opportunities such as ice skating and bird watching in perpetuity, without the costs associated with managing a public park; and

WHEREAS, Kachemak Moose Habitat, Inc allows public access to their lands, and is amenable to a further granting of a Public Recreational Easement per AS 34.17.100, that would allow bird watching and ice skating on the property along with some limited parking.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby authorizes the City Manager to negotiate the City’s participation for the transfer of the Property with the assurance that an easement will be recorded that allows for public recreation such as ice skating and bird watching, limited space for off-street public parking, and satisfies the payment of all existing utility assessments.

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BE IT FURTHER RESOLVED, This resolution will be followed with an Ordinance appropriating the funds when the above conditions have been met.

PASSED AND ADOPTED by the Homer City Council on this 14th day of December, 2020.

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal Note: N/A

ORDINANCE REFERENCE SHEET
2020 ORDINANCE
ORDINANCE 20-89

An Ordinance of the City Council of Homer, Alaska Amending Homer City Code Chapter 3.05 Budget; Section 3.01.010 Fiscal Year, Section 3.05.050, Budget Assumptions and Section 3.05.010 Budget Submission-Content, Regarding a Fiscal Year Budget Schedule.

Sponsor: Smith

1. City Council Regular Meeting November 23, 2020 Introduction
 - a. Memorandum 20-192 from Finance Director as backup
2. City Council Regular Meeting December 14, 2020 Public Hearing and Second Reading
 - a. Memorandum 20-202 from City Manager as backup

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

3 City Manager

4 **ORDINANCE 20-89**

5
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
7 AMENDING HOMER CITY CODE CHAPTER 3.05 BUDGET; SECTION
8 3.01.010 FISCAL YEAR, SECTION 3.05.005, BUDGET
9 ASSUMPTIONS AND SECTION 3.05.010 BUDGET SUBMISSION-
10 CONTENT, REGARDING A FISCAL YEAR BUDGET SCHEDULE.
11

12 WHEREAS, Homer City Council adopted Resolution 20-112 to implement the process of
13 changing the City of Homer budget cycle from a fiscal year commencing January 1 through
14 December 31 of each calendar year, to a fiscal year commencing July 1 to June 31 of the
15 succeeding year.
16

17 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:
18

19 Section 1. Homer City Code 3.01.010 is hereby amended to read as follows:
20

21 3.01.010 Fiscal year.

22 **Effective July 1, 2021** the fiscal year of the City shall be the calendar year **commence**
23 **on the first day of July and terminates on the last day of the following June.**
24

25 Section 2. Homer City Code Chapter 3.05 is hereby amended to read as follows:
26

27 3.05.005 Budget assumptions.

28 The City of Homer operates on a traditional biennial budget beginning with the two-
29 year biennium commencing January 1, 2020. The 2020-21 biennial budget and all
30 subsequent budgets shall be prepared, considered and adopted under the provisions
31 of this chapter. The budget shall be adopted every second year of a mayoral term. By
32 the third Friday in ~~September~~ **April** the City Manager shall present to the Council an
33 overview of preliminary budget assumptions for a budget period containing the next
34 two fiscal years. These preliminary assumptions will address, by fund, revenue
35 projections, tax and utility rates, program additions or deletions, wages and benefits,
36 or other issues with potential effects upon the City's overall financial condition.
37

38 3.05.010 Budget submission – Contents.

39 By the third Friday in ~~October~~ **May** of a budget year, the City Manager shall present to
40 the Council a budget proposal covering each of the next two fiscal years of the City.
41

42 3.05.011 City Manager's budget message.

43 The City Manager’s budget message shall explain the budget in fiscal terms and in terms
44 of work programs. It shall contain an outline of the proposed financial policies of the
45 City for the ensuing two fiscal years, describe the important features of the budget,
46 indicate any major changes from the prior budget period and from current financial
47 policies, expenditures, and revenues, together with the reasons for such changes,
48 summarize the City’s debt position and include other material as deemed desirable.

49
50 3.05.012 Complete financial plan.

51 a. The budget shall provide a complete financial plan of all City funds and activities for
52 the next two fiscal years. In organizing the budget, the City Manager shall utilize the
53 most feasible combination of expenditure classification by fund, organizational unit,
54 program, purpose or activity and objective.

55
56 b. The budget shall begin with a clear general summary of its contents, which summary
57 shall show principal sources of anticipated revenue, stating separately the amount to
58 be raised by property taxes, and by department the kinds of expenditures in such a
59 manner as to present to the public a clear and simple estimate of budget detail.

60
61 c. The budget shall show in detail all estimated income, including the proposed
62 property tax levy, but shall exclude State revenue sharing, which will be appropriated
63 when received. The budget also shall show in detail all proposed expenditures,
64 including debt service, for the ensuing budget period.

65
66 d. The budget shall be prepared on a modified accrual basis and subsequent reporting
67 shall recognize revenues when they become available and measurable and recognize
68 expenditures when liabilities are incurred.

69
70 e. The budget shall include in separate sections:

71 1. Proposed expenditures for current fund operation during the ensuing budget period
72 detailed by offices, departments and agencies in terms of their respective work
73 programs, and the method of financing such expenditures;

74 2. Anticipated net surplus or deficit (fund balance) for the ensuing budget period of each
75 fund owned or operated by the City and the proposed method of its disposition;
76 subsidiary budgets for each such fund, giving detailed income and expenditures
77 information, shall be presented in the budget;

78 3. Proposed capital budget will be presented as a separate section of the biennial
79 budget. The capital budget shall show capital expenditures during the ensuing budget
80 period, detailed by offices, departments and agencies, when practicable, and the
81 proposed method of financing each such capital expenditure.

82
83 f. Comparative data for the previous and ensuing budget periods shall be provided in a
84 format for ease of comparison of previous proposed revenues and expenditures.

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- 3.05.015 Review – Hearing – Adoption – Appropriations.
- a. At a Council meeting held not less than 10 days prior to the end of the current budget period, the Council shall, by ordinance, appropriate the money needed for the ensuing budget period.
- b. The budget proposal of the City Manager shall be reviewed by the Council and shall be available for public inspection in the office of the City Clerk and posted on the City’s website.
- c. A public hearing on the appropriation ordinance shall be held in accordance with provisions for adoption of an ordinance. All interested parties shall be given an opportunity to be heard on matters relative to the budget.
- d. A separate appropriation shall be made to each of the various funds of the City. From the effective date of the budget, the amounts stated therein as expenditures shall be and become appropriated to the objects and purposes therein named. The City Council may make supplemental and emergency appropriations, but payment may not be authorized or made and an obligation may not be incurred except in accordance with approved appropriations.
- e. The City Council shall provide for a midbiennium review, and any modification shall occur no sooner than eight months after the start, but no later than the conclusion, of the first year of the biennium. The City Manager shall prepare a proposed budget modification and the City shall provide for publication of notice of hearings consistent with publication of notices for adoption of other City ordinances. Such proposal shall be submitted to the City Council and shall be a public record and be available to the public. A public hearing shall be advertised at least once and shall be held no later than the first regular Council meeting in December and may be considered from time to time. At such a hearing or thereafter, the Council may consider a proposed ordinance to carry out such modifications.
- 3.05.017 Minimum annual transfer for Homer Accelerated Roads and Trails capital accounts.
- The annual budget will transfer a minimum of \$550,000 of the three-quarters percent dedicated sales tax levied for Homer Accelerated Roads and Trails exclusively for the purpose of funding street reconstruction improvements and related utilities, construction of new local roads, and construction of new local trails.
- 3.05.020 Amendments.

125 The Council may, by ordinance, increase or decrease appropriations during the course
126 of the budget period, and may also amend the budget using the same method used for
127 its initial adoption.

128
129 3.05.025 System of accounts.
130 All City accounts shall be organized in a manner consistent with the approved budget.
131 The City Council may supplement or further delineate designations.

132
133 3.05.030 Unencumbered balances of appropriations – Transfers.
134 a. The necessary accounting records shall be maintained to reflect the unencumbered
135 balances of all appropriations. The Finance Director/Treasurer shall submit to the City
136 Council a quarterly report reflecting operating activity and anticipated expenditures.

137
138 b. Unencumbered appropriation balances may be transferred from one budget line
139 item to another within the same department by the City Manager at any time. Transfer
140 of appropriations within departments which would permanently amend the approved
141 staffing level or level of service delivery shall require Council approval.

142
143 c. At the request of the City Manager, or on its own initiative, the Council may, by
144 resolution, transfer unencumbered appropriation balances from one department to
145 another within the same fund. [Ord. 19-35(S)(A) § 1, 2019; Ord. 93-14 § 2, 1993].

146
147 3.05.035 Lapse of appropriation at end of fiscal year.
148 a. Except as provided in this section and in HCC 3.05.047 through 3.05.049,
149 appropriations shall lapse at the end of the fiscal year to the extent that they have not
150 been fully expended or fully encumbered. Any earnings from investment of monies
151 accumulated in a fund shall accrue to the fund.

152
153 b. An appropriation for a capital expenditure shall continue in force until the purpose
154 for which it is made has been accomplished or abandoned; the purpose of such
155 appropriation shall be deemed abandoned if three years pass without disbursement or
156 encumbrance of the appropriation.

157
158 3.05.040 Equipment replacement reserve fund. *Repealed by Ord. 19-35(S)(A).*

159
160 3.05.042 Alternative funding for depreciation. *Repealed by Ord. 19-35(S)(A).*

161
162 3.05.043 Health insurance reserve fund. *Repealed by Ord. 19-35(S)(A).*

163
164 3.05.045 Balanced budget requirements.
165 Projected expenditures shall not exceed projected revenues in the operating budget.

166 Any action to reconsider, rescind, or veto the budget which would affect a balanced
167 budget must be accompanied by action which maintains a balanced budget.

168
169 3.05.047 Capital asset repair and maintenance allowance fund.

170 a. There is established in the general fund a capital asset repair and maintenance
171 allowance fund (CARMA). The amount of the fund shall be established by City Council
172 in the biennial budget based on the projected maintenance and repair needs of the City.

173
174 b. Purpose. Capital asset management is essential to extending the life and use of
175 taxpayer funded assets, facilities and infrastructure.

176
177 c. Funds in the capital asset repair and maintenance allowance fund shall be available
178 for appropriation and expenditure for equipment replacement, fleet replacement,
179 engineering, or planning services, major maintenance of City facilities, or any other
180 purpose as identified and recommended by the City Manager and authorized by the
181 City Council.

182
183 3.05.048 Capital improvement fund.

184 There is established a capital improvement fund (CIF). The fund shall be comprised of
185 various Council appropriations for capital projects, acquisitions or initiatives as
186 identified and authorized by the City Council which shall not be limited to only the
187 current budget period.

188
189 3.05.049 General fund – Fund balance.

190 a. Purpose – General Fund. The fund balance of the general fund represents the net
191 assets of the general fund and serves as a measure of financial resources.

192
193 b. There is established within the fund balance of the general fund an amount equal to
194 four months; revenue for the current fiscal year that is restricted to emergency use only.
195 Emergency restricted fund balance shall only be spent to help the City of Homer provide
196 quick response to weather, economic uncertainty and unexpected situations such as
197 natural disasters so as to avoid the need for short-term borrowing.

198
199 c. Unassigned fund balance shall be available for appropriation by City Council.

200
201 d. Any general fund budget surplus at the end of a fiscal year will lapse into the general
202 fund – fund balance.

203
204 3.05.050 Priority of funding.

205 Within the general fund during the biennial budget process available revenue will be
206 budgeted in the following priority order in order to meet the financial obligations of the
207 City of Homer:

- 208 a. Operating budget.
- 209
- 210 b. General fund – fund balance restricted.
- 211
- 212 c. Capital asset repair and maintenance allowance fund.
- 213
- 214 d. General fund – fund balance unrestricted.
- 215

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

218
219 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ___ day of _____, 2020.

220
221
222 CITY OF HOMER

223
224 _____
225 KEN CASTNER, MAYOR

226
227 ATTEST:

228
229 _____
230 MELISSA JACOBSEN, MMC, CITY CLERK

231
232 Introduction:
233 Public Hearing:
234 Second Reading:
235 Effective Date:

236
237 YES:
238 NO:
239 ABSENT:
240 ABSTAIN:

241
242 Reviewed and approved as to form:

243
244 _____
245 Robert Dumouchel, City Manager

243
244 _____
245 Michael Gatti, Attorney

246
247 Date: _____

246
247 Date: _____



City of Homer

www.cityofhomer-ak.gov

Office of the City Manager

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Homer, Alaska 99603

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Memorandum 20-202

TO: Mayor Castner and Homer City Council
FROM: Rob Dumouchel, City Manager
DATE: December 10, 2020
SUBJECT: Fiscal Year Transition

The passage of Resolution 20-112 directed staff to work towards changing the City's fiscal year from a calendar year to a July 1 – June 30 fiscal year. We have leaned into that task. While the transition is expected to have some challenges, I believe it has long term benefits for the organization. I am hoping to identify and fix/improve a number of longstanding issues through the fiscal year and FY 22/23 budget process.

A great deal of effort has been put forth by the Finance Department as well as the rest of the leadership team to set this project up for success. We have engaged in issue-spotting, planning, and a full mid-biennium budget review to account for a truncated FY21. This was all packed into about six weeks.

One issue which has consistently been brought up in Council discussions on this topic, is a desire to ensure Finance has the resources it needs to complete the switch successfully. Outside of a quote from our finance software provider (~\$9100 for Caselle), it has proven difficult to put a specific number on what the fiscal year change will cost. Although FY21 is planned to be truncated to six months, we are not proposing any reductions to the overtime and professional services line items in the Finance Department's budget. We are also taking forward the full budget for auditing services. We believe these actions will allow us to accommodate the fiscal year change project.

Some Councilmembers have communicated a hesitation to move forward with this change on the currently proposed timeline. That is a fair concern. It is a significant change and an aggressive timeline. I believe we have the capacity to do the work and this is an opportune time to make changes to already disrupted systems, but it will require cooperation from Council.

My request in moving forward with this change, is that Council will be mindful of the demands they make upon our Finance Department while the switch is underway. I will very likely be in a position which requires me to ask Council to delay requests because we lack the capacity. The fiscal year, matched with CARES Act follow up, and general Department business will be a significant undertaking for our crew.

If Ordinance 20-89 and Resolution 20-119 are both approved on December 14th, we are prepared to execute the required changes with the support of the Council.



City of Homer

www.cityofhomer-ak.gov

Finance Department

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(p) 907-235-8121

(f) 907-235-3140

Memorandum 20-192

TO: Mayor Castner and Homer City Council
THROUGH: Rob Dumouchel, City Manager
FROM: Elizabeth Walton, Finance Director
DATE: November 18, 2020
SUBJECT: Update on Fiscal Year Change

The purpose of this memo is to provide Council with an update on the process of switching our fiscal years.

Status Update

The Finance Department is continuing to explore options for hired assistance to help the City navigate the conversion. Our accounting software platform, Caselle, is able to significantly assist us through the conversion and the estimated cost came in at \$9,100. An ordinance will come at a later date asking for that appropriation.

The other potential option that the Finance department could benefit from would be significant increases in audit preparation assistance, as the City will have to work through two audits practically simultaneously. These costs could be experienced during FY21, but the likelihood is higher that FY22 will bear the brunt of these expenses.

Proposed Action Plan

Included as an attachment to this memo is a proposed action plan for the conversion of fiscal years. Before Council at the 11/23 meeting will be two pieces of legislation associated with the fiscal year conversion. There is a Resolution that defines that are FY21 will be truncated and will only cover January 1 – June 30, 2021. Fiscal Year 2022 will begin on July 1, 2021. There is an Ordinance that amends existing budget code to reflect the change in fiscal year.

The next heavy lift is presenting Council with an Ordinance illustrating an amended FY21. Staff has been diligently working on amending the FY21 budget to ensure the expenditures and revenues represent the period of January 1 through June 30, 2021. The proposed action plan has Administration presenting Council with an Amended FY21 budget at the 12/14 meeting. The public hearing and second reading will occur on the first City Council meeting in January. Departments have been advised to minimize spending in FY21 until the amended budget has been adopted by City Council.

Following the passage of the Resolution and Budget Ordinance, the City will quickly transition into working on the budget for FY22/23. The schedule for this process will be presented to council at the first City Council meeting in February. Administration is planning to present Council with a draft budget at the first meeting in May and the budget ordinance will follow at the second meeting in the same month. Council will have to adopt the FY22/23 budget by the end of June.

Future Budget Implications

There will be minimal audit costs incurred in FY21, as most of the audit work for our current fiscal year (FY20) will be done by Finance staff. The amended budget for FY21 will include a budget for audit costs, as there might be a need to get outside assistance on audit work related to CARES funding.

Council will most likely be presented with a FY22 budget that accounts for two audits, as the bulk of the work for FY20 and FY21 will occur during this fiscal year. FY23 and beyond will, in theory, account for only one audit.

City of Homer

Proposed Fiscal Year Change Action Plan - 6 month FY21

Dates	Event
10/26/2020	Adopt Resolution regarding fiscal year change
11/23/2020	Introduce Ordinance to update budget code; Adopt Resolution to define FY21 period
12/14/2020	Introduce Ordinance to amend FY21 budget
	Adopt Ordinance to update budget code
1/1/2021	Modify accounting systems
	Initiate audit for FY20 (Jan 1 - Dec 31, 2020)
	Initiate fiscal year 2022/23 budget process
1st Jan meeting	Adopt Ordinance for Amended FY21 budget
1st Feb meeting	FY22/23 Budget Development Schedule presented to Council
2nd May meeting	Introduce FY22/23 budget ordinance
2nd June meeting	Adopt FY22/23 budget ordinance
7/1/2021	Initiate audit for FY21 (Jan 1 - June 30, 2021)
	Implement new fiscal year budget
9/30/2021	Deadline for FY20 audit - assuming Federal Single Audit deadline remains unchanged
3/30/2022	Deadline for FY21 audit - assuming Federal Single Audit requirement

ORDINANCE REFERENCE SHEET
2020 ORDINANCE
ORDINANCE 20-90

An Ordinance of the City Council of Homer, Alaska Accepting and Appropriating a Donation from Friends of Woodard Creek in Karen Hornaday Park in the Amount of \$7,025 for Woodard Creek Nature Trail Maintenance and Improvements in Karen Hornaday Park.

Sponsor: City Manager

1. City Council Regular Meeting November 23, 2020 Introduction
2. City Council Regular Meeting December 14, 2020 Public Hearing and Second Reading

**CITY OF HOMER
HOMER, ALASKA**

City Manager

ORDINANCE 20-90

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
ACCEPTING AND APPROPRIATING A DONATION FROM FRIENDS
OF WOODARD CREEK IN KAREN HORNADAY PARK IN THE AMOUNT
OF \$7,025 FOR WOODARD CREEK NATURE TRAIL MAINTENANCE
AND IMPROVEMENTS IN KAREN HORNADAY PARK.

WHEREAS, The Friends of Woodard Creek in Karen Hornaday Park formed to improve public awareness, access and engagement with Woodard Creek to promote the health and safety of the Woodard Creek watershed as a community asset; and

WHEREAS, In an effort to improve public engagement with Woodard Creek, Friends of Woodard Creek in Karen Hornaday Park helped map a trail plan for Karen Hornaday Park along Woodard Creek in July 2016; and

WHEREAS, Friends of Woodard Creek in Karen Hornaday Park collected monetary donations for the purpose of improving access and engagement with Woodard Creek; and

WHEREAS, In 2017 the Woodard Creek Nature Trail was constructed utilizing over 378 hour of volunteer labor and funds from the Homer Accelerated Road and Trail Program; and

WHEREAS, It is the City of Homer's responsibility to maintain the Woodard Creek Nature Trail; and

WHEREAS, Friends of Woodard Creek in Karen Hornaday Park has offered to donate their monetary donations of \$7,025 to the City of Homer for Woodard Creek Nature Trail maintenance and improvements; and

WHEREAS, The Pratt Museum, as a fiscal agent for the Friends of Woodard Creek in Karen Hornaday Park, holds the \$7,025.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby accepts and appropriates a donation from Friends of Woodard Creek in Karen Hornaday Park through their fiscal agent, the Pratt Museum, in the amount of \$7,025 in a dedicated fund to be used for maintenance and improvements to the Woodard Creek Nature Trail.

43 Revenue:

44 <u>Account No.</u>	<u>Description</u>	<u>Amount</u>
45	Donation – Friends of Woodard Creek	\$7,025

46

47 Expenditure:

48 <u>Account No.</u>	<u>Description</u>	<u>Amount</u>
49	Woodard Creek Nature Trail Maintenance	\$7,025
50	And Improvements	

51

52 Section 2. This is a budget amendment ordinance, is temporary in nature, and shall

53 not be codified.

54

55 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 14th day of December, 2020.

56

57

58 CITY OF HOMER

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60 _____

61 KEN CASTNER, MAYOR

62

63 ATTEST:

64

65 _____

66 MELISSA JACOBSEN, MMC, CITY CLERK

67

68 Introduction:

69 Public Hearing:

70 Second Reading:

71 Effective Date:

72

73 Ayes:

74 Noes:

75 Abstain:

76 Absent:

77

78 Reviewed and approved as to form:

79

80 _____

81 Rob Dumouchel, City Manager

80 _____

81 Michael Gatti, Attorney

82

83 Date: _____

82

83 Date: _____

ORDINANCE REFERENCE SHEET
2020 ORDINANCE
ORDINANCE 20-91

An Ordinance of the City Council of Homer, Alaska Amending the 2020 Operating Budget and Authorizing the Expenditure of \$42,000 for the Purpose of Contracting with a Lobbyist for the City of Homer.

Sponsor: Smith

1. City Council Regular Meeting November 23, 2020 Introduction
2. City Council Regular Meeting December 14, 2020 Public Hearing and Second Reading

**CITY OF HOMER
HOMER, ALASKA**

Smith

ORDINANCE 20-91

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA AMENDING THE 2020 OPERATING BUDGET AND AUTHORIZING THE EXPENDITURE OF \$42,000 FOR THE PURPOSE OF CONTRACTING WITH A LOBBYIST FOR THE CITY OF HOMER.

WHEREAS, Approved a Request for Proposals for Lobbyist Services by Resolution 20-033 and that the cost would be split equally between the general fund and enterprise fund; and

WHEREAS, An RFP process for lobbying services was conducted in accordance with the City of Homer Procurement Policy; and

WHEREAS, The Lobbyist RFP Committee reviewed the proposals and has recommended a contract in the amount of \$42,000 with J& H Consulting of Juneau, Alaska.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby amends the FY 2020 Operating Budget by appropriating \$42,000 as follows:

Transfer From:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
156-0375	General Fund CARMA	\$21,000
456-0380	Port and Harbor Reserves	\$21,000

Expenditure:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
100-0100-5248	Mayor/Council Lobbying	\$21,000
400-0600-5248	Harbor Administration Lobbying	\$21,000

Section 2. This is a budget amendment ordinance only, is not permanent in nature, and shall not be codified.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ___th day of ___, 2020.

CITY OF HOMER

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KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

First Reading:

Public Reading:

Second Reading:

Effective Date:

Reviewed and approved as to form:

Rob Dumouchel, City Manager

Michel Gatti, City Attorney

Date: _____

Date: _____



City of Homer

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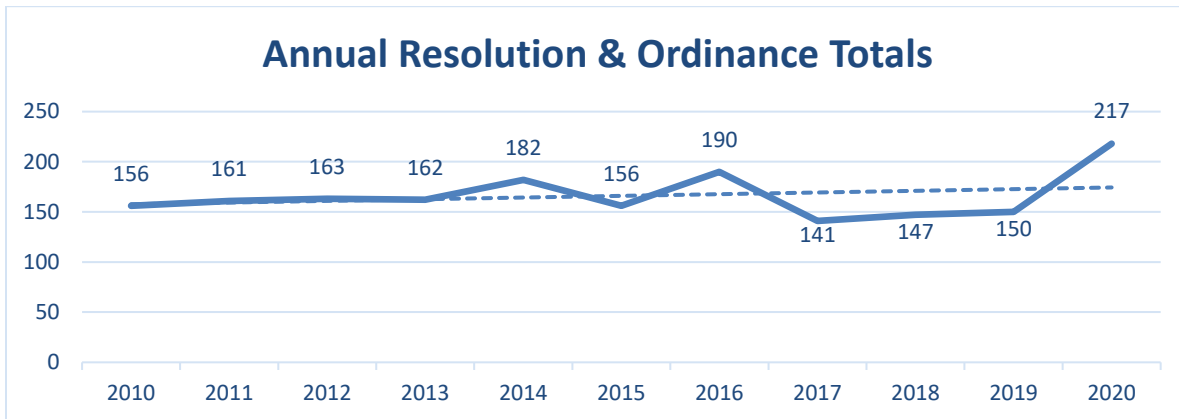
(f) 907-235-3148

Memorandum

TO: Mayor Castner and Homer City Council
 FROM: Rob Dumouchel, City Manager
 DATE: December 10, 2020
 SUBJECT: City Manager's Report for December 14th Council Meeting

Council Statistics

The Homer City Council was extremely busy this year. It is hard to quantify the work undertaken and created by Council, but I felt that comparing the number of proposed resolutions and ordinances would give an interesting context to the level of effort Council and staff have put forth. Council was toward the top of the historical range for resolutions, and greatly exceeded the number of ordinances seen in one year across the last decade (+30 ordinances over the previous record).



YEAR	# Resolutions	# Ordinances	TOTAL
2010	98	58	156
2011	112	49	161
2012	103	60	163
2013	118	44	162
2014	126	56	182
2015	111	45	156
2016	132	58	190
2017	97	44	141
2018	95	52	147
2019	91	59	150
2020	127	90	217
AVG	110	56	166

3rd Quarter Sales Tax

We have received 3rd Quarter sales tax data from the Kenai Peninsula Borough. There is a 9% decrease in year over year 3rd Quarter taxable revenues. This equates approximately to a \$336,098 decrease in revenue from 2019. Please see the enclosures developed by Finance Director Walton for the more data and some additional context.

Winter Recreation Champions

I have assembled a group of staff members with a nexus to recreation from the Library, Public Works, Community Recreation, and Planning to work together on concepts related to recreation this winter. We're investigating projects and programs on which the City can take the lead. We're also looking at how we can support non-profits and community groups who are able to provide recreational services and programs that the City cannot.

Vehicles in the Right-of-Way Update

The campaign to clear vehicles from the right-of-way was developed as an interdepartmental effort to ensure that Public Works crews can safely and efficiently plow streets once snow began to fall. Staff from Public Works, Homer Police Department, and the City Manager's Office collaborated on a plan to inform and enforce where necessary. Over the last couple months, Public Works performed a lot of outreach with individuals who were not in compliance. HPD followed up as well and took corrective action in a small number of cases. The Finance Department included flyers with the November water bills as a reminder to the public that the right of way is for plows and not parking. Staff hopes for less necessary outreach and enforcement for the rest of the season.

Plastic Bag Ban

City Administration is in the process of sending a mailer to Homer merchants informing them of the Council's decision to resume the single-use plastic carry-out bag ban on January 1, 2021. Special Projects Coordinator Jenny Carroll and Planning Technician Travis Brown are working together to get the word out into the community.

De-escalation Training

On November 30th over 50 staff members participated in de-escalation training presented by Greg Russell Consulting. The session taught what was framed as "verbal judo." This was the first time this curriculum had been provided via Zoom, and through that medium we were able to reach a very broad cross section of the organization. Thanks to our existing relationship with AMLJIA, we were able to provide this training to staff for no additional charge.

Kachemak Drive Sewer Blockage

Over the Thanksgiving holiday weekend, our sewer crews were hard at work locating and clearing some major blockages in the line that runs along Kachemak Drive. The description below is provided by Water/Sewer Superintendent Todd Cook:

Homer Public Works has some of the best operators in the State, the Citizens should be very proud of the care they receive from our crews. The weekend of the 28th they were able to prove it in some nasty weather and nastier work conditions.

On Nov 27th the PW crew responded to a sewer leak call. After digging down approximately 7 ft. they found loose bolts on a valve flange. They tightened the bolts to stop the leak. 28 Nov, crew received calls that several customers on Kachemak Dr. were having high pressure issues on their sewer services. Apparently, there was a blockage in the force

the main line valve was acting as a pressure relief. Once the bolts were tightened the customer's sewage had nowhere to go. The Camel (vacator truck) was deployed and an attempt was made to draw a vacuum on the force main to extract the blockage. This was only partially successful. The crew then fabricated an adaptor to connect the jetter to the main to use high pressure water to clear the blockage. A 4 ft. long grease plug and other material was removed from the first 2000 ft. of main. A 130psi was applied to the 3rd 1000ft section but would not break free. After more than 12 hours of working to free the blockage, the crew was sent home to rest and early the next morning, after emergency locations were given, the crew dug 7 feet to expose the section of pipe believed to contain the additional blockage. The pipe was cut, the jetter inserted into pipe in both directions. The crew found and removed 2 additional blockages and pounds of loose grease and other material. A jetter is basically a pressure washer. It uses a pressurized stream of water to cut through material to the front and uses a stream of water to draw loose material back out of the pipe. The Camel was used to vac this loose material out of the ditch as it was being removed from the pipe. Overall the operation went well. The crew will be increasing maintenance on the Kachemak Dr. force mains to ensure that a similar problem does not occur again in the future.

The customers on K Dr. were very gracious and understanding with the crew, some even helped by contacting other customers and helping us keep everyone informed of the situation. They were very much appreciated by the crew.

In an effort to minimize similar grease blockages in the future, I have asked Special Projects Coordinator Carroll to begin developing outreach to customers on the effects of putting grease down the drain. Staff has conducted similar outreach in the past to help reduce required maintenance of this nature on the sewer system.

Port Expansion Meeting with AIDEA

On December 2nd the Port and Harbor hosted a virtual meeting with: Tim Dillon, Executive Director of KPEDC; Alan Weitzner, Executive Director for AIDEA (Alaska Industrial Development and Export Authority); Brad Anderson, Executive Director for the Homer Chamber of Commerce; Tom Soderholm, Board President of the Homer Chamber; Harbormaster Hawkins; and me. The purpose of the meeting was to talk about Homer's plans and progress for launching a general investigation of our Port Expansion Study with the Army Corps of Engineers. The Harbormaster gave a presentation outlining Homer's historic start as a small village without a harbor, its economic growth to the current present-day City with small boat harbor, and onward toward the future with justification for expanding facilities to meet the needs of our customers, Marine Trades support industry, and State and Federal Governments. It was valuable to be able to brief Mr. Weitzner on our plans as he will be a great resource in the future when it comes to developing and supporting funding for this mega project. One of the next steps developed from this meeting was the need for the City to officially draft a letter of invitation for the State to join as a continuing partner in the GI study. Staff are currently in the process of drafting that letter with the intent to track it through to DOT headquarters as soon as possible. Council has authorized this project and set Homer's share of the General Investigation project money aside in February of this year (Ordinance 20-06). Both the US Army Corps of Engineers and the AKDOT have been impressed by the City's commitment and investment in the project and it has helped make meetings like the one held on the 2nd possible and productive.

COVID-Related Updates

COVID Framework Reviews

I continue to meet with staff to review our risk level regarding the COVID threat in our community. On November 23rd I moved the organization to “Red” status. In response to this change, we have been: taking measures to increase the amount of employees working remotely where appropriate; evaluating and modifying schedules to minimize unnecessary crossover at job sites; holding meetings by phone, Zoom, or in small groups outdoors; and closing or greatly restricting breakrooms.

COVID within the City Organization

Like many large employers within the City of Homer, we have had a number of positive COVID cases within our ranks. We saw our first confirmed case in mid-November, but haven’t had a new one since December 4th. At this time, everyone has recovered successfully and there are no remaining active cases among staff, although a small number of employees remain out of the office on quarantine due to close contacts. While these COVID-related absences can create some challenges for department-level staffing, I don’t believe we have had any disruptions in services noticeable to the public. I fully expect to see more positive cases throughout the winter, but the leadership team is doing its best to cut off all possible opportunities for spread among our teams and facilities.

Masking in City Facilities – Airport Terminal

Currently, masking and social distancing are required in all City facilities. One facility which provides a unique challenge is the airport terminal. It is the only City facility open to the public right now, and City staff is not on hand full-time to ensure compliance with our regulations. I have received a complaint about individuals not wearing masks in the lobby. Based on investigation into the matter by City staff, we are seeing that most individuals are in compliance with the masking rules. Additional signage has been put on site and we will continue to do our best to work with the public to ensure travelers comply with basic COVID-safety protocols as required within City facilities.

COVID Radio Ads

In our continued messaging about COVID-19 mitigation, Special Projects Coordinator Jenny Carroll has prepared new public service announcements which will be aired through December. The themes include getting behind wearing masks, staying active with your family bubble this winter, and that we all have a role in preventing the spread of COVID-19. Each encourages people to stick with precautionary measures, as hope for an eventual end to the pandemic through effective vaccines is on the way. Rachel Tussey has been coordinating the recording with KBBI. Thanks to Council for your participation in this messaging all throughout the year.

COOP Reviews

In a project coordinated by Library Director Dave Berry, a staff working group conducted a citywide review of all Continuity of Operations (COOP) plans. We are taking the opportunity to revisit these plans to see how they are working now that we’ve reached “red” COVID risk status. The review identified some opportunities and staff is working to make improvements to the various departmental COOP plans. This work group is also collaborating on a matrix that better defines how “close contacts” are determined and the requirements for quarantine under different situations.

Council Chambers Update

The old dais has been removed and the new one moved into Council Chambers. It is still in an unfinished state, but the attached photo below will give

Councilmembers will have significantly more elbow room. The unfinished center section on the floor will be covered with matching carpeting. A podium for public comment and an additional desk are being constructed. IT staff is working on pulling together all the technical equipment (microphones, cameras, sound equipment, etc). Additionally, an ionizer HVAC system upgrade is planned for this month which will help eliminate viruses, allergens, dust, and pollen.



Enclosures:

1. December Employee Anniversaries
2. 3rd Quarter Sales Tax Update
3. 2020 Matching Donations to Library Endowment Fund



City of Homer

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Office of the City Manager

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Memorandum

TO: MAYOR CASTNER AND CITY COUNCIL
FROM: Andrea Browning
DATE: December 14, 2020
SUBJECT: December 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.

Mark Robl,	Police	36	Years
Bryan Hawkins,	Port	21	Years
Todd Cook,	Public Works	11	Years
Sean Perry,	Police	6	Years
Mike Zelinski,	Public Works	6	Years
Peter Alfiche	Port	4	Years
Josh Mershon	Port	1	Year
Luis Yoder	Fire	1	Year

Attachment A

3rd Quarter LOB Taxable Sales
Presented December 14, 2020

	2016	2017	2018	2019	2020	% Δ 2020 - 2019
ADMINISTRATIVE, WASTE MAN	401,661	336,793	204,971	202,322	162,542	-20%
AGRICULTURE, FORESTRY, FI	144,270	205,859	234,217	202,286	187,204	-7%
ARTS AND ENTERTAINMENT	677,310	674,135	737,507	731,228	477,017	-35%
CONSTRUCTION CONTRACTING	486,586	381,548	385,926	336,222	397,914	18%
EDUCATIONAL SERVICES	47,609	53,633	55,190	75,184	44,879	-40%
FINANCE AND INSURANCE	16,893	28,566	25,924	29,481	40,410	37%
GUIDING LAND	132,975	169,829	228,047	258,602	79,186	-69%
GUIDING WATER	6,225,895	6,158,152	6,061,804	5,988,975	4,822,074	-19%
HEALTH CARE AND SOCIAL AS	131,576	134,541	80,786	45,090	28,941	-36%
HOTEL/MOTEL/BED & BREAKFA	7,026,750	7,153,924	7,518,922	8,375,973	6,389,397	-24%
INFORMATION	1,108,504	1,093,603	1,031,736	1,037,924	935,171	-10%
MANAGEMENT OF COMPANIES	-	-	-	311,026	-	-100%
MANUFACTURING	581,747	633,841	641,802	715,234	687,424	-4%
MINING/QUARRYING	-	-	150	10,926	26,838	146%
PROFESSIONAL, SCIENTIFIC	732,636	771,398	770,672	761,163	823,623	8%
PUBLIC ADMINISTRATION	2,150,884	2,560,676	2,458,720	2,845,900	3,105,875	9%
REMEDATION SERVICES	-	-	-	-	-	0%
RENTAL COMMERCIAL PROPERT	63,881	101,707	130,158	95,207	81,163	-15%
RENTAL NON-RESIDENTAL PRO	256,561	246,013	238,829	234,955	129,139	-45%
RENTAL OF SELF-STORAGE &	643,544	561,005	528,323	537,757	570,643	6%
RENTAL PERSONAL PROPERTY	229,364	242,233	259,883	229,691	216,695	-6%
RENTAL RESIDENTAL PROPERT	1,799,042	1,835,339	1,880,675	1,834,018	1,708,348	-7%
RESTAURANT/BAR	8,195,446	8,780,547	9,542,688	9,553,633	6,529,920	-32%
RETAIL TRADE	29,665,962	30,421,714	34,053,544	34,490,183	34,754,701	1%
SERVICES	2,202,016	2,645,475	2,305,938	2,586,137	2,465,235	-5%
TELECOMMUNICATIONS	419,879	428,326	511,781	332,138	468,600	41%
TELECOMMUNICATIONS-CABLE	235	1,811	1,305	691	809	17%
TIMBERING	-	430	-	-	-	0%
TRANSPORTATION AND WAREHO	1,110,780	1,569,692	1,545,966	1,410,586	1,072,654	-24%
UTILITIES	1,602,262	1,795,759	1,757,390	1,727,760	1,812,700	5%
WHOLESALE TRADE	193,516	214,032	298,755	280,016	291,360	4%
TOTAL	66,247,784	69,200,581	73,491,609	75,240,308	68,310,460	-9%
Applied Sales Tax 4.85%	3,213,018	3,356,228	3,564,343	3,649,155	3,313,057	(336,098)

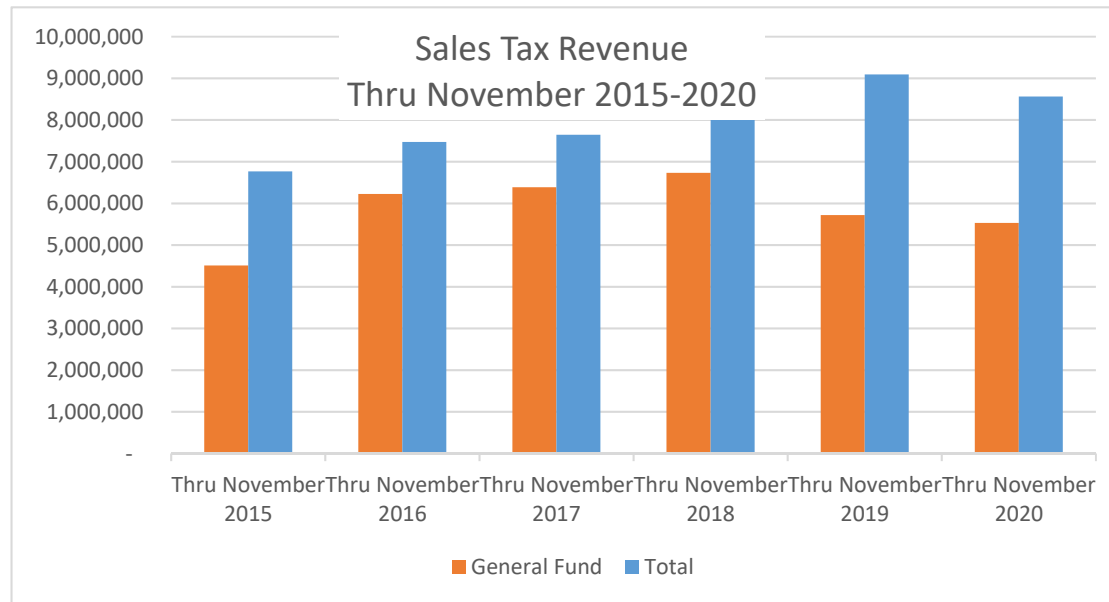
Attachment B
Quarterly LOB Taxable Sales
Presented December 14, 2020

	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
ADMINISTRATIVE, WASTE MAN	214,519	307,936	401,661	224,073	207,412	305,688	336,793	164,649	155,528	203,986	204,971	155,250	136,996	211,749	202,322	166,876	126,571	115,955	162,542
AGRICULTURE, FORESTRY, FI	4,143	110,003	144,270	22,190	14,600	144,996	205,859	49,869	33,710	203,853	234,217	37,022	640,248	160,020	202,286	44,149	18,712	111,415	187,204
ARTS AND ENTERTAINMENT	253,949	417,206	677,310	268,703	249,016	472,227	674,135	328,352	249,287	501,469	737,507	277,357	253,475	548,940	731,228	303,677	216,312	165,688	477,017
CONSTRUCTION CONTRACTING	372,572	477,737	486,586	406,932	484,978	438,379	381,548	372,787	315,934	409,170	385,926	386,079	333,640	373,100	336,222	364,590	367,431	392,005	397,914
EDUCATIONAL SERVICES	66,901	50,233	47,609	73,547	71,272	52,994	53,633	66,973	61,687	54,866	55,190	78,859	58,316	56,928	75,184	90,528	72,931	42,283	44,879
FINANCE AND INSURANCE	15,710	17,884	16,893	16,324	19,204	23,980	28,566	30,128	27,385	25,820	25,924	27,189	28,275	36,654	29,481	26,563	26,553	19,785	40,410
GUIDING LAND	41	65,599	132,975	500	-	94,324	169,829	5,898	-	105,778	228,047	-	-	125,677	258,602	-	-	42,822	79,186
GUIDING WATER	104,823	2,687,936	6,225,895	78,346	36,497	2,697,548	6,158,152	117,984	79,447	2,869,368	6,061,804	134,694	187,753	2,985,820	5,988,975	120,809	110,697	1,359,274	4,822,074
HEALTH CARE AND SOCIAL AS	45,037	76,757	131,576	63,034	77,243	126,554	134,541	54,418	80,890	95,062	80,786	50,658	78,958	62,473	45,090	38,063	21,795	15,422	28,941
HOTEL/MOTEL/BED & BREAKFA	1,789,574	4,657,728	7,026,750	1,712,384	1,532,096	4,558,923	7,153,924	1,641,953	1,490,223	4,422,516	7,518,922	1,455,582	1,543,084	4,629,194	8,375,973	1,734,109	1,279,481	2,828,851	6,389,397
INFORMATION	1,127,408	1,115,491	1,108,504	1,043,506	1,020,993	1,084,186	1,093,603	985,693	972,981	1,061,677	1,031,736	1,008,965	984,852	978,052	1,037,924	992,162	983,669	883,165	935,171
MANAGEMENT OF COMPANIES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MANUFACTURING	237,863	470,938	581,747	326,180	225,385	503,806	633,841	318,410	249,843	530,866	641,802	339,803	281,903	126,214	311,026	406,462	344,961	10,508	687,424
MINING/QUARRYING	-	-	-	-	500	-	-	-	-	-	150	150	150	1,150	10,926	19,981	3,220	14,961	26,838
PROFESSIONAL, SCIENTIFIC	654,874	773,463	732,636	647,970	698,422	708,767	771,398	700,387	691,012	756,620	770,672	680,434	648,929	785,571	761,163	635,037	702,504	767,048	823,623
PUBLIC ADMINISTRATION	644,546	954,300	2,150,884	1,188,557	1,100,933	1,309,629	2,560,676	999,094	816,016	1,427,693	2,458,720	1,143,132	829,928	1,432,737	2,845,900	1,022,188	971,581	1,368,423	3,105,875
REMEDATION SERVICES	32,704	-	-	-	32,666	-	-	-	38,717	-	-	-	33,767	-	-	-	-	-	-
RENTAL COMMERCIAL PROPERT	42,061	59,602	63,881	59,815	58,558	96,775	101,707	61,466	69,250	85,800	130,158	64,428	196,565	99,765	95,207	60,191	58,935	60,696	81,163
RENTAL NON-RESIDENTIAL PRO	128,148	170,232	256,561	171,965	128,347	180,793	246,013	146,382	144,070	187,303	238,829	148,707	138,064	184,240	234,955	126,417	92,816	90,896	129,139
RENTAL OF SELF-STORAGE &	249,716	296,770	643,544	385,338	201,259	248,428	561,005	284,593	232,561	265,933	528,323	276,934	217,415	272,863	537,757	294,635	231,287	271,739	570,643
RENTAL PERSONAL PROPERTY	132,816	166,630	229,364	147,841	138,081	197,202	242,233	150,791	148,701	210,142	259,883	157,676	141,046	221,419	229,691	174,262	165,835	194,678	216,695
RENTAL RESIDENTIAL PROPERT	1,020,110	1,510,996	1,799,042	1,052,578	1,035,396	1,512,623	1,835,339	1,140,120	1,146,434	1,638,398	1,880,675	1,089,752	1,077,295	1,632,238	1,834,018	1,116,156	1,101,887	1,402,570	1,708,348
RESTAURANT/BAR	3,145,686	6,149,338	8,195,446	3,149,958	2,787,404	6,211,565	8,780,547	3,337,515	3,101,373	6,773,895	9,542,688	3,482,700	3,179,549	6,848,886	9,553,633	3,501,273	2,514,895	3,762,292	6,529,920
RETAIL TRADE	12,275,910	24,767,175	29,665,962	14,894,226	12,505,192	24,992,523	30,421,714	15,948,127	12,769,708	27,043,054	34,053,544	17,314,037	14,151,272	29,033,873	34,490,183	18,463,774	15,612,943	27,598,497	34,754,701
SERVICES	1,675,348	2,384,956	2,202,016	1,708,265	1,799,351	2,703,585	2,645,475	2,078,565	1,894,742	2,768,109	2,305,938	2,071,964	1,749,725	2,701,456	2,586,137	2,001,089	1,608,833	2,196,866	2,465,235
TELECOMMUNICATIONS	387,800	396,570	419,879	430,659	408,560	430,719	428,326	440,014	449,669	469,468	511,781	534,464	401,118	337,618	332,138	334,477	335,461	440,569	468,600
TELECOMMUNICATIONS-CABLE	75	653	235	130	627	642	1,811	2,771	574	1,202	1,305	519	495	6,282	691	429	861	516	809
TIMBERING	487	-	-	-	500	-	430	-	-	-	-	-	505	-	-	-	-	-	-
TRANSPORTATION AND WAREHO	141,573	664,934	1,110,780	144,554	190,285	780,040	1,569,692	178,728	177,563	853,236	1,545,966	168,374	196,800	925,578	1,410,586	165,792	195,409	347,778	1,072,654
UTILITIES	2,070,114	1,772,903	1,602,262	1,993,120	2,322,217	1,992,650	1,795,759	2,156,588	2,445,497	2,058,123	1,757,390	2,045,862	2,503,521	2,114,934	1,727,760	2,028,860	2,710,459	2,197,539	1,812,700
WHOLESALE TRADE	231,382	340,526	193,516	404,805	262,379	317,823	214,032	421,454	325,567	355,069	298,755	355,568	296,494	398,831	280,016	223,920	273,328	338,319	291,360
TOTAL	27,065,890	50,864,496	66,247,784	30,615,500	27,609,373	52,187,369	69,200,581	32,183,709	28,168,369	55,378,476	73,491,609	33,486,659	30,290,138	58,049,081	75,240,308	34,456,469	30,149,367	47,565,777	68,310,460

Attachment C

Thru November Sales Tax Revenue Received
Presented December 14, 2020

	Thru November 2015	Thru November 2016	Thru November 2017	Thru November 2018	Thru November 2019	Thru November 2020
General Fund	4,509,952	6,226,541	6,384,735	6,732,247	5,717,737	5,528,807
HAWSP	1,127,488	1,245,424	1,261,217	1,346,765	1,406,001	1,130,717
HART-Roads	1,014,739	-	-	-	1,265,401	1,201,777
HART-Trails	112,749	-	-	-	140,600	157,766
Police Station	-	-	-	-	562,400	543,817
Total	6,764,929	7,471,965	7,645,952	8,079,012	9,092,140	8,562,884



Key Points:

- HART Sales Tax was diverted into the General Fund from 2016-2018
- Sales Tax increased in 2019 to fund debt service payments associated with Police Station bond



City of Homer

www.cityofhomer-ak.gov

Homer Public Library

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Homer, AK 99603

library@cityofhomer-ak.gov

(p) (907)-235-3180

(f) (907)-235-3136

Memorandum

TO: City Manager Rob Dumouchel

THROUGH:

FROM: Library Director Dave Berry

DATE: December 10, 2020

SUBJECT: Matching Donations to Library Endowment Fund

Yesterday, the library was contacted by an anonymous donor who offered to match contributions to the Library Endowment Fund through the end of this calendar year. The donor will match contributions 1-to-1 up to a maximum of \$10,000.

The Library Endowment Fund was established by the City in April 2020. It is managed by the Homer Foundation. It supports purchases of library materials, upgrades or replacements of library equipment, and improvements to the library facilities.

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KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal Note: N/A



Memorandum 20-205

TO: Mayor and Homer City Council
THROUGH: Rob Dumouchel, City Manager
FROM: Janette Keiser, Director of Public Works
DATE: December 3, 2020
SUBJECT: Industry Standards Relating to Water-Sewer Reserves and Q&A

I have been continuing to research benchmarks related to the financial matters for water/sewer utilities, using the Environmental Protection Agency's Environmental Finance Service Center ("EPA"), American Water and Wastewater Association ("AWWA") and other water/wastewater industry experts, as well as the Government Finance Officers Association ("GFOA"), as resources. In particular, I've been looking for answers to questions posed by the Council and staff about such matters. Here is a summary of findings and conclusions:

Question #1: What do we need reserves for?

Answer: Attached is a summary of the basic Elements of Reserves for a typical utility Fund, which identifies various categories of reserve funds, the total sum of which represents a utility's Reserve Fund:

- Operating Reserves
- Capital Contingencies
- Equipment Replacement
- Debt Service Coverage

Question #2: How much money should we have in our Water/Sewer Reserve Funds?

Answer: There are industry standards for each element, which are identified on the attached Elements of Reserves. Obviously, the level of the City's Reserve Funds depends on affordability and need. There are industry standard tools for measuring both factors and for guiding the gradual development of a sustainable level of funding.

Question #3: How should we build the Reserve Funds?

Answer: Usually, utilities include an element in their tariffs to build their reserve funds, because that is the only source of revenue they have, beyond grants, debtor or one-off injections of cash, such as from a sale of property. In Homer, we have another source of funding for capital projects, the HAWSP Fund, but

this is unique to Homer. And, analysis of the HAWSP Fund’s purpose and need demonstrates that Homer needs multiple sources of revenue to support its relatively expensive utility systems.

Question #4: How should we spend money from the Reserve Funds?

Answer: It is a Best Practice for utilities to have written financial policies that govern how their reserve funds are spent. Further, expenditure of reserve funds should require authorization by the governing body and be based on approved planning documents that identify project needs and project cash flow. Developing and maintaining a robust asset management system is also a Best Practice to assist with preventative maintenance and long-term planning of asset replacement.

Question #5: How do I know if our Reserve Funds are healthy?

Answer: The AWWA, EPA and GFOA all recommend that Reserve Funds be subject to oversight in accordance with Generally Accepted Accounting Practices and the municipality’s financial policies, generally through the budget process. There are Best Practices to guide these processes.

Question #6: How do we keep the Reserves from continuing to build at the expense of our rate/tax payers?

Answer: The Reserve Funds are built from the water/sewer rates, which are adjusted annually and linked to the budget and capital planning processes. This gives the governing body multiple opportunities to adjust the Reserve Funds to affordable levels, which address needs. Further, the governing body will receive financial reports, at least quarterly, which it can review in the context of the body’s established financial policies.

Question #7: What else can we do to bring some clarity to these matters?

Answer: All the resource agencies recommend as a Best Practice, that utilities have written, and codified financial policies, to guide decision making and accountability. The City of Homer has a number of financial policies, but they are not necessarily in the same place and some of the provisions are ambiguous enough to allow different interpretations, which can cause confusion and conflict. The City can review its financial policies to (1) fill in any blanks; (2) clarify any ambiguities; and (3) reconcile any conflicts.

Elements of Reserves in a Utility Fund

- **Operating Reserves** – These are cash reserves available to cushion the time lag between when billing happens and when bills are paid. Industry standards recommend having reserves totaling 60-90 days of operating and maintenance costs.

<u>Utility</u>	<u>Total Operating Costs</u>	<u>Recommended Operating Reserve</u>
Water	\$2,320,278	\$381,415 - \$572,040
Sewer	\$1,788,617	\$294,000 - \$441,000

- **Capital Contingency** – These funds pay for unexpected major repairs. Industry standards recommend an amount equal to 1-2% of the system’s fixed assets.

<u>Utility</u>	<u>Value of Fixed Assets¹</u>	<u>Recommended Capital Contingency</u>
Water	\$48,920,806	\$489,208 - \$978,416
Sewer	\$44,707,860	\$447,078 - \$894,157

- **Infrastructure Replacement Funding** – These funds are used to replace assets, in accordance with established planning documents, such as an Asset Management Plan, a Capital Improvement Plan and an Equipment Replacement Schedule. The numbers below represent numbers from the Draft Asset Management Plan.

<u>Utility</u>	<u>Reserve Required to Build Replacement Fund²</u>
Water	\$7,573,704
Sewer	\$5,280,544

- **Totals**

<u>Utility</u>	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>	<u>V</u>	<u>VI</u>
<u>Utility</u>	<u>Operating Reserve</u>	<u>Capital Contingency</u>	<u>Minimum (II + III)</u>	<u>Infrastructure Replacement</u>	<u>Totals</u>	
Water	\$572,000	\$978,416	\$1,550,416	\$7,573,704	\$9,124,120	
Sewer	\$441,000	\$894,157	\$1,335,157	\$5,280,544	\$6,615,701	

¹ From AML insurance worksheet showing 2019 value of City Building Assets

² From 2020 draft Asset Management Plan prepared by JAK

- **Debt Service Coverage** – This includes payments required to service debt as well as minimum levels of reserves required to cover bond covenants.

HAWSP Fund Debt Payment – principal & interest \$1,029,766/Year

- **Debt management** – Credit agencies don't like utilities to fund all their capital improvements with debt, but prefer that no more than 60% of a project is financed with debt.

POLICY MANUAL FOR THE WATER AND SEWER CAPITAL ASSET REPAIR AND MAINTENANCE ALLOWANCE "CARMA" FUNDS

Table of Contents

- I. Purpose
- II. Definitions
- III. Maximum Spending Limit and Spending Plan
- IV. Accounting Matters

I. PURPOSE

The City Council established Capital Asset Repair and Maintenance Allowance (CARMA) accounts for multiple City programs and departments within the General Fund. The intent of the City of Homer CARMA Funds is *"for appropriation and expenditure for equipment replacement, fleet replacement, engineering or planning services, major maintenance of city facilities, or any other purpose as identified and recommended by the City Manager and authorized by the City Council...and to extend the life and use of taxpayer funded assets, facilities and infrastructure."* (See Ordinance 19-35(S)(A). It is appropriate that the Water and Sewer Utilities, which operate as independent utilities, comport with the intent and policy set forth in Ordinance 19-35(S)(A). Thus, the City Council hereby establishes CARMA Funds for the Water and Sewer Utilities to fund improvements, repairs, and replacements to the City's existing water and sewer systems; that is, to benefit existing customers by keeping the utility systems in a state of good repair. CARMA Funds may be used for Capital Contingencies or Infrastructure Replacement.

Note: In addition to the Water and Sewer CARMA Funds, the City has a Homer Accelerated Water and Sewer Program (HAWSP). HAWSP is intended to fund projects, which extend systems or otherwise expand capacity to serve new customers as well as support public health in other ways. (See HAWSP Policy Manual for more information on the HAWSP.)

II. DEFINITIONS

- a. **Capital Contingency** – These funds pay for unexpected or unplanned major repairs. Industry standards recommend an amount equal to 1-2% of the system's fixed assets.

- b. **Capital Improvement Plan (CIP)** – A multi-year document that lays out priorities for capital projects, including descriptions of each project, rationale for why each project is needed, order of magnitude cost estimate, and other information about the project.
- c. **HART** – Homer Accelerated Roads and Trails program, a fund established by the voters of the City of Homer and funded by a voter-approved dedicated sales tax, intended to improve roads, sidewalks, and trails within the City of Homer, thereby improving property values and quality of life.
- d. **HAWSP** – Homer Accelerated Water and Sewer Program, a fund established by the voters of the City of Homer and funded by a voter-approved dedicated sales tax, intended to improve the health and welfare of the Citizens of Homer by connecting residences to City water and/or sewer, thereby increasing the number of users on the system, increasing property values, and improving the quality of life; the funds may also be used on other water and sewer infrastructure that expand the systems or protect the public health.
- e. **Infrastructure Replacement** – The replacement of assets, in accordance with established planning documents, such as an Asset Management Plan, a Capital Improvement Plan and an Equipment Replacement Schedule.
- f. **Operating Reserves** – These are cash reserves available to cushion the time lag between when billing happens and when bills are paid. Industry standards recommend having reserves totaling 30-45 days of operating and maintenance costs.
- g. **Unencumbered Fund Balance** – The balance within the Water and Sewer CARMA Funds that are not allocated to a project.
- h. **Water and Sewer System Improvements** – Any work, such as planning, design, or construction, etc., that improves the City’s water and sewer infrastructure, including, but not limited to, the extension, expansion, repair, or rehabilitation of
 - 1. The City’s water supply, raw water transmission lines, water treatment facilities, water storage facilities, water distribution lines, fire-fighting devices, and related or similar appurtenances.
 - 2. The City’s sewer collection lines, sewer lift stations, RV Dump Stations, wastewater treatment facilities, discharge outfall, and related or similar appurtenances.
 - 3. Other facilities related to providing public access to clean water and the sanitary disposal of human wastes to protect public health.

III. MAXIMUM SPENDING LIMITS AND SPENDING PLAN

- a. *“The amount of the CARMA funds shall be established by City Council in the biennial budget based on the projected maintenance and repair needs of the City.” (Ordinance 19-35(S)(A)).* This means CARMA funds are supported by an appropriate planning document, which forecasts needs for repair and maintenance.
- b. The Public Works Department shall, on an annual basis, submit for City Council review, separate Capital Improvement Plans for the Water and Sewer Utilities, which shall identify Major Capital Projects required to (i) keep the utilities in a state of good repair or (ii) expand capacity. These Plans shall include cost projections and rank the projects in order of need, applying the following criteria:
 1. Expands service to currently unserved areas.
 2. Addresses public health, safety, or regulatory changes.
 3. Improves, repairs, replaces, rehabilitates, or otherwise corrects deficiencies in existing utility systems.
 4. Is listed in another planning document adopted by the City Council, such as the citywide CIP, Water/Sewer Master Plan, Parks Capital Improvement Plan, etc.
 5. Reduces maintenance costs.
 6. Other factors deemed appropriate by the City Council.
- c. As part of the budget process, the City Council shall:
 1. Assess the health of the CARMA Funds in accordance with the City’s Financial Policies.
 2. Establish by ordinance a Maximum Spending Limit and a Spending Plan for the Water and Sewer CARMA Funds for the subject year. Once adopted the Maximum Spending Limits and Spending Plans may only be changed by the City Council.

IV. ACCOUNTING MATTERS

- a. The Water/Sewer CARMA Funds are built from a commodity-based fee, contained within the water/sewer tariff, which is deposited into separate accounts and managed as Retained Earnings. These fees may vary from year to year depending on need and as adopted by Council as part of the water/sewer rate-setting process.
- b. Water/Sewer CARMA Funds should be sufficient to cover the following elements:
 1. Operating Reserves
 2. Debt Service Coverage
 3. Capital Contingencies
 4. Infrastructure Replacement Funding
 5. Funding to comply with existing or projected bond covenants
- c. Interest, if any, generated from a CARMA Fund will remain in that Fund.

- d. The Finance Department shall, on a quarterly basis, submit for City Council review, financial statements showing the status of the Water and Sewer CARMA Funds.
- e. The City may, at its discretion waive allocations of General Fund Overhead expenses for projects funded by CARMA funds.
- f. Projects may be funded through the CARMA Funds, bonds, grants, or a combination of these or other funding mechanism that may be identified by the City.
- g. All projects funded by the CARMA Funds must comply with the provisions of HCC Titles 14, City of Homer Public Utility Systems, and 17, Public Assessments.
- h. CARMA and HAWSP funds may be used to jointly fund a project. CARMA funds should be used for portions of the project that improve, repair, or replace existing water or sewer infrastructure while HAWSP funds should be used for portions of the project that expand capacity or result in new water or sewer infrastructure.
- i. The City does not expect to fully capitalize the replacement of Major Projects, but to instead, leverage debt in accordance with the City's Financial Policies.

POLICY MANUAL FOR THE WATER AND SEWER CAPITAL ASSET AND MAINTENANCE ALLOWANCE "CARMA" FUNDS

Table of Contents

- I. Purpose
- II. Definitions
- III. Qualifying Project Criteria
- IV. Financing
- V. Maximum Spending Limit and Spending Plan

I. PURPOSE

The City Council established Capital Asset and Maintenance Allowance Funds for multiple City programs and departments, including the Water and Sewer utilities. The intent of the City of Homer Water and Sewer Capital Asset and Maintenance Allowance Funds ("CARMA Funds") is to fund improvements, repairs, and replacements to the City's existing water system and sewer systems; that is, to benefit existing customers by keeping the utility systems in a state of good repair.

In addition to the Water and Sewer CARMA Funds, the City has a Homer Accelerated Water and Sewer Program (HAWSP). HAWSP is intended to fund projects, which extend systems or otherwise expand capacity to serve new customers as well as support public health in other ways. (See HAWSP Policy Manual for more information on the HAWSP.)

II. DEFINITIONS

- a. **Capital Improvement Plan (CIP)** – A multi-year document that lays out priorities for capital projects, including descriptions of each project, rationale for why each project is needed, schedule and progress to date, and estimated total cost.
- b. **HAWSP** – Homer Accelerated Water and Sewer Program, a fund established by the voters of the City of Homer and funded by a voter-approved dedicated sales tax, intended to improve the health and welfare of the Citizens of Homer by connecting residences to City water and/or sewer, thereby increasing the number of users on the system, increasing property values, and improving the quality of life; the funds may also be used on other water and sewer infrastructure that expand the systems or protect the public health.

- c. **Unencumbered Fund Balance** – The balance within the Water and Sewer CARMA Funds that are not allocated to a project.
- d. **HART** – Homer Accelerated Roads and Trails program, a fund established by the voters of the City of Homer and funded by a voter-approved dedicated sales tax, intended to improve roads, sidewalks, and trails within the City of Homer, thereby improving property values and quality of life.
- e. **Water and Sewer System Improvements** – Any work, such as planning, design or construction, etc., which improves the City’s water and sewer infrastructure, including, but not limited to, the extension, expansion, repair or rehabilitation of
 - 1. The City’s water supply, raw water transmission lines, water treatment facilities, water storage facilities, water distribution lines, fire-fighting devices, and related or similar appurtenances.
 - 2. The City’s sewer collection lines, sewer lift stations, RV Dump Stations, waste water treatment facilities, discharge outfall and related or similar appurtenances.
 - 3. Other facilities related to providing public access to clean water and the sanitary disposal of human wastes to protect public health.
- f. **Major Capital Project** – A project that exceeds \$1.1 million in value, which cannot be executed in an incremental fashion.

III. QUALIFYING PROJECT CRITERIA

- a. All projects will be authorized only after a public hearing pursuant to HCC Title 17.
- b. All projects using funds from the Water/Sewer CARMA Funds must meet at least three of the following criteria:
 - 1. Is located within the City limits.
 - 2. Addresses public health, safety or regulatory changes.
 - 3. Improve, repairs, replace, rehabilitate or otherwise correct deficiencies in existing water or sewer facilities
 - 4. Is listed a planning document adopted by the City Council, such as the citywide CIP, Water or Sewer CIPs, or Water/Sewer Master Plan.
 - 5. Reduces maintenance costs.
 - 6. Other factors deemed appropriate by the City Council.

IV. FINANCING

- a. Projects may be funded through the CARMA Funds, bonds, grants, or a combination of these or other funding mechanism that may be identified by the City.

- b. All projects funded by the CARMA Funds must comply with the provisions of HCC Titles 14 and 17.
- c. The Council shall review the CARMA Funds during the budget process.
- d. City Council shall assess the health of the CARMA Funds prior to approving a new project.
- e. Interest, if any, generated from a CARMA Fund will remain that Fund.
- f. The City shall not charge the CARMA Funds for General Fund Overhead.
- g. CARMA and HAWSP funds may be used to jointly fund a project. CARMA funds should be used for portions of the project that improve, repair, or replace existing water or sewer infrastructure while HAWSP funds should be used for portions of the project that expand capacity or result in new water or sewer infrastructure.

V. MAXIMUM SPENDING LIMITS AND SPENDING PLAN

- a. The Finance Department shall, on an annual basis, submit for City Council review, financial statements showing the status of the Water and Sewer CARMA Funds.
- b. The Public Works Department shall, on an annual basis, submit for City Council review, separate Capital Improvement Plans for the Water Utility and Sewer Utility, which shall identify Major Capital Projects required to (i) keep the utilities in a state of good repair or (ii) expand capacity. These Plans shall include cost projections and rank the projects in order with need.
- c. The City Council will, upon review of the documents described above, establish, by ordinance a Maximum Spending Limit and a Spending Plan for the Water and Sewer CARMA Funds for the subject year. Once adopted the Maximum Spending Limits and Spending Plans may only be changed by the City Council



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 20-165

TO: Mayor Castner and Homer City Council
THROUGH: Rob Dumouchel, City Manager
FROM: Elizabeth Walton, Finance Director
DATE: October 6, 2020
SUBJECT: Water and Sewer Rate Model – Rate Scenarios

There has been some interest in performing a what-if analysis on adjusting the reserve requirement and its implications on the utility rates. Staff spent time identifying a couple different scenarios that aligned with previous council conversations. Below are descriptions on four different rate scenarios. Included as supplemental information to this memo are detailed rate models for each scenario and a comparison chart. This chart compares each of the proposed rates with our existing 2020 rate.

Scenario 1 – Maintain Current Rate Model (15% Reserve Requirement)

This scenario keeps everything status quo and utilizes a 15% reserve requirement. All other line items and definitions remain consistent with the original proposed model.

The model under these terms proposes the following rates:

Water Rates:

Commodity (per gal): \$0.0133

Bulk (per gal): \$0.0173

Monthly Fees: \$13

Sewer Rates:

Non-Lift Station: \$0.0157

Lift Station: \$0.0256

Scenario 2 – Utilize Current Rate Model, Amend to 10% Reserve Requirement

This scenario utilizes rate model, but amends the reserve requirement to 10% (instead of the original 15%). All other line items and definitions remain consistent with the original proposed model.

The model under these terms proposes the following rates:

Water Rates:

Commodity (per gal): \$0.0126

Bulk (per gal): \$0.0166

Monthly Fees: \$13

Sewer Rates:

Non-Lift Station: \$0.0149

Lift Station: \$0.0247

Scenario 3 – Utilize Current Rate Structure, Amend Inputs to match 2021 Budgeted Costs

This scenario utilizes current rate model structure, but amends inputs to match the adopted 2021 budgeted costs. The following line items in the water model were adjusted to match the budget: total revenue required, reserve requirement and service fee deduction. The hydrant rents line item is amended, as it is a fraction of the total revenue required. All other line items and definitions remain consistent with the original proposed model.

The model under these terms proposes the following rates:

Water Rates:

Commodity (per gal): \$0.0130

Bulk (per gal): \$0.0170

Monthly Fees: \$14

Sewer Rates:

Non-Lift Station: \$0.0148

Lift Station: \$0.0249

Scenario 4 – Utilize Current Rate Model, Amend to 2021 Budgeted Reserve Transfer

This scenario utilizes the current rate model, but amends the reserve requirement to match the FY21 budgeted reserve transfer (instead of the original 15%). All other line items and definitions remain consistent with the original proposed model.

The model under these terms proposes the following rates:

Water Rates:

Commodity (per gal): \$0.0127

Bulk (per gal): \$0.0167

Monthly Fees: \$13

Sewer Rates:

Non-Lift Station: \$0.0138

Lift Station: \$0.0237

Current Rates:

To provide additional context our current rates are as follows:

Water Rates:

Commodity (per gal): \$0.0132

Bulk (per gal): \$0.0172

Monthly Fees: \$13

Sewer Rates:

Non-Lift Station: \$0.0145

Lift Station: \$0.0224

Recommendation:

Without a detailed analysis on the budgetary implications of changing the inputs of the rate model it would seem to be worth considering Scenario 3, as it would further connect the model with our budget.

Future considerations should be given to adjusting the schedule of water/sewer rate passage. Some efficiencies could be found in timing the rate setting discussion around our budget schedule.

Scenario 1 - Rate Calculations

WATER Rate Model	
Revenues	
2020 Total Revenue Required - Water	\$ 1,911,348
15% Reserve Requirement	286,702
Deduct Portion Collected through Service Fee	(286,547)
Hydrant Rents (10% of Total)	(95,567)
Surplus Water Sales (Bulk) surcharge only	(67,796)
Revenue Required for Commodity Rate Calculation	\$ 1,748,140
Water Consumption (Gallons)	
Total Estimated Water Sales	131,000,000
Water Rates:	
Commodity Rate (per gal)	\$ 0.0133
Bulk Rate (per gal)	\$ 0.0173
Monthly Fees	\$ 13
Consumption Additional Information:	
FY19 Gross Meters Water Sales (Gallons)	131,478,500
SEWER Rate Model	
Revenues	
2020 Total Operating Revenue Required - Sewer	\$ 1,627,400
15% Reserve Requirement	244,110
Lift Stations Costs	(217,160)
Pumping Fee	(10,050)
Dumping Station Fees	(5,978)
Multi-Units and K-city (\$5/unit/mo.)	(70,320)
Revenue Required for Commodity Rate Calculation	\$ 1,568,002
Sewer Usage (Gallons)	
Projected Billable Volume	78,000,000
Projected Billable Volume - Lift Zone Only	22,000,000
Total Projected Billable Volume	100,000,000
Sewer Rate	
Non-Lift Station Rate	\$ 0.0157
Lift Station Rate	\$ 0.0256
Lift Station Additional Information:	
FY 19 Actually Billed Gallons (Lift Zone Only)	21,706,300

Scenario 2 - Rate Calculations

WATER Rate Model	
Revenues	
2020 Total Revenue Required - Water	\$ 1,911,348
10% Reserve Requirement	191,135
Deduct Portion Collected through Service Fee	(286,547)
Hydrant Rents (10% of Total)	(95,567)
Surplus Water Sales (Bulk) surcharge only	(67,796)
Revenue Required for Commodity Rate Calculation	\$ 1,652,573
Water Consumption (Gallons)	
Total Estimated Water Sales	131,000,000
Water Rates:	
Commodity Rate (per gal)	\$ 0.0126
Bulk Rate (per gal)	\$ 0.0166
Monthly Fees	\$ 13
Consumption Additional Information:	
FY19 Gross Meters Water Sales (Gallons)	131,478,500
SEWER Rate Model	
Revenues	
2020 Total Operating Revenue Required - Sewer	\$ 1,627,400
10% Reserve Requirement	162,740
Lift Stations Costs	(217,160)
Pumping Fee	(10,050)
Dumping Station Fees	(5,978)
Multi-Units and K-city (\$5/unit/mo.)	(70,320)
Revenue Required for Commodity Rate Calculation	\$ 1,486,632
Sewer Usage (Gallons)	
Projected Billable Volume	78,000,000
Projected Billable Volume - Lift Zone Only	22,000,000
Total Projected Billable Volume	100,000,000
Sewer Rate	
Non-Lift Station Rate	\$ 0.0149
Lift Station Rate	\$ 0.0247
Lift Station Additional Information:	
FY 19 Actually Billed Gallons (Lift Station Zone Only)	21,706,300

Scenario 3 - Rate Calculations

WATER Rate Model	
Revenues	
2021 Total Revenue Required - Water	\$ 1,962,599
Reserve Requirement - 2021 Budgeted Transfer	206,071
Deduct Portion Collected through Service Fee	(301,116)
Hydrant Rents (10% of Total)	(98,130)
Surplus Water Sales (Bulk) surcharge only	(67,796)
Revenue Required for Commodity Rate Calculation	\$ 1,701,629
Water Consumption (Gallons)	
Total Estimated Water Sales	131,000,000
Water Rates:	
Commodity Rate (per gal)	\$ 0.0130
Bulk Rate (per gal)	\$ 0.0170
Monthly Fees	\$ 14
Consumption Additional Information:	
FY19 Gross Meters Water Sales (Gallons)	131,478,500
SEWER Rate Model	
Revenues	
2021 Total Operating Revenue Required - Sewer	\$ 1,734,023
Reserve Requirement - 2021 Budgeted Transfer	54,594
Lift Stations Costs	(222,021)
Pumping Fee	(10,050)
Dumping Station Fees	(6,156)
Multi-Units and K-city (\$5/unit/mo.)	(70,320)
Revenue Required for Commodity Rate Calculation	\$ 1,480,070
Sewer Usage (Gallons)	
Projected Billable Volume	78,000,000
Projected Billable Volume - Lift Zone Only	22,000,000
Total Projected Billable Volume	100,000,000
Sewer Rate	
Non-Lift Station Rate	\$ 0.0148
Lift Station Rate	\$ 0.0249
Lift Station Additional Information:	
FY 19 Actually Billed Gallons (Lift Station Zone Only)	21,706,300

Scenario 4 - Rate Calculations

WATER Rate Model	
Revenues	
2020 Total Revenue Required - Water	\$ 1,911,348
Reserve Requirement - 2021 Budgeted Transfer	206,071
Deduct Portion Collected through Service Fee	(286,547)
Hydrant Rents (10% of Total)	(95,567)
Surplus Water Sales (Bulk) surcharge only	(67,796)
Revenue Required for Commodity Rate Calculation	\$ 1,667,509
Water Consumption (Gallons)	
Total Estimated Water Sales	131,000,000
Water Rates:	
Commodity Rate (per gal)	\$ 0.0127
Bulk Rate (per gal)	\$ 0.0167
Monthly Fees	\$ 13
Consumption Additional Information:	
FY19 Gross Meters Water Sales (Gallons)	131,478,500
SEWER Rate Model	
Revenues	
2020 Total Operating Revenue Required - Sewer	\$ 1,627,400
Reserve Requirement - 2021 Budgeted Transfer	54,594
Lift Stations Costs	(217,160)
Pumping Fee	(10,050)
Dumping Station Fees	(5,978)
Multi-Units and K-city (\$5/unit/mo.)	(70,320)
Revenue Required for Commodity Rate Calculation	\$ 1,378,486
Sewer Usage (Gallons)	
Projected Billable Volume	78,000,000
Projected Billable Volume - Lift Zone Only	22,000,000
Total Projected Billable Volume	100,000,000
Sewer Rate	
Non-Lift Station Rate	\$ 0.0138
Lift Station Rate	\$ 0.0237
Lift Station Additional Information:	
FY 19 Actually Billed Gallons (Lift Station Zone Only)	21,706,300

City of Homer
 Water and Sewer Rates Comparison
 Presented October 12, 2020

	Average Volume City Hall				High Volume Library				Lift Station (Year-Round) Port & Harbor - Maintenance			
	Scenario 1 3800	Scenario 2 3800	Scenario 3 3800	Scenario 4 3800	Scenario 1 6600	Scenario 2 6600	Scenario 3 6600	Scenario 4 6600	Scenario 1 1800	Scenario 2 1800	Scenario 3 1800	Scenario 4 1800
Consumption	Existing 3800				Existing 6600				Existing 1800			
Water Rate	0.0132	0.0133	0.0126	0.0130	0.0132	0.0133	0.0126	0.013	0.0132	0.0133	0.0126	0.0127
Sewer Rate	0.0145	0.0157	0.0149	0.0148	0.0145	0.0157	0.0149	0.0148	0.0224	0.0256	0.0247	0.0237
Charges:												
Water	50.16	50.54	47.88	49.40	87.12	87.78	83.16	85.80	23.76	23.94	22.68	22.86
Sewer	55.10	59.66	56.62	56.24	95.7	103.62	98.34	97.68	40.32	46.08	44.46	42.66
Service	13	13	13	14	13	13	13	14	13	13	13	13
Total Bill	\$ 118.26	\$ 123.20	\$ 117.50	\$ 119.64	\$ 195.82	\$ 204.40	\$ 194.50	\$ 197.48	\$ 77.08	\$ 83.02	\$ 80.14	\$ 78.52
Impact		\$ 4.94	\$ (0.76)	\$ 1.38	\$	\$ 8.58	\$ (1.32)	\$ 1.66	\$	\$ 5.94	\$ 3.06	\$ 5.14
				\$ (4.56)								\$ 1.44

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

3 Lord/Aderhold

4 **RESOLUTION 20-078**

5
6 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
7 AMENDING THE HOMER ACCELERATED WATER AND SEWER
8 PROGRAM (HAWSP) POLICY MANUAL TO MODERNIZE THE
9 LANGUAGE AND CLARIFY QUALIFYING CRITERIA FOR USING
10 HAWSP FUNDS.

11
12 WHEREAS, The Homer Accelerated Water and Sewer Program (HAWSP) was authorized
13 June 28, 1999 by Resolution 99-53 and most recently updated May 9, 2016 by Resolution 16-
14 041(S-2)(A); and

15
16 WHEREAS, Per Homer City Code 9.16.010, HAWSP is funded by a "... consumer's sales
17 tax in the amount of three-quarters percent is hereby levied by the City of Homer on all sales,
18 rents and services within the City except as the same may be otherwise exempted by law, for
19 the purpose of funding debt retirement of the sewer treatment plant improvements, and to the
20 extent revenues from such tax exceed such debt retirement obligations, for the purpose of
21 funding water and sewer systems"; and

22
23 WHEREAS, The current revision of the HAWSP manual is unclear, not user friendly, and
24 leads to confusion regarding the use of HAWSP funds for new water and sewer infrastructure
25 versus maintenance, repairs, and upgrades to existing water and sewer infrastructure; and

26
27 WHEREAS, Homer City Council is in process of establishing policies for reserve funds,
28 including the Water and Sewer Depreciation Reserves, and clarifying how and when HAWSP
29 funds and Water and Sewer Depreciation Reserve funds should be used for water and sewer
30 infrastructure; and

31
32 WHEREAS, In revising the HAWSP manual, Homer City Council reviewed the history of
33 legislation associated with the program.

34
35 NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska amends the
36 HAWSP Policy Manual

37
38 PASSED AND ADOPTED by the Homer City Council on this _____ day of _____, 2020.

39
40 CITY OF HOMER
41

42
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KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal Note: N/A

H.A.W.S.P. POLICY MANUAL

(Homer Accelerated Water and Sewer Program)

Table of Contents

- I. **Purpose**
- II. **Definitions**
- III. **Maximum Spending Limits and Spending Plan**
- IV. **Accounting Matters**
- V. **History**

I. **PURPOSE**

City of Homer voters established the Homer Accelerated Water and Sewer Program (HAWSP) to improve the health and welfare of the citizens of Homer by funding capital improvements to the City's water and sewer system. A key strategy for accomplishing this was to extend water and sewer mains to unserved properties, bringing the following benefits: increasing the number of users on the system, increasing property values, protecting public health and improving quality of life. The HAWSP is funded by a voter-approved dedicated sales tax, and assessments levied on benefited properties. (See HCC 9.16.010(b).)

The intention of the HAWSP is to:

- Provide for water/sewer improvements without placing a heavy financial burden on individual property owners. (Resolution 99-53.)
- Increase the number of users to the system(s), thereby increasing revenues to the Water and Sewer Enterprise Funds. (Resolution 99-53.)
- Promote construction of additional improvements to the City water and sewer systems. (See Ordinance 99-14(S)(A).)
- Protect public health. (2016 HAWSP Policy Manual.)

Note: In addition to the HAWSP Fund, the City maintains Water and Sewer Capital Asset Repair and Maintenance Allowance (CARMA) accounts. The CARMA accounts are intended to fund projects, to fund improvements, repairs, and replacements to the City's existing water and sewer systems; that is, to benefit existing customers by keeping the utility systems in a state of good repair. (See CARMA Policy Manual for more information on the CARMA accounts.)

II. **DEFINITIONS**

- A. **Capital Improvement Plan (CIP)** – A multi-year document that lays out priorities for capital projects, including descriptions of each project, rationale for why each project is needed, order of magnitude cost estimate, and other information about the project.
- B. **HART** – Homer Accelerated Roads and Trails program, a fund established by the voters of the City of Homer and funded by a voter-approved dedicated sales tax, intended to improve

roads, sidewalks, and trails within the City of Homer, thereby improving property values and quality of life.

- C. **Infrastructure Replacement** – The replacement of assets, in accordance with established planning documents, such as an Asset Management Plan, a Capital Improvement Plan and an Equipment Replacement Schedule.
- D. **Unencumbered Fund Balance** – The balance within the HAWSP fund that is not allocated to pay the City portion of a project, committed to paying existing debt, or otherwise allocated.
- E. **Water and Sewer System Improvements** – Any work, such as planning, design or construction, etc., which improves the City’s water and sewer infrastructure, including, but not limited to, the extension, expansion, repair or rehabilitation of
 - 1. The City’s water supply, raw water transmission lines, water treatment facilities, water storage facilities, water distribution lines, fire-fighting devices, and related or similar appurtenances.
 - 2. The City’s sewer collection lines, sewer lift stations, RV Dump Stations, waste water treatment facilities, discharge outfall and related or similar appurtenances.
 - 3. Other facilities, which provide public access to clean water and the sanitary disposal of human wastes to protect public health.
- F. **Water and Sewer Capital Asset Repair and Maintenance Allowance (CARMA) Funds** – Separate water and sewer funds to fund improvements, repairs, and replacements to the City’s existing water and sewer systems, intended to benefit existing customers by keeping the utility systems in a state of good repair

III. **MAXIMUM SPENDING LIMITS AND SPENDING PLAN**

- A. The Public Works Department shall, on an annual basis, submit for City Council review, separate Capital Improvement Plans for the Water and Sewer Utilities, which shall identify Major Capital Projects required to (i) keep the utilities in a state of good repair or (ii) expand capacity. These Plans shall include cost projections and rank the projects in order of need, applying the following criteria:
 - 1. Expands service to currently unserved areas.
 - 2. Addresses public health, safety, or regulatory changes.
 - 3. Improves, repairs, replaces, rehabilitates, or otherwise corrects deficiencies in existing utility systems.
 - 4. Is listed in another planning document adopted by the City Council, such as the citywide CIP, Water/Sewer Master Plan, Parks Capital Improvement Plan, etc.
 - 5. Reduces maintenance costs.

6. Other factors deemed appropriate by the City Council.
- B. As part of the process, the City Council shall:
1. Assess the health of the HAWSP Funds in accordance with the City's Financial Policies, including, but not limited to, a specified Debt to Assessment Revenue Ratio.
 2. Establish, by ordinance, a Maximum Spending Limit and a Spending Plan for the HAWSP Funds for the subject year. Once adopted the Maximum Spending Limits and Spending Plans may only be changed by the City Council.

IV. ACCOUNTING MATTERS

A. Funding

1. The HAWSP Fund is built from a levy of $\frac{3}{4}$ of a percent on the retail sales tax. This tax was authorized by the voters and can only be changed by another ballot measure.
2. Interest, if any, generated from the program will remain with program funds.
3. CARMA and HAWSP funds may be used to jointly fund a project. CARMA funds should be used for portions of the project that improve, repair, or replace existing water or sewer infrastructure while HAWSP funds should be used for portions of the project that expand capacity or result in new water or sewer infrastructure.
4. When the HAWSP Fund is used to finance an assessment district, the City shall provide cash for its required percentage.
5. Projects may be funded with HAWSP Funds, bonds, grants, or a combination of these or other funding mechanism that may be identified by the City. *(Note: There is not currently a reserve requirement for bonded HAWSP debt. In the event that changes with the enactment of new law, the City may need to amend this Policy Manual.)*
6. The City may, at its discretion waive allocations of General Fund Overhead expenses for projects funded by HAWSP funds.

B. Standards & Policies

1. Administration of the HAWSP Fund shall conform to the City's Financial Policies.
2. All projects and connections to the water/sewer system must conform to City standards.
3. Whenever and wherever practical, road improvements shall be done in conjunction with water and/or sewer projects but not before. (See HART Policy Manual.)

C. Debt

1. HAWSP funds may be used to pay off HAWSP-project debt, subject to Council approval.
2. In the event the City waives utility assessments, the HAWSP Fund must be reimbursed for the value of any assessments so waived. (See Resolution 05-50.)

V. HISTORY

A summary of legislative history of the HAWSP is attached.

December 7 Draft

H.A.W.S.P. POLICY MANUAL

(Homer Accelerated Water and Sewer Program)

Table of Contents

- I. Purpose
- II. Definitions
- III. Qualifying Project Criteria
- IV. Financing and Assessments
- V. Maximum Spending Limit
- VI. History

I. PURPOSE

City of Homer voters established the HAWSP to improve the health and welfare of the citizens of Homer by funding capital improvements to the City's water and sewer system. A key strategy for accomplishing this was to extend water and sewer mains to unserved properties, bringing the following benefits: increasing the number of users on the system, increasing property values, protecting public health and improving quality of life. The HAWSP is funded by a voter-approved dedicated sales tax, and assessments levied on benefited properties. (See HCC 9.16.010(b).)

The intention of the HAWSP is to:

- Provide for water/sewer improvements without placing a heavy financial burden on individual property owners. (Resolution 99-53.)
- Increase the number of users to the system(s), thereby increasing revenues to the Water and Sewer Enterprise Funds. (Resolution 99-53.)
- Promote construction of additional improvements to the City water and sewer system. (See Ordinance 99-14(S)(A).)
- Protect public health. (2016 HAWSP Policy Manual.)

II. DEFINITIONS

- a. **Unencumbered Fund Balance** – The balance within the HAWSP fund that is not allocated to pay the City portion of a project or otherwise allocated.
- b. **HART** – Homer Accelerated Roads and Trails program
- c. **Water and Sewer System Improvements** – Any work, such as planning, design or construction, etc., which improves the City's water and sewer infrastructure, including, but not limited to, the extension, expansion, repair or rehabilitation of
 - i. The City's water supply, raw water transmission lines, water treatment facilities, water storage facilities, water distribution lines, fire-fighting devices, and related or similar appurtenances.

- ii. The City's sewer collection lines, sewer lift stations, RV Dump Stations, waste water treatment facilities, discharge outfall and related or similar appurtenances.
- iii. Other facilities, which provide public access to clean water and the sanitary disposal of human wastes to protect public health.
- d. **Major Capital Project** – A project that exceeds \$1.1 million in value, which cannot be executed in an incremental fashion.

III. QUALIFYING PROJECT CRITERIA

- a. All projects will be authorized only after a public hearing pursuant to HCC Title 17.
- b. All projects using HAWSP funds must meet at least three of the following criteria:
 - 1. Is located within the City limits.
 - 2. Will be part of an authorized Special Assessment District.
 - 3. Addresses public health, safety or regulatory changes.
 - 4. Expands capacity to serve new customers.
 - 5. Is listed in a planning document adopted by the City Council.
 - 6. Reimburses a private developer for the costs of providing excess capacity at the City's request, pursuant to HCC Title 17.
 - 7. Other factors deemed appropriate by the City Council.
- c. All projects and connections to the water/sewer system must be conform to City standards.
- d. HAWSP funds may be used to pay off HAWSP-project debt, subject to Council approval.
- e. Whenever and wherever practical, road improvements shall be done in conjunction with water and/or sewer projects but not before. (See HART Policy Manual.)

IV. FINANCING AND ASSESSMENTS

- a. All projects funded by HAWSP must comply with the provisions of HCC Titles 14 and 17.
- b. City Council shall assess the health of the HAWSP Fund prior to approving a new project.
- c. Interest, if any, generated from the program will remain with program funds.
- d. The City shall not charge the HAWSP Fund for General Fund Overhead.
- e. In the event the City waives utility assessments, such as to facilitate acquisition of real property interests for conservation purposes, the HAWSP Fund must be reimbursed for the value of any assessments so waived. (See Resolution 05-50.)

- f. The Council shall review the HAWSP Fund annually during the budget process. All efforts shall be made to ensure the assessment payments levied on benefited properties cover the annual debt service of the Fund.
- g. When financing a HAWSP project, the City shall provide cash for its required percentage, unless otherwise authorized by the Council.

V. MAXIMUM SPENDING LIMIT

- a. The Finance Department shall, on an annual basis, submit for City Council review, financial statements showing the status of the HAWSP Fund.
- b. The Public Works Department shall, on an annual basis, submit for City Council review, separate Capital Improvement Plans for the Water Utility and Sewer Utility, which shall identify Major Capital Projects required to (i) keep the utilities in a state of good repair or (ii) expand capacity. These Plans shall include cost projections and rank the projects in order with need.
- c. The City Council will, upon review of the documents described above, establish, by ordinance (1) a Maximum Spending Limit for the HAWSP Fund for the subject year and (2) a Spending Plan for the HAWSP Fund. Once adopted the Maximum Spending Limit and HAWSP Spending Plan may only be changed by the City Council.

VI. HISTORY

A summary of legislative history of the HAWSP is attached.

**CITY OF HOMER
HOMER, ALASKA**

Smith

RESOLUTION 20-119

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
ACKNOWLEDGING THE 2021 BUDGET WILL BE TRUNCATED TO
JANUARY 1 TO JUNE 30, 2021 TO ACCOMMODATE THE
TRANSITION FROM A CALENDAR YEAR BUDGET TO A FISCAL YEAR
BUDGET.

WHEREAS, Council passed Resolution 20-112 stating that the City will have a fiscal year commencing July 1 through June 30 of the succeeding year;

WHEREAS, Resolution 20-112 also states that this fiscal year change is effective July 1, 2021;

WHEREAS, FY21 is the transition year and therefore needs to be truncated to cover the period of time in between.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby acknowledges that the fiscal year 2021 will be shortened to cover the period of January 1 through June 30, 2021.

PASSED AND ADOPTED by the Homer City Council this ____ day of _____ 2020.

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal Note: N/A

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

3 Evensen/Hansen-Cavasos/Mayor

4 **Resolution 20-134**
5

6 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
7 SUPPORTING REGIONAL AQUACULTURE ASSOCIATIONS AND
8 STRONGLY OPPOSING PROPOSED CHANGES TO MANAGEMENT
9 PLAN OF KACHEMAK BAY STATE PARK AND STATE WILDERNESS
10 PARK THAT WOULD DISPROPORTIONATELY AND NEGATIVELY
11 IMPACT THE HOMER COMMUNITY
12

13 WHEREAS, The State of Alaska Division of Natural Resources (DNR) recently proposed
14 management plan with intent-to-adopt, which includes effective elimination of the “Fishery
15 Enhancement – Hatcheries” category with respect to Kachemak Bay State Park (Park) and its
16 Tutka Bay Lagoon Hatchery; and
17

18 WHEREAS, Built by the State of Alaska, the Tutka Bay Lagoon Hatchery (TBLH) is a
19 regular component within the Park and nearly as old as the Kachemak Bay State Park (1970)
20 itself; and it is currently operated by Cook Inlet Aquaculture Association (CIAA) and has been
21 serving the greater Homer community continuously since 1978; and
22

23 WHEREAS, CIAA is a private, non-profit, regional aquaculture corporation that works
24 with regional stakeholders to engage in salmon fisheries enhancement and habitat work
25 throughout the Cook Inlet region for the benefit of commercial, subsistence, sport, and
26 personal use fishing; and
27

28 WHEREAS, CIAA activities bolster salmon throughout their entire lifecycle and the
29 nutrients that they provide uniquely support land-based ecosystems; and this marine-to-land
30 transference of biomass is rare biologically and critical to inland wildlife populations near
31 Homer; and
32

33 WHEREAS, One distinguishing feature of Alaskan aquaculture is that fisheries
34 enhancement is designed to provide salmon harvest opportunities while maintaining the
35 sustainability of wild salmon through science-based programs; and this concept and
36 terminology should not be confused with environmentally offensive “fish farming” – a
37 controversial, offshore practice that remains illegal in the State of Alaska; and
38

39 WHEREAS, Citizens of Homer and visitors to Kachemak Bay directly benefit from CIAA
40 activities from at least the following run fisheries:
41

- 42 • Sockeye salmon providing sport, personal use, and commercial fishing harvest at
43 China Poot River and waterfall, Kachemak Bay

- 44 • Sockeye salmon released at Hazel Lake, returning to Kachemak Bay for sport and
45 commercial fishing harvest
- 46 • Pink salmon providing sport, personal use, and commercial fishing harvest at Port
47 Graham Bay, Kachemak Bay
- 48 • Pink salmon providing sport and commercial fishing harvest at Tutka Bay, Kachemak
49 Bay
- 50 • Coho salmon providing sport, and personal use fishing harvest throughout Kachemak
51 Bay (CIAA-initiated Caribou Lake stock)
- 52 • Monitoring natural salmon colonization at Paint River (via CIAA-built fish ladder),
53 Kamishak Bay, Cook Inlet, with the goal of opening up common property fishing there
- 54 • Sockeye salmon providing sport and commercial fishing harvest at Kirschner River,
55 near Bruin Bay, Kamishak Bay
- 56 • Monitoring stations (modern fish weirs) for natural sockeye salmon runs at Delight
57 River and Desire River, Nuka Bay (near Kachemak Bay State Wilderness Park)

58
59 WHEREAS, A corollary to local benefited fisheries, the largest sector of tourism in and
60 around Homer involves sport fishing; and these visitors also represent the largest user group
61 (volumetrically) of the Homer Harbor and its facilities; and

62
63 WHEREAS, Citizens of Homer reap economic benefits from CIAA activities associated
64 with TBLH, including support of Homer-based marine trades and businesses, fish processing
65 jobs, State and City fish processing tax (landing tax), and related industry jobs that support
66 both sport fishing and commercial fishing fleets in Homer; and

67
68 WHEREAS, Common property harvest at TBLH fills a strategic gap in the mid-season
69 timing of the Commercial Lower Cook Inlet Salmon Fishery and some years the “Tutka Run”
70 has represented the most substantial harvests; and TBLH also represents crucial operations
71 for CIAA that allow salmon enhancement and monitoring regionally throughout Kachemak
72 Bay and Lower Cook Inlet; and

73
74 WHEREAS, Within the Park the majority of seasonal traffic directed at Tutka Bay and
75 Tutka Bay Lagoon is due to sport fishing supplied by TBLH; and heavy Park usage directed at
76 the China Poot Dip Net Fishery also relates to TBLH and CIAA; and

77
78 WHEREAS, Proposed changes to the management plan for Kachemak Bay State Park
79 and cessation of the TBLH would harm the largest usage of the Park, diversity of users within
80 the Park, and current and historic economies of the Homer community; and furthermore it
81 would severely or permanently limit salmon deliveries to the Homer Dock, encumber fish-
82 processing and fish-transporting businesses, potentially eliminate related business niches,
83 commercial and sport fishing operations based from Homer, families that rely on personal
84 use fishing for subsistence, regional tourism in a widespread manner, and – generally – the
85 citizens of Homer; and

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WHEREAS, In summary, implementation of plans proposed by DNR would unfairly and disproportionately affect the livelihoods of citizens and the economy of one community, Homer; and

WHEREAS, Continued support and operation at TBLH as a Park-compatible asset is in the interest of the citizens of Homer and the numerous stakeholders surrounding Homer’s regional world-class marine-, river- and lake-based resources.

NOW, THEREFORE BE IT RESOLVED that the Homer City Council affirms its general support for regional aquaculture associations and their programs, and for CIAA in particular.

BE IT FURTHER RESOLVED that the Homer City Council supports scientific and unbiased methods to assess the interaction of aquaculture programs with marine ecosystems.

BE IT FURTHER RESOLVED that the Homer City Council is strongly opposed to proposed changes in the Kachemak Bay State Park Management Plan that would encumber, restrict, or terminate continued operations of this long-standing Hatchery (TBLH) due to widespread economic and historic/cultural benefits for the greater Homer community and owing to its clear compatibility within Kachemak Bay State Park.

BE IT FURTHER RESOLVED that the Homer City Council is strongly opposed to proposed changes that could specifically cause economic hardship for Lower Cook Inlet commercial fishermen, Homer-based marine trades and businesses, wharfage, crane and ice sales at the city Fish Dock, fish processing jobs, State and City fish processing tax (landing tax), and related industry jobs that support our commercial fishing fleet in Homer.

BE IT FURTHER RESOLVED that the Homer City Council calls on the Division of Natural Resources to work dutifully with the regional aquaculture associations, the Alaska Department of Fish and Game, Alaska Board of Fisheries, commercial fishermen, and marine scientific organizations to further its understanding of the importance of Alaskan aquaculture programs for all Alaskans and our visitors to Kachemak Bay State Park and Wilderness Park.

PASSED AND ADOPTED by the Homer City Council this 14th day of December, 2020.

CITY OF HOMER

KEN CASTNER, MAYOR

128 ATTEST:

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131 _____

132 MELISSA JACOBSEN, MMC, CITY CLERK

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134 Fiscal Note: N/A

135



Issue 86
FALL/WINTER 2020

Welcome to Port Graham Hatchery: A modern hatchery in a village with a long history

By Rob Sangster, Hatchery Manager

Cook Inlet Aquaculture Association (CIAA) is currently producing salmon at three hatcheries located on the Kenai Peninsula. Situated off the road system, Port Graham Hatchery is the most remote when considering distance from urban areas, lying near the southern tip of the Kenai Peninsula. The hatchery is in the traditional Native village of Port Graham, also known as *Paluwik*, and is about three and a half miles via a foot trail from its closest neighbor, the village of Nanwalek. Both villages have a long history of subsistence and commercial fishing—CIAA’s mission of providing and protecting the area’s salmon resource fits well with the village’s priorities and lifestyle.

Port Graham is located approximately 28 air miles from Homer, which allows for small planes, water taxis and landing crafts to service the community. Port Graham’s gravel-runway airport is early in the process of being upgraded to become a shared airport with Nanwalek and will connect the villages by road. According to the Alaska Department of Labor and Workforce Development, Port Graham consists of about 180 people in 79 households and is governed by Port Graham Tribal Council, led by Chief Pat Norman.



Port Graham Hatchery is the blue roofed building in this photo. The back half of the building is the shuttered processing facility. Photo courtesy of Paul Roth.




The Port Graham Hatchery is unique because it is actually in an Alaska Native village, unlike any other private non-profit salmon hatchery in Alaska. The hatchery was constructed and operated in 1992 by the Port Graham Hatchery Corporation (PGHC), a non-profit corporation. The purpose of building the hatchery was to provide a more reliable supply of salmon for the local cannery operation. The hatchery also supplemented the natural run of sockeye salmon into the English Bay lakes system, near Nanwalek, providing important salmon runs for Nanwalek’s subsistence ³⁵³ commercial catches.


In 1997 the hatchery burned down and two years later it was rebuilt along with the village’s cannery in one modern common building. Historically, commercial fishing and the cannery were a major part of the local economy. Although a seasonal settlement had been at the Port Graham site prior to the 1880s, it was the first fish processing plant and dock built and operated by Fidalgo Island Company from 1910 to 1912 that helped establish the permanent community of Port Graham. This brought in more people from neighboring settlements.

See page 4, PORT GRAHAM

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 Permit #957

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- Delight Lake Page 7 
- Education Page 7



Board member profile: David Martin

Farmers and fishermen share many traits—a sense of adventure; a strong work ethic; incredible resiliency in the face of adverse conditions presented by the environment and/or the political landscape; and a driven commitment to sustaining harvests be it from the land or sea. They also share the satisfaction of knowing that their respective livelihoods feed the world. These qualities are essential to successfully operate agriculture and fishing businesses. David (Dave) Martin has the unique perspective that bring both lifestyles—farmer and fisherman—to the CIAA Board of Directors.

Dave is from the small Midwest community of Adel, Iowa, where he grew up on a family grain and livestock farm. More than 97% of Iowa's farms are owned by families and Dave is a fourth-generation farmer. His family farm had cows, pigs, and grain. Dave was introduced to the family business early in life—he started driving a farm tractor as a six-year-old. Dave's 90-year-old father, Roger Martin, is still active in helping out on the farm, which is solely focused on soybeans and field corn now. This type of corn is commonly grown to feed animals and to make ethanol.

Right out of high school, in June of 1971, Dave decided to make a 4,000-mile trek from Iowa to Alaska on a motorcycle. "It was the cheapest way I could get there, and I wanted to go for the adventure of it," Dave recalled. He started this adventure with a buddy, who dropped out in Oregon so Dave made the rest of the trip by himself.

When Dave got to Alaska, he set out to look up Wayne Findley and his family, a local Iowa farming family that had moved up to Alaska in the 1960s. They lived north of Ninilchik and were setnet fishermen. Upon arriving in



David Martin



Board member David Martin on the left, with his father Roger Martin in the middle, and fellow farmer, Richard Tickner, stand in front of a combine used to harvest field corn.

Ninilchik, Dave traveled down a beach road, which he later found out belonged to another fisherman (and founding CIAA member), Doug Blossom. "I remember seeing the filleted carcass of a fish there. As an Iowa farm boy, I did not know what-the-heck kind of fish this was—flat, with both eyes on one side and it was around 30-inches long, which was big for me," Dave told of his first encounter with a halibut.

Dave eventually found the Findleys at Doug's place. At the time Doug was building a new house. "I had worked the past two summers helping to build houses in Iowa, so I just picked up a hammer and started helping." After about a week of watching Dave help at the Findley's setnet site and pound nails on his house, Doug could see that Dave could actually work, so he gave Dave a job fishing and helping to build his house. Doug became Dave's mentor and anchor in Alaska to get into fishing.

In the winters, Dave went to school at Oregon State University. He was originally going for a degree in Fish and Wildlife Management but recognized that he did not want to be stuck behind a desk, so after two years he switched to agriculture, earning his bachelor's degree in 1975. During the summers, he continued to travel to Alaska and fish for salmon and halibut working for Doug Blossom, Dan Huey, and Elmer Wood.

Elmer was a homesteader who came to Ninilchik after World War II and was one of the early Cook Inlet salmon drift and seine fishermen. In 1973,

the State of Alaska enacted the Limited Entry Law. Due to the rising number of fishermen entering into Alaska commercial fisheries in the 1960s, this law was enacted to conserve Alaska's salmon and other fish resources by limiting the number of fishermen into the fishery. In 1975, Elmer qualified for limited entry permits in salmon seining and drifting in Cook Inlet. Dave bought him out taking over the permits, a jitney, skiff, seine, and the cotton nets that were used for drift fishing at the time and continued his fishing adventures with Doug and Elmer for many years.

In 1976, at a recommendation from Doug Blossom to Joe Friebrock, owner of Snug Harbor Cannery, Dave came to lease the f/v *Snug 17*, a 33-foot wood boat with a straight six Ford diesel that traveled at about six knots max with no tide. The canneries, such as Snug Harbor, used to have their own fleet of boats that they leased to fishermen such as Dave.

The next year Joe entrusted Dave with the use of the f/v *Jaws*, a 30-foot fiberglass Tollycraft with a gas 440 Chrysler and one of the fastest boats in Cook ³⁵⁴ at the time, about 18 knots. "He let me use it because he figured I would not blow the engine up." Dave continued to lease that boat through 1982 and never did blow up the engine! He wanted a boat that would offer more versatility for halibut longlining, salmon drifting and seining, and herring seining, so he bought the f/v *Kaguyak*, the boat he still operates today. *Kaguyak* is an Alaska Native Alutiiq placename

See page 4, MARTIN

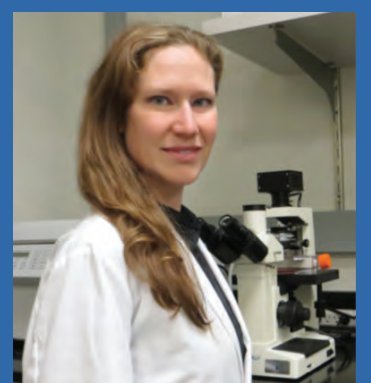
Board of Directors update

Welcome to our new board member!

Earlier this year, the City of Seward selected a new representative to the CIAA Board of Directors, Katrina Counihan, who holds a PhD in microbiology. For the past nine years she has worked at the Alaska SeaLife Center, and is currently an Assistant Research Scientist there. Katrina has worked with Alutiiq Pride Shellfish Hatchery and Pacific Seafood to develop projects aimed at improving aquaculture techniques. We welcome Katrina to the Board. We also appreciate the contributions made to CIAA by the previous City of Seward representative, Jess Sweatt.

Next board meeting

The next board meeting will be held January 16, 2021 at 10:00 a.m.



Katrina Counihan

Executive Director's message

It is an understatement to say that 2020 was an interesting year. In the summer issue of *Smolts* I discussed the operational challenges when I felt the surge of complexity would begin to subside. Reality has a way of taking over wishful thinking.

Our organization had revenue shortfalls this year that were beyond the control of staff or the result of operational issues. All staff forged ahead with the challenges faced and improvised, adapted, and overcame in all areas. Similar to other areas throughout the state our fish returns fell short of projections, which resulted in the cost recovery goal for the organization not being achieved. Port Graham Hatchery stood out where the goal was achieved at 102% of projection.

Tutka Bay Lagoon Hatchery collected 91 million pink eggs over an 18-day period, achieving the goal. Sockeye egg take was 2.7 million eggs, which was short of the goal but was 1 million more than last year. These eggs provide the fry for stocking in China Poot, Hazel, and Kirschner lakes as well as the continuation of sockeye returning to Tutka Bay Lagoon.

Trail Lakes Hatchery achieved the goal of 6 million sockeye eggs collected at Bear Lake to continue to provide stocking for Bear Lake and Resurrection Bay. Bear Lake coho escapement goal was achieved along with the egg-take goal of 566 thousand eggs and the necessary brood provided for ADF&G William Jack Hernandez Sport Fish Hatchery. The Hidden Lake return achieved expected escapement goals although the broodstock goal was not fully met. The

Trail Lakes crew achieved 70% of goal with 871 thousand eggs collected.

Port Graham Hatchery worked with limited staffing this year and took 35 million pink eggs, which is double from last year with half the staff. All staff worked diligently spending the day collecting eggs then moving inside to incubate the eggs, one crew performing the work of two crews, which resulted in long days.

All field camps were successful in achieving monitoring goals, which assisted in the management of commercial fisheries in Area H. The Paint River Fish Ladder was opened and salmon were identified and counted as they made their way through the ladder. Having a completed cabin and staffing on site allowed for continual monitoring this year for the first time. Relying solely on a video weir in this rugged and remote setting resulted in significant data gaps previously. This year when there was an issue with the video monitoring equipment, the field staff were able to manually operate the weir in the ladder and count salmon until repairs could be made. This continued effort to monitor and collect information provides CIAA and agencies the data needed to make informed decisions to monitor program objectives and manage fisheries.

Tutka Bay Lagoon and Port Graham hatcheries were not able to hire full staffing due to restrictions in travel and site requirements. Managers were able to adjust scheduling to achieve maximum results, which called for extended shifts during egg takes.



Dean Day

Due to restrictions our public outreach was limited but through planning and coordination CIAA and ADF&G worked together to have a successful Salmon in the Classroom event at Bear Creek Weir, which provides fertilized eggs to Kenai Peninsula schools. Trail Lakes Hatchery staff created an educational salmon dissection video for future use, which you can watch here: <https://www.youtube.com/watch?v=qPucEPdXGXA>.

In collaboration with the Kenai Watershed Forum (KWF), CIAA assisted with the Adopt-a-Stream Program in Kenai Peninsula School District classrooms until March when restrictions were put in place that halted this work. Since then KWF and CIAA have shifted to creating a field briefcase (see page 7) for future use in the program.

Headquarters staff continued with daily operations and were able to achieve much needed administrative overhauls in key areas.

Information regarding CIAA's mission along with data from our projects can easily be accessed on our website at www.ciaa.net.org. Here you can access detailed 355 members on each of our projects throughout the state—everything from stocking numbers to annual progress reports.

The staff at CIAA continue to be fully committed to managing their respective programs and operating to their full potential. I am confident the organization continues to build upon the foundation established through the years for continued success while continuing to utilize best practices that will strengthen the organization and provide for new opportunities in the future.

The Board of Directors' leadership, knowledge, and experience are keys to successful CIAA operations. Board support has been particularly instrumental for the continuation of all programs this year. Employee acquisition and training was challenging but knowing that the Board fully supported continuous operations, staff was able to successfully move the mission forward.

As we close out 2020, I am hopeful that 2021 will bring bountiful harvests to all of you, supported by the salmon fisheries CIAA provides and protects.



Cost recovery harvest in Tutka Bay Lagoon, with the net pens in the background, 2020. Photo courtesy of Dale Bagley.

MARTIN—continued from page 1



Three generations of fishermen: David Martin with his grandson and son.

reflecting the boat's origin in the village of Kaguyak, which was wiped out by a tidal wave from the 1964 earthquake, on southeast Kodiak Island. "I learned to pronounce it and spell it so I kept the name. It's unique."

Ever since Dave started fishing and living in Alaska, he still goes back to Iowa every fall to visit his dad and mom, Lavonne, and to help out with the fall harvest. "I grew up farming the land, and now I farm the sea, and then go back to farming the land. They are both in my blood," as Dave described a typical year of harvesting for him. In addition to fishing and farming, Dave did seismograph work for Western Geophysical on the North Slope for eight winters, along with many other Ninilchik fishermen, "to help pay for our fishing habits!"

In 1978 Dave got married and moved up to Alaska. He and his wife have three grown children and two grandsons. All of Dave's kids have gone fishing with him. Like the farms in Iowa, commercial fishing permit holders in Alaska represent small and family-owned businesses. "There are not too many occupations where you can have your family members participate in it," said Dave and that aspect of commercial fishing is extremely important to him. He has not only taken family members fishing, but he has taken out many other young adults. Dave said working in commercial fishing helps to develop young people into good citizens with strong work ethics. He will tell parents of a young crewman he takes on "I will take him out as a boy and give him back to you as a man."

It was his dad that taught Dave how to work and how to enjoy working while it was his mother that taught him manners. "Most people work all their lives and retire to go fishing. I have been fishing since I started, so there is no sense in retiring if I can physically and mentally do it." Dave

went on to describe his joy when out fishing, "I still get excited when I see a fish hit the net, and even more excited when I see a school of fish hit the net, and even more excited when I see the whole net light up! I relish the independent lifestyle and being my own boss."

Dave stays active in service to the fishing industry and to the salmon and other fish resources. "I have been an advocate fighting for the commercial fishing industry and fishing resource basically since I started fishing. I have the capability to fight for the legacy of the industry and the resource to preserve this livelihood, which is a big part of the economy, for future generations. If it is worth doing then it is worth fighting for. You gotta wanna!" Currently Dave is the Treasurer of the Cook Inlet Fisherman's Fund; the President of the United Cook Inlet Drift Association; and the Chairman of the Central Peninsula Fish and Game Advisory Committee.

Dave is also one of the longest-serving members of the CIAA Board of Directors, starting in 1985 as a representative of the Cook Inlet Fisherman's Fund. He has held an elected officer position almost every year since then, currently serving as the Treasurer. The values of CIAA align firmly with Dave's own values: credibility, accountability, education, and responsible service to the community.

To be sustainable, fisheries management must be based on science and biology, not politics.—David Martin

Dave credited CIAA with its advocacy for the salmon resource and for the habitats that sustain salmon, whether the salmon begin their life cycle in a hatchery or in a stream, river, or lake. In Alaska, hatcheries produce hatchery-born, ocean-raised, wild salmon. Dave is especially supportive of CIAA's invasive species projects and promoting state-wide prevention and rapid response strategies that will keep Alaska free of harmful invaders.

The biggest obstacle to CIAA and to commercial fishermen in general, Dave described, is the politics that have encroached into State management that are not favorable to the fishing industry, resource, or habitat. Public education on the positive effects of aquaculture and the fishing industry are essential. "In essence, I see our efforts, not only that of CIAA but of other fishing organizations, are directed to preserve a way of life and a resource so it is passed onto future generations. We are the last stronghold of wild salmon production in the world actually. We don't want to repeat the mistakes of other places. To be sustainable, fisheries management must be based on science and biology, not politics."

It seems perfectly sensible that an Iowa farm boy could easily adapt and embrace an Alaska commercial salmon fisherman way of life. It seems even more logical that this same person, David Martin, would also recognize and promote the basic principles of sustainability that allow both Midwest farming and Alaska salmon aquaculture to thrive.

PORT GRAHAM—continued from page 1

By 2007, PGCH had suspended operations of Port Graham Hatchery due to budget constraints. In conjunction with the Alaska Department of Fish and Game, CIAA started culturing sockeye for PGHC at the Trail Lakes Hatchery in 2010 for the English Bay Lakes project. In 2011, PGHC approached CIAA about taking over Port Graham Hatchery operations and in April 2014, CIAA purchased the hatchery. The physical plant had suffered some damage while shut down, and in 2014 repairs and improvements were made to facilitate pink salmon hatchery operations.

Permitted for 125 million pink salmon, CIAA headed into 2015 with the facility upgraded, and with a goal of rearing up to 84 million green eggs—a figure based on availability of water. Most hatcheries use a fish ladder to collect returning salmon but there is not enough water available at Port Graham to use a ladder. Port Graham Hatchery staff capture the broodstock

with the assistance of salmon seiners who deposit the fish into net pens just offshore of the hatchery building. Staff then take the eggs on the salt water net pens because of the inability to use a fish ladder. Salt water egg takes are not common in Alaska salmon aquaculture.

Being located in Port Graham comes with some advantages. Hatchery staff get to live remotely while having the convenience of two small grocery stores and a medical clinic. Flights, including mail delivery, are on a regular schedule (weather permitting).

Seasonal workers, especially during a time of restricted travel due to the local government's COVID-19 response, are recruited locally from the village, providing the hatchery with valuable help and the community with jobs. The hatchery staff work with the local schools, providing exposure to science outside of a lab environment,

and helping build a good relationship with the community.

Cook Inlet Aquaculture Association is making progress toward meeting the hatcheries goals. Improving on broodstock collection, egg take, incubation, and fish culture techniques as well as site and equipment upgrades have allowed hatchery staff to adapt to site specific obstacles.

Although CIAA's hatcheries are currently closed to the public due to the pandemic, we hope to open back up as soon as the situation allows. Once we do open up, we invite you to give us a call at 907-284-2285 to arrange a tour of the hatchery and if time permits, a tour of the beautiful village of Port Graham.

You can access annual hatchery release numbers by visiting CIAA's website www.ciaa.net and clicking on the "Data and Reports" tab.

2020 field projects recap

Despite challenges presented by the COVID 19 pandemic, we pulled off a successful 2020 field season, operating several smolt and adult salmon counting, habitat, and invasive species projects. Working in the field requires flexibility, planning, and creative thinking. So in this pandemic year, CIAA staff were able to fully flex these skills to ensure smooth operations. Many of our agency and community partners were prohibited from working in the field this summer—we are grateful that we were able to go forward. And we have had some other major successes this year, from hundreds of sockeye salmon returning to Shell Lake to the thousands of coho salmon counted at Paint River!

Salmon smolt monitoring

For over 40 years now, CIAA has operated salmon smolt traps and adult salmon weirs to help evaluate our hatchery programs; and to evaluate naturally-produced fish populations. The data collected is also used by ADF&G for salmon fisheries management, which can open up fishing opportunities.

This was the 21st year we have counted sockeye smolt leaving Tustumena Lake. Although this run of salmon has not been related to any hatchery enhancement project since the mid-2000s, CIAA has invested in this project year after year because Tustumena is the second biggest producer of Upper Cook Inlet sockeye salmon, providing significant fishing opportunities for all users. The smolt-out information is reviewed by ADF&G alongside the adult counts they collect via sonar in the Kasilof River to assist in fisheries management. The 2020 estimated sockeye smolt count was just over 8 million fish, the largest count since 2015 when the count was about 9.8 million fish.

In 2020, we also counted smolt leaving Bear, Hidden, and Kirschner lakes. At Hidden Lake, we counted about 250,000 sockeye smolt. The



Kirschner Lake sockeye smolt, 2020.

Bear Creek weir counting crew was busy this year, counting 1.2 million sockeye smolt and 112,000 coho smolt—another strong year for smolt production out of Bear Lake. At Kirschner Lake, on the west side of Cook Inlet, we completed the second year of a three-year project counting sockeye smolt to help evaluate the freshwater survival from fry to smolt. The results from this study are intended to evaluate the efficacy of the stocking program conducted by our Trail Lakes Hatchery. Unlike 2019 when a flash flood impeded counting at the trap, this year the crew was able to operate this trap continually counting about 103,000 sockeye smolt.

Adult salmon monitoring

The 2020 estimated adult sockeye salmon return to Resurrection Bay and Bear Lake was about 75,000 fish, far short of the projection of



Jacob Kinney with one of the hundreds of sockeye salmon that returned to Shell Lake in 2020.

over 300,000 fish. The 75,000 fish counted included fish counted at Bear Creek Weir and allowed to pass into the lake (12,760) and cost recovery harvest. This does not include the fish taken in the sport fishery, which is not systematically counted, but estimated based on ADF&G's annual sport fishing survey. This sockeye salmon fishery, provided by CIAA, continued to draw a number of anglers to Seward and Resurrection Bay this summer.

At Hidden Lake, our projection was for a minimal return and that is what we saw with about 3,000 adult sockeye salmon counted—still enough for an egg take (see page 6).

For the third year, we counted the adult salmon returning to Delight Lake via a weir. This is a naturally-produced run that CIAA has

chosen to monitor with the goal of increasing fishing opportunity (see page 7). This year we counted about 12,000 sockeye salmon returning.

At Shell Lake, in the Susitna watershed, when the crew went to set up camp for the year, they were greeted by hundreds of jumping smolt—a sight not seen in years! The local residents even asked our crew if we stocked salmon this year—we did not. This was to be a good omen for the season. The crew ran a video weir to count the returning adult sockeye salmon. This year was especially rewarding, after many years of working to save this natural run of salmon from extirpation, mainly due to invasive pike predation, we had a return of nearly 900 sockeyes! This was the largest return on record since 2011, and the return was aided by staff notching several beaver dams blocking passage on the Shell Creek.

Another exciting project for CIAA this year was at Paint River where we counted over 6,000 salmon, mostly coho but also pink, chum, and sockeye, using the Paint River Fish ladder to enter the Paint River system. The Paint River Salmon Ladder was constructed by CIAA to allow anadromous fishes to overcome a 40-foot waterfall and colonize the Paint River system on Kamishak Bay in lower Cook Inlet, Alaska. Opening this system to salmon production provides salmon with over 25 miles of pristine riverine and over 400 acres of lacustrine cold water habitats unspoiled by invasive species. This year was a significant milestone in that we had a crew continuously monitoring the video weir and counting fish passing through the ladder. The goal is to provide enough data and evidence of

salmon passage to allow ADF&G fisheries managers to eventually open up additional harvesting opportunity to Cook Inlet fishermen. This project also fit in nicely with the NOAA Saltonstall-Kennedy Grant Program to support fishing communities by building and maintaining sustainable fisheries so CIAA submitted in a proposal to fund future years of this project. All the proposals are currently under review.

Invasive species

An important aspect of our operations are the projects and activities CIAA engages in to help improve and/or protect salmon populations and their habitat. This summer, CIAA continued to focus on invasive species projects related to northern pike and Elodea, both of which are threats to salmon populations and salmon habitat.

Under a grant from the Alaska Sustainable Salmon Fund, a CIAA crew spent a third, and last, summer at Whiskey and Hewitt lakes harvesting invasive northern pike and taking samples for analysis. The Whiskey-Hewitt Creek outlet is home to a population of northern pike, which is thought to have contributed to the decline of juvenile salmon leaving this system due to predation. Over the three years of this project, CIAA harvested about 7,080 pike from these two lakes. This project was a collaborative effort with ADF&G who performed acoustic fry surveys at Hewitt Lake each fall. By combining intensive harvesting with the fall surveys, it was hoped that the abundance of juvenile sockeye salmon rearing in Hewitt Lake would increase to 1,000,000 by the fall of 2020, which was the approximate abundance of fall fry as estimated by ADF&G in 2005 before a marked decline was observed over subsequent years.

Data generated by this project are still being analyzed but preliminary analysis indicates that the biomass of pike has been greatly reduced in both lakes. The ADF&G crew has seen large gains in the number of sticklebacks rearing in the lake and smaller gains in the number of sockeye fry. This was disappointing but not unexpected because during the first two years of the project, there were few sockeye salmon observed in either lake. In 2020 we saw an increased number of sockeye salmon in Whiskey and

See page 6, FIELD

Hatchery report: egg collections go smoothly despite challenges

By Ryan Wagner, Hatchery Operations Manager



Mike Komperda with sockeye salmon eggs taken at Bear Lake and transferred to Trail Lakes Hatchery, 2020.

The 2020 egg take season was like none other. It was a season of lockdowns, mandates, and quarantines. After coming off the 2019 egg take season, where returns fell well short of projections, Port Graham Hatchery staff were headed into the 2020 season with excitement and optimism. Unusual times resulting in severe local travel restrictions made it difficult to recruit and hire seasonal staff members needed to conduct an egg take. Three full-time staff and three seasonal employees made up the crew for the 2020 egg take this year. Port Graham Hatchery was satisfied to be able to recruit from the village and help support the local economy. The minimal crew was able to collect 34.8 million green pink eggs. The staff has recently completed egg pick, which is where live eggs and unfertilized eggs are separated, and currently have 25.5 million eyed eggs in incubation, waiting to hatch in the spring of 2021.

Trail Lakes Hatchery had several egg takes in 2020 that encompass its various programs: Hidden Lake, Tutka Bay Lagoon, and Bear Lake. The 2020 egg take season was successful with the exceptions of the Tutka Bay Lagoon and Hidden Lake sockeye programs. As expected this year, Hidden Lake returns were low, which resulted in the collection of 871,000 eggs, short of the 1.26 million green egg take goal. This will result in a reduced amount of unfed fry stocked into Hidden Lake in the spring of 2021.

2020 Egg Take Summary				
Hatchery	Species	Stock	Goal	Green Eggs
Tutka Bay Lagoon	Pink	Tutka	125,000,000	91,573,033
Port Graham	Pink	Port Graham	84,000,000	34,853,545
Trail Lakes	Sockeye	Bear Lake	6,000,000	6,000,672
	Sockeye	Hidden Lake	1,266,000	871,317
	Sockeye	Tutka	5,691,000	2,666,434
	Coho	Bear Lake	565,000	568,414

This season there were 2.6 million green sockeye eggs taken for the Tutka Bay Lagoon sockeye program compared to a goal of 5.6 million green eggs. This is an improvement from last year, when 1.7 million green eggs were taken, but it will impact future stocking numbers in Tutka Bay Lagoon, Kirschner, Leisure, and Hazel lakes. The eggs were transported to the Trail Lakes Hatchery for incubation.

The Bear Lake sockeye and coho egg takes were on target with 6 million sockeye green eggs and 568,000 coho green eggs respectively.

Tutka Bay Lagoon Hatchery had a successful 2020 egg take season. This hatchery faced many challenges this season, including changes in key hatchery personnel just before the start of the egg take season. However, leadership at the hatchery was able to overcome these challenges, resulting in a successful season. Tutka Bay Lagoon Hatchery is permitted to take 125 million green pink salmon eggs. This season 91.5 million green eggs were loaded into incubation. After egg pick, 75.3 million eyed eggs remain in incubation for the winter.

With all the eyed eggs tucked away in the incubators and developing into their next life stage, CIAA's hatchery staff remains busy carefully tending to their growth. We look forward to releasing these fish in the coming years and then seeing many of them return again to start the cycle all over!

FIELD—continued from page 5

Hewitt lakes. Local residents also reported that they were seeing more salmon this year than they had seen in previous years. Those fish that presumably spawned in 2020 will not hatch until 2021. Both CIAA and ADF&G are hoping to pursue funding to continue the project to see if the original goals can still be met, albeit in a longer time frame.

At Shell Lake we continued a salmon rehabilitation project that included different activities such as a special stocking program to preserve and restore the genetic lineage of the Shell Lake sockeye salmon. Shell Lake, in the Susitna watershed, once supported a large salmon population. In 2006, almost 70,000 sockeye salmon were counted returning to Shell Lake, but that number dove to just three fish in 2015. Northern pike predation was one of the main factors having a negative effect on the salmon population. In 2012, CIAA began to invest heavily in a rehabilitation program to try to save this population.

In 2020, the crew focused on northern pike harvesting as well as adult sockeye counting. What was truly unique and encouraging this year is that the crew only harvested 33 northern pike over the entire season—not the hundreds that had been harvest annually in previous years. Andy Wizik, CIAA biologist, thinks this dramatic drop may have been caused by a spawning failure due to the 1.5-foot drop in the water levels from May–June in 2019 and he plans to investigate this further to see if additional tools can be developed to further hinder northern pike production and continue the recovery of the salmon population at Shell Lake.

The other invasive species CIAA has made a priority is Elodea—a common aquarium plant that is invasive in Alaska. It is a serious threat to freshwater resources and fish habitat in the Cook Inlet, ³⁵⁸ fished and statewide. This summer, we performed full-lake surveys for Elodea at several Susitna lakes—East Butterfly, Trinity, Shulin, Butterfly (Delyndia), Lynx, Neil, Flathorn, Trapper, Whiskey, Hewitt, and Shell. We are happy to report that we did not find any Elodea. This work was provided as support to the Alaska Department of Natural Resources in a project eradicating the Elodea infestations at Alexander and Sucker lakes.



Please let us know if you would like to receive a free USDA and US Forest Service Selected Invasive Plants of Alaska Pocket Guide, which was revised in 2020. Please email Emily Heale at ehale@ciaa.net to request copies of the guide.

Opening up Harvest Opportunity via the Delight Lake Weir

By Emily Heale, Biologist

Delight Lake is one of the most stunning sites where we work. It's situated within a coastal temperate rainforest surrounded by large immature spruce trees. The wooded area has a mossy understory, which keeps footsteps quiet and makes it feel like you're walking into a mystical land. But Delight Lake isn't just a beautiful location and unique place to work, it is also a major producer of sockeye salmon, along with Desire Lake. These two lakes contribute to most of the commercial sockeye salmon harvest within the East Nuka Bay Subdistrict on the outer coast of the Kenai Peninsula.

The Delight Lake adult salmon weir was operated by ADF&G beginning in 1980 with aerial surveys and/or physical weir counts. From 1997–2014 ADF&G conducted physical weir counts. In 2015 the funding to operate the on-the-ground weir was cut so ADF&G only performed aerial surveys. By nature, aerial surveys are variable due to several factors that affect the ability to get an accurate fish count including weather, water clarity, salmon migration timing, and water depth. Comparisons between physical weir counts and aerial surveys were made in 1997 and the numbers were inconsistent. Many adult sockeye salmon entering the lake tend to go deep and may not be detected when using aerial surveys. These comparisons continue today and the difference is striking. The table below shows the comparisons since 2014. Weir counts provide a more accurate representation of salmon escapement into Delight Lake.

Comparison of Aerial Survey Counts vs. Weir Counts, Delight Lake		
Year	Aerial Survey Sockeye Salmon No.	Weir Count Sockeye Salmon No.
2014	2,971	22,289
2015	3,200	Weir was not operated
2016	5,110	Weir was not operated
2017	5,380	Weir was not operated
2018	6,735	13,428
2019	1,130	17,410
2020	1,170	12,299

For 2020, we hired a crew of two to work at Delight Lake. The crew installed the weir in Delight Creek, downstream of the lake in late July and operated it until the end of August. The weir blocks the upstream passage of fish, which enables the crew to count and identify fish to species. The crew also sampled a portion of the sockeye population to determine run composition. The Delight Lake weir poses some unique challenges—because the project site is located in a temperate rainforest it can get a significant amount of rainfall, which makes it a flashy system. In addition to the flashy nature of the system there are also times during low rain years—such as 2019 and 2020—that results in the creek becoming subterranean before reaching the ocean. When the creek goes subterranean salmon cannot make it back to the lake to spawn until there is a significant amount of rain or a high



Sockeye salmon staged below the weir at Delight Lake, 2020.

tide that bridges the subterranean gap in the creek. Thus the crew may count zero fish one day, and hundreds the next. Although the site has its challenges crews are typically ecstatic to have had a chance to spend a month enumerating salmon in this pristine area of Alaska.

CIAA's Board of Directors made a decision to fund the Delight Lake weir in the absence of State funding. As the State of Alaska continues to cut ADF&G's budget, especially for commercial fisheries, harvest opportunities are being lost due to the lack of scientific data to support in-season fisheries management. Since 2018 CIAA has been conducting the adult salmon enumeration at Delight Lake. The crew working the weir sends their daily escapement numbers to ADF&G management biologists, which informs their decisions to open or close the commercial harvest. The real-time physical weir data collected by CIAA have shown adequate escapement—the minimum Sustainable Escapement Goal for this system is 7,500 fish—allowing for common property fishing to take place from 2018–2020.

As long as CIAA has the resources, provided by the salmon enhancement tax, hatchery operations, and/or grants, CIAA plans to continue to support common property fisheries by operating salmon weirs such as the one at Delight Lake. We are actively seeking outside funding for the Delight Lake project through the NOAA Saltonstall-³⁵⁹edy Grant Program, which funds projects that address the needs of communities.

Education and outreach: Adopt-A-Stream Program

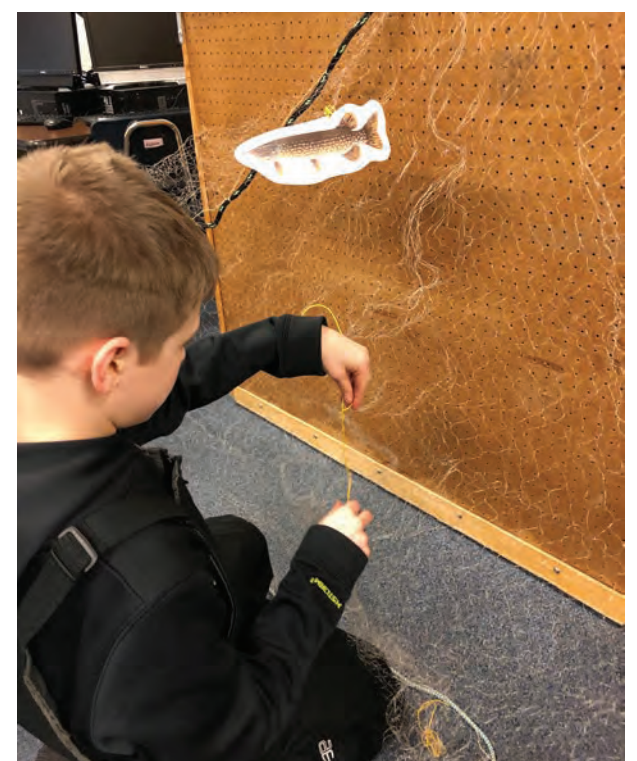
By Emily Heale, Biologist

The Adopt-A-Stream (AAS) Program is an educational program for students in grade school. It teaches them about the natural world and how to be good stewards of the land. This program can be found around the nation—here on the Kenai Peninsula its run by the Kenai Watershed Forum's Education Specialist, Meg Pike. Thanks to a Kenai Peninsula Fish Habitat Partnership grant, I am currently an assistant educator with the AAS program.

The 2019–2020 school year was a blast, getting into classrooms and really getting to know and connect with the kids! Due to the global coronavirus pandemic and subsequent school closures our time with the students was cut short, but thankfully we were still able to connect with students most of the year. The 2020–2021 school year has been significantly different and we have been unable to physically go into any classrooms. Meg said “We've tried to remain super positive

for our AAS teaching partners and how amazing they're handling these circumstances even if we can't be there like usual.”

We have had to reimagine the planned AAS work. After a brainstorming session with Meg, we decided to create a “Briefcase Camp.” This briefcase will be created and assembled by CIAA but will belong to the AAS program for use in the future (when educators can hopefully be back in classrooms with students). The briefcase will be a traveling field camp that can be used with students to illustrate important work that researchers and resource managers carry out. If it's anything like the pike camp we brought into the classrooms last school year, it will get the kids really fired up and asking questions about how they can get involved and maybe even become biologists or environmental educators themselves one day!



A student removes a “pike” from a gillnet while participating in pike camp, 2020.

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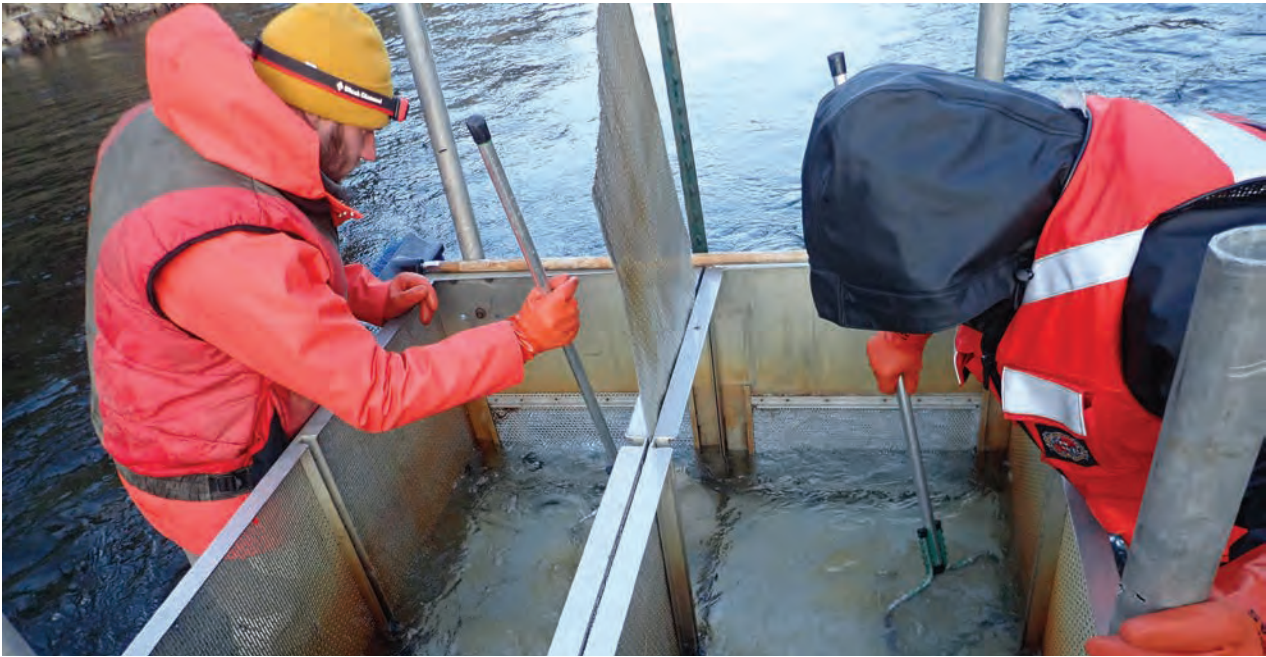


SMOLTS

The Newsletter of the Cook Inlet Aquaculture Association

Issue 85

SPRING/SUMMER 2020



Derek Castiglione and Shawna Tilly count smolt leaving Kirschner Lake, 2020.

Fish on a trip: 2020 releases

By Ryan Wagner, Hatchery Operations Manager

Planes, boats, trucks, and snow machines—these were the various modes of transport that we used to stock our baby salmon this spring! With this brought a lot of planning and coordination from hatchery staff to make sure that the fry and smolt made it to their intended release sites. The staff have spent many early mornings, late nights, and weekends making sure the fry and smolt are transferred and released in a safe and healthy manner using the best fish husbandry techniques.

The first stocking for the 2020 season began with sockeye fry from Trail Lakes Hatchery being stocked into Hidden Lake. This was no ordinary scenario when it came to stocking these fry. The fry were ready to be released into the lake by mid-April, which is about two weeks earlier than previous years. One minor problem, there was still two feet of ice on the lake. Creativity set in and with the help of field staff, a former Executive Director, two snow machines, and an ice auger, the fry were successfully stocked into Hidden Lake.

It was time for the Trail Lakes staff to quickly shift gears and focus on transporting sockeye smolt to Tutka Bay Lagoon net pens in late-April. These smolt were transported via truck from Moose Pass to Homer, and then loaded onto a boat where they were transported across Kachemak Bay to net pens in Tutka Bay Lagoon. These smolt were held in the net pens for approximately one month and then released on an outgoing tide.

Keeping calm and counting salmon

Every year Cook Inlet Aquaculture Association (CIAA) staff start getting busy in late-winter setting up for the salmon monitoring projects—everything from taking inventory of first aid kits to testing video weirs before they are deployed in the field. This year everything was falling into line according to plan, but then COVID-19 became the main factor in all of our lives. Although we were concerned about potential delays or cancellations of some of our field projects, we followed State of Alaska mandates and best practices to ensure everything went forward smoothly and it did! All camps and field projects were successfully deployed this spring with minor inconveniences.

We run a number of salmon smolt traps and adult weirs to collect data on the numbers of salmon moving up or downstream. The information

collected is used to evaluate hatchery operations; to help the Alaska Department of Fish and Game (ADF&G) manage fisheries and even open up opportunities; and to provide long-term records of salmon movement and environmental conditions.

Seasonal crews began counting salmon smolt leaving Bear, Tustumena, Hidden, and Kirschner lakes in May. All but Tustumena are CIAA stocking projects that include monitoring for evaluation. The Bear Lake crew has been seriously busy counting sockeye and coho smolts leaving the lake to enter Resurrection Bay. So far, over 1.2 million sockeye smolt have been counted—a strong smolt out! The Bear Lake adult counting is ongoing but the initial return numbers are falling far short of projections, which seems to be a state-wide trend in June.


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Board member profile: Beaver Nelson

“A fisherman.” That is what CIAA Board member Emil “Beaver” Nelson always knew he wanted to be. “A fisherman or involved in fisheries,” he said, without hesitation. He is definitely one of those few that knew exactly what he wanted to do from a young age. Fortunately for Alaska fisheries, Beaver pursued his dream and has been a fisherman for over 50 years.

Beaver came to Alaska as a three-year-old, moving with his family from Long Beach, California. “It was after the war and everyone was looking for work. Morrison Knudsen was rebuilding Anchorage and the Elmendorf Airforce Base.” Beaver’s father Emil came up to work in Anchorage and he liked it so much he brought his family up the next year. The Nelson family got off the steam ship in Seward. The ship did not have enough help to unload so Emil helped. He found long shoring to pay more than he was making in Anchorage so he took a job right there in Seward and stayed with his wife Bucki and their family.

“Everyone is so surprised that I was not born into commercial fishing. My dad was a longshoreman who became the general manager of the dock; but he never commercial fished,” Beaver said. It was George Discher, a “big-time, successful fisherman,” who gave Beaver his first commercial fishing experience while Beaver was only in the 8th grade. “As a little kid, I was always in George’s garage while he skinned various animals he trapped and things like that, and he took a liking to me.”

The Dischers had moved to Cordova and they invited Beaver to spend a summer there. In June of 1959, George took Beaver out to fish on the Copper River Flats. “I fished with him out on the Flats for about a week and George decided I could handle my own little boat. He gave me two shackles of gear, an open skiff with a roller in the back, and a 25hp motor, so I actually fished the Flats for a few weeks,” Beaver said with a chuckle. Beaver went on to say it was George that instilled in him the importance of conservation.

After graduating from Seward High School in 1961, Beaver went straight to college, spending two years at the University of Alaska Fairbanks, and then two years at Oregon State University (OSU) where he earned his degree in Fisheries Science in 1965. Beaver also met his future wife, Jessie, at OSU. They were married in 1965, celebrating their 55th wedding anniversary this year.



Beaver Nelson fishing in Cook Inlet in a “conversion” boat.

While attending OSU, Beaver needed to make more money to pay for college so he became a drift fisherman in Cook Inlet. He fished with a Columbia Wards company boat, which was a converted Bristol Bay sailboat known as a “conversion.” After graduating, Beaver took a job as a salmon research biologist with the Alaska Department of Fish and Game (ADF&G), out of Homer. He was working on a new fisheries project called “PL 88309” that was evaluating salmon escapements in the Kenai and Kasilof rivers for the development of sonar counters. “We worked with the Bendix Corporation. We went over to Bristol Bay and tested it [sonar counter] in Lake Aleknagik and the Wood River, but mainly most of the work was done right around the Kenai.”

After two years with ADF&G, Beaver decided it was time to go. “I am a guy of action, I like to make things happen and the Standard Operating Procedures Manual was so thick and so many volumes..it was so frustrating that I decided to give commercial fishing a try, especially because I knew what was going to happen in Seward.” Beaver described a project that ADF&G Sport Fish Division had in place at Bear Lake, where they performed an experimental poisoning of the lake in 1962 to get rid of the sticklebacks, with the goal of enhancing the coho fishery (which also involved coho stocking). Beaver was in Seward that year and witnessed an immense outmigration of sockeye smolt due to the poisoning of the lake and he knew there would be a good adult return in 1968. Beaver went to the Board of Fisheries and was able to get a gillnet fishery open in Resurrection Bay for a few years to harvest these fish.

“I was the only boat in Resurrection Bay for the opening [end of May, 1968] and I caught 500 reds in one day,” recalled Beaver. Of course, more boats showed up within a couple of days. This sockeye fishery that Beaver helped create gave him a jump start on getting into salmon seining, starting in Lower Cook Inlet. He has also seined in Kodiak and since the early 1980s he has primarily focused on salmon seining in Prince William Sound, aboard his vessel, *Nuka Point*. He has also fished for herring from Sitka to Togiak.

Beaver and Jessie grew a strong fishing family taking their two sons, Rob and Tom, on the boat as soon as it was safe for them to go along. “I just remember how much I enjoyed it. I had always been a fanatic sport



Beaver Nelson

fishermen and knowing how much I liked fishing, I wanted the kids to experience the same things as I did,” said Beaver. “We always made it fun for them. We went out of way to make it a good experience for them.” Rob and Tom both salmon seine in Prince William Sound as well as partake in herring fisheries.

Beaver has a steadfastness about him that really comes out when you ask him about life lessons learned from fishing. For Beaver, it is simple: “When things are the most confusing and stressful, stay calm.” He described how some of his biggest successes in herring fishing could be attributed to his ability to stay calm and allow space for strategic thinking. He recounts what he called “flare” openings in the herring fisheries where the boats are rushing wildly to make that first (and maybe only) big set—resulting in what can be best described as complete chaos. Beaver described “the ability to not just wildly set your net because it is open but to evaluate positioning; and just to wait and let everyone else mix everything up to where all the nets are in the water and you are the only one there with a net left on the boat. All these fish that were driven down by the commotion suddenly pop back up and you are the only one there available to catch them.”

Beaver has been advocating for commercial fisheries through a variety of volunteer positions over the years. He has served as the chair of the Homer Fish and Game Advisory Committee; served on the Prince William Sound and Cook Inlet Regional Planning teams; and served on the Prince William Sound Aquaculture Association and North Pacific Fishing Association (NPFA) boards. Currently Beaver serves on the Kachemak Bay State Parks Citizen Advisory Board.

“I spend a lot of time at the Board of Fish, trying to stay up to date with everyone,” said Beaver. He has developed a reputation as a reliable resource for fisheries information and he works to maintain relationships with fisheries managers and regulators. Beaver was first on the CIAA Board of Directors in 1979, representing NPFA. Since 2008, Beaver has represented the City of Kachemak on the CIAA board and he has served as the 2nd Vice President since 2015.

In addition to having kids in the fishing industry, it is Beaver’s utter zeal for fish that inspires him to advocate for fisheries. “I have always been fascinated by fish, especially salmon. I grew up with a salmon stream in my back yard. And as a kid I spent all my time by that stream watching fish. I guess you could say am obsessed with salmon.”

See page 4, NELSON

Alaska State Parks celebrates 50th anniversary

By Jack Blackwell, Superintendent

This year the Alaska State Park system celebrates its 50th anniversary. Kachemak Bay State Park is honored to claim the title of the first designated state park, which was established on May 9, 1970. Later that year, Chugach State Park and Denali State Park were established by the Legislature followed by Kachemak Bay State Wilderness Park in 1972. Many have claimed that these first state parks would be worthy of national park status and we are fortunate to have these under state management.

Neil Johannsen served as director of the Alaska Division of Parks from 1983 – 1995 and was instrumental in development of the new state park system in the last frontier. Johannsen would often say that the State's park system was "a system of dreams" and he is certainly right about that. Our state park system is the result of people passionate about our public lands and protecting them for future generations. In many cases, people were concerned that these important lands could be logged, mined, or developed. The state lands that have been withdrawn from the public domain and established as special purpose lands (state parks) would never have occurred without the support and desire of local residents and stakeholders concerned about these special places. In other words, people had dreams that became a reality.

The framework of the Alaska State Park system started before statehood. Baranof Castle State Historic Site in Sitka is home to the site where Alaska was purchased from Russia and transferred to the United States in 1867. The site was established as a territorial historic site and is now a state historic site.

In 1959, the Bureau of Land Management transferred 32 campgrounds and waysides to the recently created Alaska Department of Natural Resources. Many of these campgrounds are now popular state parks, such as Johnson Lake State Recreation Area near Kasilof. In 1966 the Legislature established Nancy Lake State Recreation Area and Chena River State Recreation Area the following year. While not officially designated as a State Park, the recreation areas were the first created by the Legislature. However, Kachemak Bay State Park still claims the title to Alaska's first State Park.

The Alaska Division of Parks was established in 1970 as a special division within DNR to oversee the state park system. In 1984, the division was renamed the Alaska Division of Parks and Outdoor Recreation to emphasize the importance of recreation in our state. Today the division's mission is to "provide outdoor recreation opportunities, and conserve and interpret natural, cultural, and historic resources for the use, enjoyment, and welfare of the people."

Alaska has an extensive system of protected marine waters and lands along the north Pacific Ocean. The Statehood Act allowed the new State of Alaska to select 400,000 acres of vacant and unappropriated national forest land for the State's development, including recreation purposes. Some of this land became the start of the State's marine park system. Through a public process, important bays, coves, and waterways in Resurrection Bay, Prince William Sound, and Southeast Alaska were selected and the first state marine parks were created in 1983. The new state marine parks became part of an international system of protected marine waters spanning from Washington state marine parks, to provincial marine parks in British Columbia, to our state marine parks in Southeast and Southcentral Alaska. Many of the state marine parks in Southcentral Alaska were expanded when the Exxon Valdez Oil Spill Trustee Council purchased land through their habitat acquisition program and became managed within the Alaska State Park system. Today, Kachemak Bay State Park and State Wilderness Park, Shuyak Island State Park, Afognak Island State Park, the state marine parks in Resurrection Bay, Prince William Sound, and Southeast Alaska offer world class marine recreation opportunities.

The Alaska State Park system is important to Alaskan residents and visitors. The system offers recreation and economic opportunities for Alaskans. Our park system has weathered economic crisis, natural disasters, and human-caused disasters and we are currently faced with a global pandemic. During these times of uncertainty, we find that public lands are critical for our health and well-being by offering an escape and place for people to rejuvenate. This spring, visitation at many of our state parks is higher than ever.

The Kachemak Bay State Park and State Wilderness Park management plan is currently under revision. If things go as anticipated, the new management plan will be released later this year. Once the management plan is adopted, it will provide park managers with guidance for future development and for addressing issues.

This summer take time to celebrate the 50th anniversary of the Alaska State Park system by visiting one of the 156 state parks in Alaska. Congratulations to Kachemak Bay State Park for being an important part of our community for 50 years. And thanks to those who have worked hard to create the park and take care of it.

Jack Blackwell started working for the Alaska Division of Parks and Outdoor Recreation in 1985. He began his career with the Alaska State Park system working on a trail crew and was a ranger that worked in Southeast Alaska, the Kenai Peninsula, and Prince William Sound. He currently serves as the superintendent of the Kenai/PWS Region in Soldotna, Alaska.

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Beautiful Kachemak Bay State Park and State Wilderness Park, photo courtesy of Jack Blackwell.

Executive Director's message By Dean Day

The weather is a reliable barometer for signaling new phases of annual operations at CIAA. The changing of the seasons closely reflect the beginning or ending of each project phase.

As much as operations are the same, this year has brought about complexities that challenged every aspect of operations for CIAA. Whether a field camp, hatchery operation, or Board meeting, all faced the challenge of dealing with COVID-19. Staff have been and continue to be instrumental in balancing operational needs with human needs. I am proud of how the organization has come together to successfully acquire and deploy our work force; and use creative tools to allow for seamless governance by the Board of Directors.

Hatchery spring stockings and releases of fry and smolt to various waterbodies throughout Cook Inlet and Resurrection Bay were all performed with the usual complexity presented by weather and environmental conditions—yet all were successful in no small part due to our diligent hatchery staff. All field camps were deployed allowing for the continuation of those important projects to monitor and gather the valuable information for Kasilof, Kirschner, and Hidden lakes; and the invasive species efforts for Whiskey, Hewitt and Shell lakes. As the smolt migrations give way to the adults returning, some crews will soon relocate to other projects at Delight Lake and Paint River. All projects provide direct benefit to salmon and habitat in the Cook Inlet drainage.

This continued effort to monitor and collect data allows CIAA and agencies to make informed decisions about program objectives and managing fisheries. The in-season monitoring is also closely followed by the public to give an indication of the strength of smolt outs or returning salmon, which may be harvested by any

number of users in the personal, sport, commercial, and subsistence fisheries.

Over the winter and early spring CIAA's website was renovated to provide more detail and easier access to data. Here, you can learn all about the organization's mission and easily access data from our current and historical projects. I encourage everyone to visit our page at www.ciaa.net.org for additional information.



Dean Day

The staff at CIAA are all fully committed to managing their respective programs and operations to their full potential. I am confident the organization continues to build upon the foundation established through the years for continued success while implementing new management philosophies that will strengthen the organization and provide for new opportunities in the future.

The Board of Directors' leadership and commitment has been instrumental for the continuation of all programs for the 2020 season. Employee acquisition and training was challenging but staff efforts paid off with the commitment of the Board for us to move forward. Their knowledge and experience is invaluable.

Nelson—continued from page 2

It is that obsession that gives Beaver high hopes for CIAA's Paint River Fish Ladder. CIAA operates this ladder at the outfall of Paint River in Kamishak Bay and it is beginning to show signs of natural colonization of salmon. "That river system is just amazing, the size, the variety—it is going to be a five salmon species river. As long as wild fish have access to go up to it, over time it is going to develop into something special," said Beaver.

Beaver said that one of CIAA's ongoing challenges is "CIAA encompasses such a wide range of fish and areas; it is spread out all the way from Seward to Anchorage and the Susitna. It is so wide ranging with so many facets that it is hard to concentrate in any one area."

The most successful things CIAA has done, Beaver said, are the Trail Lakes Hatchery projects and Tutka Bay Lagoon Hatchery before CIAA closed it in the 2000s due to poor pink salmon prices. "It was producing plenty of fish, but they were not worth much so we temporarily ceased operations and waited for the

"I want to see fish available for everyone to make a living and to put fish on the table." — Beaver Nelson

market to start back up again." He also pointed out that when the State of Alaska was running Tutka Bay Lagoon Hatchery, they did not have the same challenges CIAA faces with permitting and adequate funding to pay for hatchery operations.

Beaver pointed out that aquaculture has been a great benefit to the public and that is not always realized. "The projects such as the red salmon releases and people dipnetting and snagging the returns from those releases, that is a big deal," he said, referencing CIAA-produced fisheries in China Poot, Tutka Bay Lagoon, and Resurrection Bay.

For Beaver his hopes for salmon fisheries are straightforward and speak to everything salmon aquaculture is about in Alaska: "I want to see fish available for everyone to make a living and to put food on the table."

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Board of Directors update

Officer election

At the 43rd Annual Board of Directors' meeting in February, officer elections were held and committee assignments were made. The membership of the Executive Committee remained the same, while the officers changed. Most notable was that Brent Johnson stepped down as President, after serving in that capacity for the previous 14 years. He turned the gavel over to the previous 1st Vice President, Dale Bagley. Many thanks to Brent for his leadership over the years and congratulations to Dale!



Dale Bagley, CIAA President

The Executive Committee membership is:

Dale Bagley, President
Malcolm Milne, 1st Vice President
Beaver Nelson, 2nd Vice President
Dave Martin, Treasurer
Jessie Nelson, Secretary
Nate Berga, Elected Member
Brent Johnson, Elected Member

Membership changes

Bob Nathanson recently replaced Tim Schmidt in one of the Processor seats. Bob formerly held the alternate seat, which Tim now holds. Joseph Person vacated one of the Kenai Peninsula Fisherman's Association seats and that seat remains empty. We thank Joseph for his contributions to the board.

Upcoming board election

Are you an Area H salmon permit holder? Are you looking for a unique leadership opportunity that will put your strategic thinking skills

to work? Are you committed to sustaining salmon fisheries for all users in the Cook Inlet watershed? If so, then consider joining the CIAA Board of Directors! This fall CIAA will begin an election process to fill three of the five at-large Board of Director Seats. These seats are reserved for Cook Inlet Area H salmon permit holders and are commonly referred to as the Inlet Wide Commercial Fishermen Representatives. These seats act as the voice for all Area H salmon permit holders. The terms of these seats are set to expire at the February 2021 annual meeting. Currently Eric Winslow and Robert Roth fill two of the seats and one is vacant. Nominating petitions will be sent out to permit holders in October 2020. Contact the Kenai office at 907-283-5761 or email at info@ciaa.net.org for more information.

Next board meeting

The next board meeting will be held September 19, 2020 at 10:00 a.m.

RELEASES—continued from page 1

2020 Releases

Hatchery	Brood year and species	Release goal	Release actual	Release location
Port Graham	BY19 Pink Fry	5,593,000	5,948,000	Port Graham Bay
Tutka Bay Lagoon	BY19 Pink Fry	27,095,000	27,685,000	Tutka Bay Lagoon
Trail Lakes	BY18 Sockeye Smolt	500,000	363,000	Tutka Bay Lagoon
Trail Lakes	BY18 Bear Lake Coho Smolt	100,000	97,000	Bear Creek
Trail Lakes	BY19 Sockeye Fry	1,101,000	1,020,000	Hidden Lake
Trail Lakes	BY19 Sockeye Fry	2,400,000	2,446,000	Bear Lake
Trail Lakes	BY19 Sockeye Fry	275,000	274,000	Leisure Lake
Trail Lakes	BY19 Sockeye Fry	285,000	266,000	Hazel Lake
Trail Lakes	BY19 Sockeye Fry	270,000	272,000	Kirschner Lake
Trail Lakes	BY19 Coho Fry	450,000	401,000	Bear Lake



Coho smolt, 2020.

The Trail Lakes Hatchery staff finished the 2020 stocking season by transporting sockeye and coho fry to Bear Lake that were released in late-June. Also, in cooperation with the Seward Chamber of Commerce, 96,000 coho smolt were released into Bear Creek. Around 10,000 of these coho smolt should return in 2021, many of which will be caught in the Silver Salmon Derby.

On May 30, 2020 Tutka Bay Lagoon Hatchery staff released 27.6 million pink fry into Tutka Bay Lagoon. At the beginning of June, Port Graham Hatchery staff released 5.9 million pink fry into Port Graham Bay. This is a rewarding time for hatchery staff because it is the final sendoff after nearly 11 months of carefully tending to these fish.

Now that brood year 2019 fry and 2018 smolts are all released, hatchery staff will eagerly await the return of these fish in future years. Hatchery staff will soon be switching gears and begin egg take at the various locations for the 2020 brood year, marking the start of the cycle all over again!



Gary Fandrei (former Executive Director) assists with Hidden Lake stocking, 2020.



Kris Warner gets the juvenile salmon ready for transports, Trail Lakes Hatchery, 2020.

COUNTING—continued from page 1

The Tustumena project is counting naturally-produced smolt leaving the system. This summer marks the 21st year CIAA has taken on this project by funding the operation of the Tustumena smolt trap (on the Kasilof River). We continue to operate this smolt trap because Tustumena Lake is the second biggest producer of Upper Cook Inlet sockeye salmon and provides significant fishing opportunity for all users. The smolt out information is used by ADF&G to help with the management of this fishery. The 2020 sockeye smolt out was strong, with over 7 million fish estimated to be moving out of the lake.

The Kirschner Lake project is in the second year of a three-year sockeye smolt monitoring to help evaluate the freshwater survival from fry to smolt. Through the Trail Lakes Hatchery, we have stocked sockeye fry at Kirschner, a barriered lake, since the late 1990s, providing an adult return to Kamishak Bay.

Since 1976 some form of sockeye population enhancement has been occurring at Hidden Lake, located in the Kenai National Wildlife Refuge. Along with stocking via our Trail Lakes Hatchery, crews enumerate the smolt and adult runs, as well as perform other research to ensure this population of salmon is not negatively impacting wild runs. Over 240,000 sockeye smolt have been counted leaving Hidden Lake so far in late-June.

Adult return counting will soon be underway for Hidden, Delight, and Shell lakes, and Paint River. At Paint River, we are looking forward to having a crew on the ground for the adult counting! Because of the extreme remoteness of this site, relying on the video weir solely for numbers has been problematic. Preliminary smolt enumeration and adult escapement data are posted in season to CIAA's website at: www.ciaa.net.org, under the "Data" tab.

This year we plan to continue the following habitat projects:

- opening and maintaining the Paint River Fish Ladder for natural salmon colonization;
- monitoring flow control structures at Packers, Daniels, Marten, and Bear lakes to aid in smolt migrations and adult returns;
- collecting samples and measurements from the lakes used for stocking for analyses to ensure we are not altering the trophic status of the lakes;
- fertilizing Bear and Leisure lakes;
- and monitoring for beaver dams obstructing adult returns around the Cook Inlet watershed.

We are looking forward to having a successful and safe season out in the field providing and protecting your salmon resource.

Tutka Bay Lagoon Hatchery: 45 years in Kachemak Bay



Former CIAA President Margaret Branson and former CIAA Executive Director Tom Mears receive the key to Tutka Bay Lagoon Hatchery from ADF&G staff member Tom Krone during the July 17, 1991 key exchange ceremony in Tutka Bay Lagoon.

Of the four salmon hatcheries that are owned and/or operated by Cook Inlet Aquaculture Association (CIAA), by far the one that has been most notable of late is our Tutka Bay Lagoon Hatchery (TBLH), located near Homer in Kachemak Bay. It is this hatchery that has generated a lot of comments, both positive and negative in recent years, largely due to its location in Kachemak Bay State Park (see page 3). The Park is known for its stunning sceneries and vast recreational opportunities and it is easily accessible from Homer. Every year, many Park users visit the TBLH site, either via the Tutka Lake Trail or by boat to enjoy the views and/or salmon harvesting opportunities.

The State of Alaska constructed TBLH in 1975, as part of the salmon fisheries enhancement program that began in 1971. That was when the Division of Fisheries Rehabilitation Enhancement and Development (FRED) was created within Alaska Department of Fish and Game (ADF&G). During the early 1970s natural salmon harvests were at record lows. Thus the FRED division came into being to rectify these poor returns and create stability. The FRED division was instrumental in constructing fish ladders; removing impediments to salmon migration; and yes, building hatcheries to raise salmon to the juvenile stage. The whole program was developed to supplement wild stock production and take the valleys out of year-to-year harvest. From the beginning the hatchery program was set up to minimize adverse impacts to wild stocks, and this continues today under the oversight and regulation of the State of Alaska.

The State operated TBLH from 1976 to 1991. Production originally was primarily pink and chum salmon. The first release of pink salmon occurred in 1976 and the first release of chum salmon in 1979. Chum releases mainly occurred in the 1980s, but the returns were poor.

Starting in the late 1980s, the State of Alaska began to divest itself from the hatchery

programs, in response to a reduced ADF&G budget to support these programs. The State offered regional aquaculture associations, such as CIAA, the opportunity to operate designated facilities. Through this divestiture, CIAA took over operation of the Crooked Creek Hatchery (in 1993; subsequently closed in 1997), TBLH (in 1991), and the Trail Lakes Hatchery (in 1988). While CIAA operates these hatcheries, ownership is retained by the State of Alaska. The State also offered Big Lake Hatchery to CIAA, which CIAA declined; but CIAA did take over the Big Lake sockeye stocking via the Eklutna Salmon Hatchery.

Consideration of TBLH's location in the Park was given when CIAA took over operations. As part of the transition in operation of the hatchery from the State to CIAA, ADF&G and the Alaska Department of Natural Resources entered into a "Letter of Intent regarding The Operation of the State Fish Hatchery at Tutka Bay within Kachemak Bay State Park" with CIAA. The letter recognized that TBLH was important to the public, that its operations should continue, and that its operation was compatible with

the values and purposes of the Park. The 1995 Kachemak Bay State Park and State Wilderness Park Management Plan identified fishery enhancement as a goal for the Park, specifically referencing TBLH, highlighting its virtues as an attraction for visitors. This plan is currently under revision (see page 3) and many comments have been submitted by the public supporting the continued inclusion of fisheries enhancement and TBLH.

As with any hatchery in Alaska, hatchery production is limited by freshwater capacity and freshwater rearing space. When CIAA took over TBLH, CIAA also received a \$2 million dollar construction grant from the State that basically doubled the size of the hatchery, matching the amount of surplus freshwater available to the hatchery. The original permit issued to CIAA for salmon production at the newly-expanded TBLH was for 125 million pink and chum salmon eggs, with no more than 20 million chum. By 1994, the small amount of chum salmon was dropped, leaving the capacity at 125 million pink eggs.

Pink salmon are reared in the facility until they reach the fry stage and then they are temporarily reared in net pens in front of the hatchery. Before the fish are released to the open ocean, they spend up to two months in the net pens. When the maximum capacity of 125 million eggs is achieved during egg collection, CIAA would expect to rear up to 100 million pink salmon fry with an adult return of about three million fish the following year.

From about 1994 to 2004, pink fry releases averaged 77 million, which was in line with the CIAA's goals. In 2004, due to poor pink prices, CIAA elected to suspend hatchery operations until the pink market improved. By 2011, the pink market had improved, and CIAA resumed operations. The average pink salmon release from 2017–2020 is 366 million fish reflecting a trend back to 54 million fish reflecting a trend back to CIAA's original goals.

Tutka Bay Lagoon Hatchery also serves as a remote rearing site for sockeye salmon for Trail Lakes Hatchery. The net pen complex is used to rear sockeye smolt incubated at Trail Lakes Hatchery. Future returns from the smolt



Tutka Bay Lagoon Hatchery under construction to expand the size. This expansion took place when CIAA acquired the hatchery from the State of Alaska in 1991.

released in the lagoon are used as brood source for the Lower Cook Inlet lakes (Leisure, Hazel, and Kirschner) projects. These sockeye salmon returns have provided significant sport, personal use (China Poot), and recreational opportunities for Park users.

Working in the Park tends to put CIAA operations under heightened scrutiny, which is not only appropriate but welcomed. It is our intent to always operate in an environmentally sound way by following the terms of permits; complying with State aquaculture regulations and policies; and also by listening to and working with the public and our Park neighbors.

In recent years, issues have developed such as the “net pen” issue where CIAA has been working with ADF&G since 2013 to temporarily move a portion of the net pens outside Tutka Bay Lagoon and into Tutka Bay for a period of three to eight weeks each year. The goal of this proposed move is to improve harvest opportunities that are limited by tidally influenced lagoon access. Unfortunately, this issue became contentious for reasons such as misinformation causing members of the public to believe that CIAA was increasing production with this move, which was never the case. This is an issue that is currently going forward in an appeal process and CIAA is hopeful that there will be a final resolution soon. Regardless of the outcome, we remain committed to operating TBLH without negative environmental impacts and continuing to work with our Park neighbors.



Tutka Bay Lagoon Hatchery, settling tank, hatchery residences, and out buildings as seen from the air. Tutka Creek runs along side the hatchery. The net pen complex sits around the corner, out of view, in the upper left-hand corner of this photo.

In a normal year, CIAA opens up the hatchery site to visitors and provides tours and educational opportunities. With the current pandemic, all of CIAA’s hatchery facilities are temporarily closed to the public. We know that we will still see a lot of boat traffic in Tutka Bay Lagoon this summer—Park users enjoying the incredible recreational and fishing opportunities! Once we are able to open up our facilities, TBLH staff are looking forward to sharing this amazing little

hatchery nestled in the backwoods with the public.

You can access annual hatchery release numbers by visiting CIAA’s website: www.ciaa.net.org and clicking on the “Data” tab. You can learn more about Alaska salmon aquaculture in general by visiting: www.salmonhatcheriesforak.org or www.adfg.alaska.gov, and searching for “hatcheries.”

Giving salmon a fighting chance: preventing invasive species and restoring salmon habitats and populations

We continue in 2020 to prioritize suppression, eradication, and/or monitoring of the two main harmful invasive species to salmon and salmon habitat in the Cook Inlet watershed—northern pike and elodea (aquatic submerged plant).

This year we are continuing to harvest invasive pike at Whiskey, Hewitt and Shell lakes in the Susitna watershed. We have been working at Shell Lake since 2012, with the end goal to save Shell Lake’s natural population of sockeye salmon from predatory pike. Though the sockeye population at Shell Lake has been critically low in recent years, CIAA was able to transport and release over 48,000 one-year-old sockeye smolt back into to Shell over the past two years. From 2020–2023 we expect to see those sockeye returning to Shell Lake. We hope to see those fish spawn naturally with the subsequent offspring being able to survive in the lake until they are ready to migrate to sea. The survival of those fish will determine whether this population can be saved and will depend on enough pike being removed from the lake to enable that survival.

While little to no natural production has been seen over the past several years in Shell Lake, there have been some adult coho making it to the lake. When the Shell Lake crew began netting for pike in late-May, they were greeted with flashes of small silver fish jumping in large groups—coho salmon smolt presumably preparing for their migration to the sea. The leaping fish were such a unique site this year that local residents asked the Shell Lake crew, “When did CIAA stock the smolt this year?” We didn’t stock—these smolt were spawned in the lake and have been able to survive within Shell Lake for at least a year-and-a-half. It is getting harder every year to find a pike in the lake. We are looking forward to seeing juvenile sockeye jumping like this in 2022!

The Whiskey-Hewitt Creek system is home to a population of northern pike, which is believed to have contributed to the decline of juvenile salmon in this system due to predation. This project is in the last year of a three-year collaborative effort with ADF&G who perform acoustic fall fry surveys at Hewitt Lake. It is hoped that the harvesting of northern pike will increase the abundance of juvenile sockeye salmon rearing in Hewitt Lake to 1,000,000 by this fall.

For the past few years, CIAA has assisted with many elodea surveying and eradication efforts in the Cook Inlet watershed. Elodea, left unchecked, is a serious threat to freshwater resources and fish habitat not only in the Cook Inlet region, but statewide. This summer we will be supporting the Alaska Department of Natural Resources (ADNR) in a grant-funded effort to eradicate elodea at Alexander and Sucker lakes in the Matanuska-Susitna region. Our contribution will be to perform full-lake elodea surveys at surrounding lakes to ensure any spread of elodea is caught early. This work stems from the coordinated effort we have been involved in with the Alexander and Sucker Lakes Elodea Eradication Task Force to assist ADNR in moving forward with project planning and securing funding.



Cody Brown holds one of the northern pike harvested from the Whiskey-Hewitt lakes system this season.

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Municipality of Anchorage

Sean Palmer

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Vacant

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Providing and protecting your salmon resource

Staff and Locations

Headquarters

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Lisa Ka'aihue, Special Projects Manager

Ryan Wagner, Hatchery Operations Manager

Andy Wizik, Biologist

Emily Heale, Biologist

Cathy Cline, Project Technician

Jared Grangroth, Fisheries Technician

Ronnie Minter, Fisheries Technician

Dorey Harman, Accounting Specialist/Office Assistant

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Rob Sangster, Hatchery Manager

Alex Lane, Assistant Hatchery Manager

Vacant, Fish Culturist

P.O. Box 5547, Port Graham, Alaska 99603

907-284-2285

Trail Lakes Hatchery

Brett Jenkins, Hatchery Manager

Baxter Poe, Assistant Hatchery Manager (beginning fall 2020)

Mike Komperda, Fish Culturist

Kris Warner, Fish Culturist

P.O. Box 29, Moose Pass, Alaska 99631

907-288-3368

Tutka Bay Lagoon Hatchery

Baxter Poe, Hatchery Manager

Josh Sawlsville, Hatchery Manager

Alyssa Mische, Assistant Hatchery Manager

Alyson Crocker, Fish Culturist

Megan Tashash, Temporary Fish Culturist

P.O. Box 3389, Homer, Alaska 99603

907-312-7016

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For change of address for permit holders, notify Commercial Fisheries Entry Commission (CFEC), P.O. Box 110302, Juneau, AK 99801-0302, or call them at 907-789-6150. We use mailing labels from the CFEC. If your address is wrong, please contact CFEC; we cannot correct your address.



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ECONOMIC IMPACT OF ALASKA'S SALMON HATCHERIES

Over the past 40 years Alaska's salmon hatcheries have together become a cornerstone of the state's seafood industry and important contributors to regional and statewide economies. Run strength and prices vary year-to-year, however, over the past five years hatcheries have annually accounted for:

4,700	Jobs (Annualized)
16,000+	People Earning Income from Hatchery Salmon
\$218 Million	Labor Income
\$600 Million	Total Economic Output
\$120 Million	Ex-Vessel Value
22%	Share of Total Ex-Vessel Value of Alaska's Salmon Harvest
\$361 Million	First Wholesale Value
24%	Share of Total First Wholesale Value of Alaska's Salmon Production
\$3.6 Million	Estimated Fisheries Business Tax Revenue Generated
272,000	Salmon Harvested in Sport, Personal Use, and Subsistence Fisheries



COMMERCIAL FISHING VALUE

Ex-Vessel (Common Property)

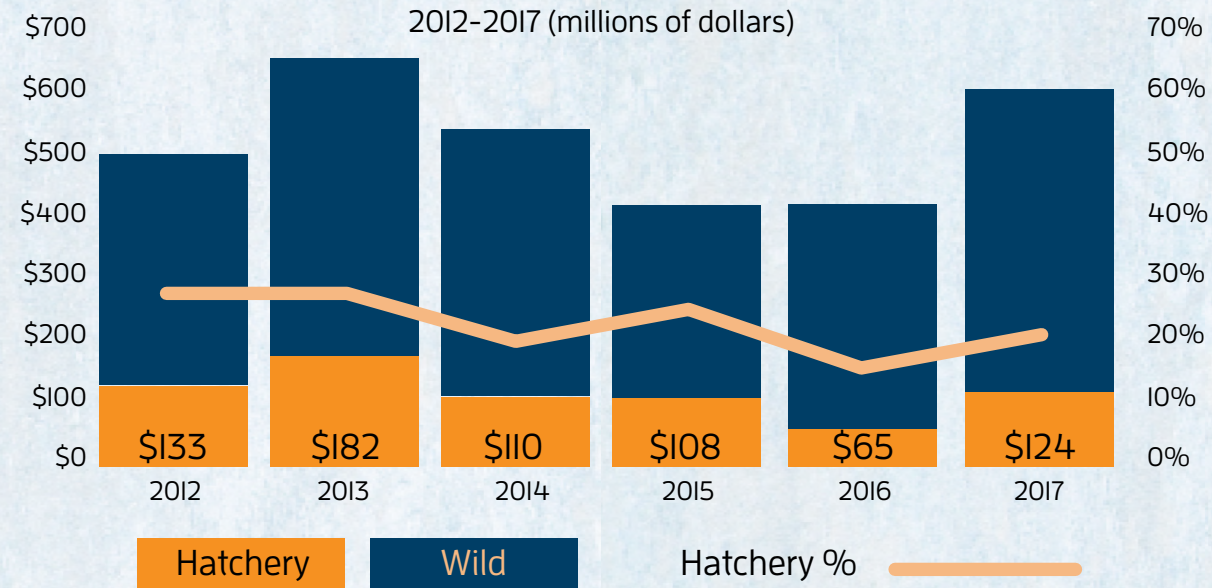
- Between 2012 and 2017, commercial fishermen harvested an annual average of **222 million pounds of hatchery-produced salmon worth \$120 million** in ex-vessel value.
- The regional benefits of hatchery production are broad**, including \$69 million in annual average harvest value in Prince William Sound, \$44 million in Southeast, \$7 million in Kodiak, and about \$0.5 million in Cook Inlet.
- Chum and pink salmon account for most hatchery production** – at 39% and 38% of total value hatchery production value, respectively – followed by sockeye (16%), coho (4%), and Chinook (2%).
- Hatchery salmon accounted for nearly one-quarter (22%) of the total value** of Alaska's salmon harvest over the 2012-2017 period.
- Hatchery contribution to total salmon harvest was highest in PWS** (65%), followed by Southeast (31%), Kodiak (16%), and Cook Inlet (2%).

SEAFOOD PROCESSING VALUE

First Wholesale

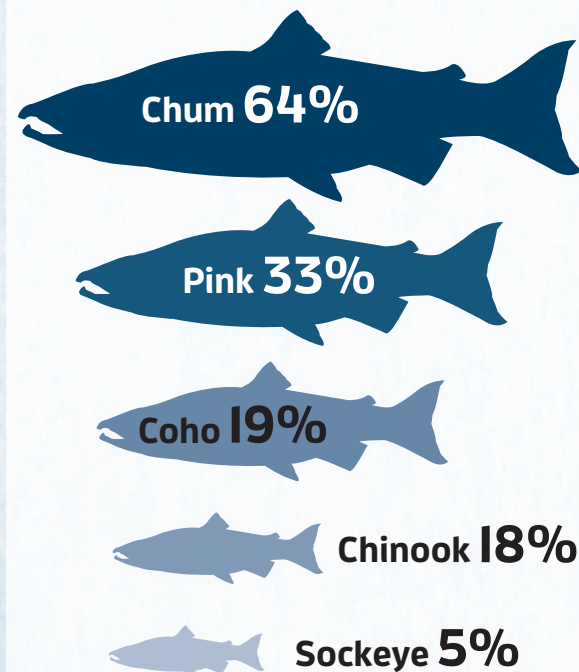
- The first wholesale value of hatchery-produced salmon averaged **\$361 million annually**. First wholesale value is ex-vessel value plus value added by Alaska processors.
- Processing of common-property hatchery salmon accounts for **79% of total first wholesale value**; cost recovery fish account for 21%.
- Hatchery-derived** first wholesale value represents **24 percent of total statewide** salmon first wholesale value.
- Hatcheries account for two-thirds of the total first wholesale value of Alaska's chum salmon and one-third of total pink salmon value.

Hatchery Contribution to Ex-Vessel Value of Alaska's Salmon Harvests



Hatchery Production Share of Total First Wholesale Value, by Species

2012-2017



Labor Income Generated by Hatcheries

2012-2017 Annual Average (millions of dollars)



ECONOMIC IMPACTS

- Statewide, approximately **8,000 fishermen (permit holders and crew)** earn income from harvest of hatchery-produced salmon.
- The employment impact of hatcheries also includes **hundreds of hatchery operations jobs and thousands of jobs in the support sector**, created as hatchery-generated dollars cycle through the Alaska economy.
- The annual average, full-time equivalent employment impact of hatcheries totals 4,700 jobs, including all multiplier effects. A total of **\$218 million in annual labor income** (wages) are attributable to salmon hatcheries.
- While not quantified in this analysis, resident **sport, personal use, and subsistence harvests of hatchery salmon have additional economic impacts** as well as very significant social and cultural impacts in Alaska.
- Southeast Alaska hatcheries account for **2,000 jobs (annualized), \$90 million in labor income, and \$237 million in total annual output**, including all multiplier effects.
- Prince William Sound hatcheries account for **2,200 jobs, \$100 million in labor income, and \$315 million in total annual output**, including all direct, indirect, and induced effects.

Total Annual Statewide Economic Impact of Alaska Salmon Hatcheries

	Direct Impacts	Indirect & Induced Impacts	Total Economic Impacts
Commercial Fishing			
Employment	1,040	500	1,540
Labor Income	\$70.9 million	\$23.6 million	\$94.5 million
Seafood Processing			
Employment	1,360	820	2,180
Labor Income	\$52.2 million	\$29.6 million	\$81.8 million
Hatchery Operations			
Employment	345	270	615
Labor Income	\$15.5 million	\$9.4 million	\$24.9 million
Non-resident Sport Fishing			
Employment	285	90	375
Labor Income	\$10.5 million	\$5.7 million	\$16.2 million
Total Economic Impact			
Employment	3,030	1,680	4,710
Labor Income	\$149.1 million	\$68.3 million	\$217.5 million
Output	\$386.1 million	\$216.0 million	\$602.1 million

SPORT, PERSONAL USE, AND SUBSISTENCE

Average Annual Hatchery-Origin Salmon Harvest by Sport and Related Fisheries



Numbers are considered conservative due to limited sampling of sport and related harvests for origin

- ◆ **Coho, Chinook, and sockeye salmon are the most important hatchery-produced species** for sport, personal use, and subsistence harvests.
- ◆ Hatchery-origin salmon accounted for **17% of the total statewide sport coho catch**, 5% of sport sockeye catch, and 8% of the sport Chinook catch.
- ◆ **Large hatchery contributions to sport harvests** occur in Southern Southeast (31,000 SSRAA coho harvested annually),

the Kenai Peninsula Borough area 26,000 CIAA sockeye), and Valdez (25,000 VFDA coho).

- ◆ **Residents of Anchorage, Fairbanks and many other Alaska communities benefit from personal use and subsistence harvest of hatchery salmon.** One-third of the roughly 100,000 hatchery-produced sockeye harvested annually in Copper River are caught by Fairbanks residents, a quarter by Anchorage residents, and a fifth by Mat-Su households.

ALASKA'S EIGHT NON-PROFIT HATCHERY ASSOCIATIONS

Southern Southeast Regional Aquaculture Association (SSRAA)
ssraa.org

Armstrong-Keta (AKI)
armstrongketa.org

Douglas Island Pink and Chum, Inc. (DIPAC)
dipac.net

Northern Southeast Regional Aquaculture Association (NSRAA)
nsraa.org

Prince William Sound Aquaculture Corporation (PWSAC)
pwsac.com

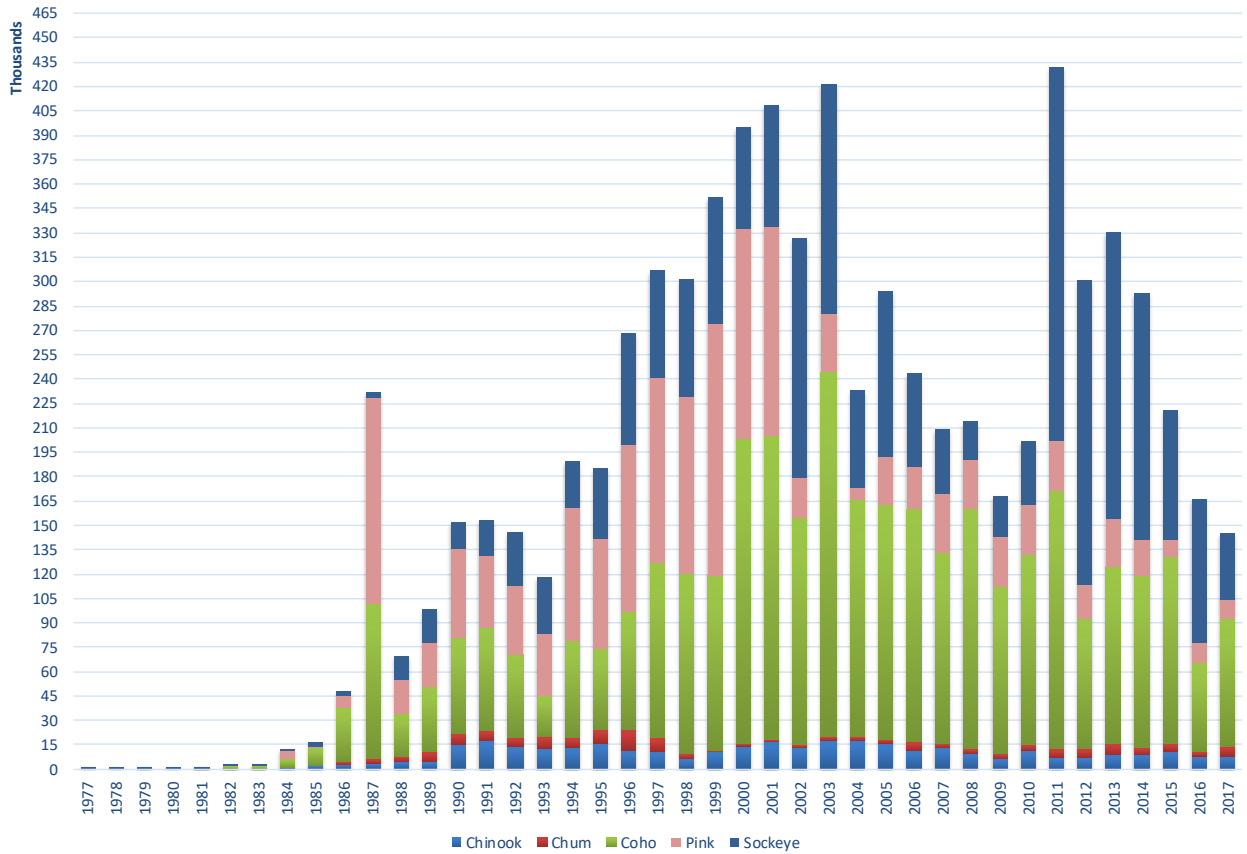
Valdez Fisheries Development Association, Inc. (VFDA)
valdezfisheries.org

Cook Inlet Aquaculture Association (CIAA)
ciaanet.org

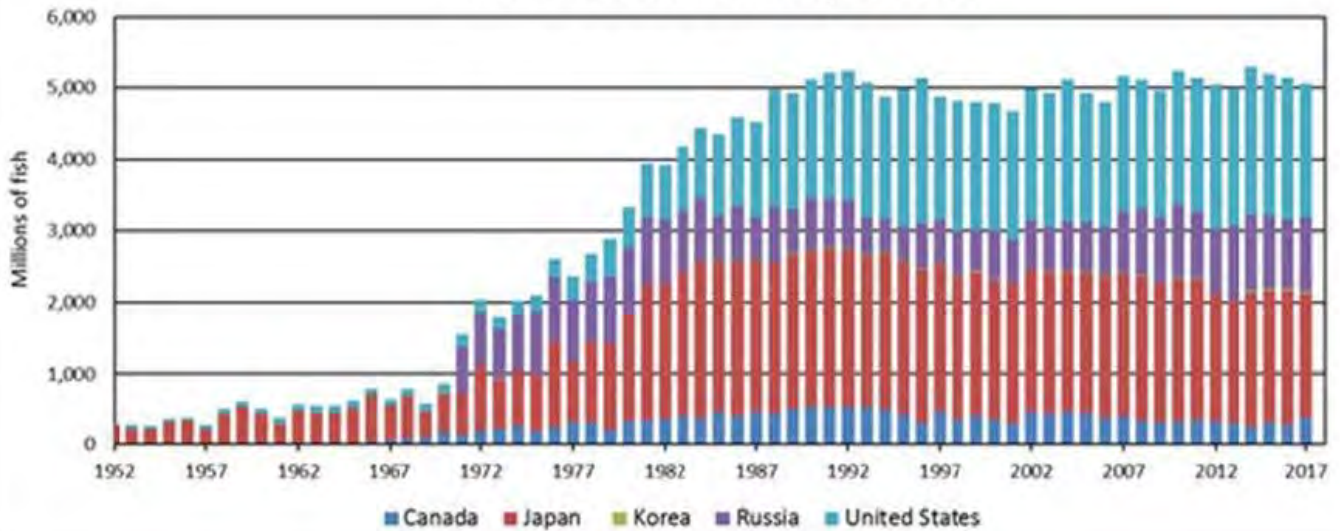
Kodiak Regional Aquaculture Association (KRAA)
kraa.org



Alaska Hatchery Contributions to Sport, PU, & Subsistence Fisheries



North Pacific hatchery releases



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

3 City Manager

4 **RESOLUTION 20-135**

5
6 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
7 APPROVING THE LEASE ASSIGNMENT ORIGINALLY HELD BY
8 HARBOR LEASING LLC AND ASSUMED BY ALASKA GROWTH
9 CAPITAL BIDCO, INC. TO SALMON SISTERS HOLDINGS LLC AND
10 AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE
11 THE APPROPRIATE DOCUMENTS FOR A 20 YEAR LEASE WITH
12 OPTIONS FOR TWO CONSECUTIVE FIVE YEAR RENEWALS FOR LOT
13 12C, PORT INDUSTRIAL SUBDIVISION NO. 4, PLAT 99-43
14

15 WHEREAS, Alaska Growth Capital BIDCO (“AGC”) has requested to transfer its leasehold
16 interest assumed from Harbor Leasing, LLC to Salmon Sisters Holdings, LLC as a result of their
17 pending sale; and
18

19 WHEREAS, HCC 18.08.160 Assignment (b) states the City Manager must make a
20 determination that a lessee is in full compliance with a lease before an assignment will be
21 effective; and
22

23 WHEREAS, Salmon Sisters Holdings, LLC submitted a lease application pursuant Homer
24 City Code (HCC) 18 and will provide the City with any required additional documents prior to
25 execution of the lease; and
26

27 WHEREAS, Per HCC 18.08.075(d) Council may approve a lease of City land for less than
28 fair market rent only if the motion approving the lease contains a finding that the lease is for a
29 valuable public purpose or use , and a statement identifying such public purpose or use ; and
30

31 WHEREAS, The Homer City Council has determined that there is a sufficient valuable
32 public purpose to approving a lease rate below fair market value for Salmon Sisters Holdings
33 LLC; and
34

35 WHEREAS, Per HCC 18.08.160 (4), Council shall approve or deny the request for lease
36 assignment via resolution.

37 NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby approves the
38 lease assignment held by Alaska Growth Capital BIDCO, Inc. to Salmon Sisters Holdings LLC
39 and authorizing the City Manager to negotiate and execute the appropriate documents for a
40 20 year lease with options for two consecutive five year renewals for Lot 12C, Port Industrial
41 Subdivision No. 4, Plat 99-43, at an initial base rent of \$25,805 in 2021.

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BE IT FURTHER RESOLVED that an appraisal of the property will be conducted by the end of 2021, and the rates for 2022 until the termination of the lease will be set at fair market rent as determined by processes contained within Title 18 of the Homer City Code.

BE IT FURTHER RESOLVED that assignment of the lease shall be contingent on the City Manager determining that the lease is in full compliance before transfer per HCC 18.08.160 and on Salmon Sisters Holdings LLC providing all required documents.

PASSED AND ADOPTED by the Homer City Council on this 14th day of December, 2020.

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal Note: \$29,785.32 annually or \$25,805 subject to appraisal



Lease Application/Assignment Form

Directions:

1. Please submit this application form to the City Manager's Office, 491 Pioneer Avenue, Homer, AK, 99603.
2. Please answer all questions on this form, or put "N/A" in the space if it is non-applicable.
3. Please include all applicable fees in the form of a check, made payable to the City of Homer.

Applicant Name:	
Business Name:	Salmon Sisters Holdings LLC.
Email Address:	claire.neaton@gmail.com
Mailing Address:	1450 candlelight ct.
City, State, ZIP code:	Homer, AK 99603
Business Telephone No.:	907-299-0112
Representative's Name:	Claire Newton
Mailing Address:	1450 candlelight ct.
City, State, ZIP code:	Homer, AK 99603
Business Telephone No.:	907-299-0112
Property Location:	1401 Ice Dock Rd.
Legal Description:	Lot 12 Port Industrial Subdivision 4 tax parcel 181-034-52
Type of Business to be placed on property:	see attached:
Duration of Lease requested:	20 yrs
Options to re-new:	5 yrs + 5 yrs

**The following materials must be submitted when applying for a lease of
City of Homer real property**

1.	Plot Plan <i>ON File</i>	<u>A drawing of the proposed leased property showing:</u> <input type="checkbox"/> Size of lot - dimensions and total square footage (to scale) <input type="checkbox"/> Placement and size of buildings, storage units, miscellaneous structures planned (to scale). <input type="checkbox"/> Water and sewer lines – location of septic tanks, if needed. <input type="checkbox"/> Parking spaces – numbered on the drawing with a total number indicated																				
2.	Development Plan <i>NA</i>	<input type="checkbox"/> <u>List the time schedule from project initiation to project completion, including major project milestones.</u> <table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Dates</th> <th style="text-align: left;">Tasks</th> </tr> </thead> <tbody> <tr><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td>_____</td></tr> </tbody> </table> <p>For each building, indicate:</p> <table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Building Use</th> <th style="text-align: left;">Dimensions and square footage</th> </tr> </thead> <tbody> <tr><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td>_____</td></tr> </tbody> </table>	Dates	Tasks	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	Building Use	Dimensions and square footage	_____	_____	_____	_____	_____	_____
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_____	_____																					
3.	Insurance <i>see letter</i>	<input checked="" type="checkbox"/> Attach a statement of proof of insurability of lessee for a minimum liability insurance for combined single limits of \$1,000,000 showing the City of Homer as co-insured. Additional insurance limits may be required due to the nature of the business, lease or exposure. Environmental insurance may be required. If subleases are involved, include appropriate certificates of insurance.																				
4.	Subleases <i>See Attachment</i>	<input checked="" type="checkbox"/> Please indicate and provide a detailed explanation of any plans that you may have for subleasing the property. The City of Homer will generally require payment of 10% of proceeds paid Lessee by subtenants.																				
5.	Health Requirements <i>City water + sewer</i> <i>at Fall DEC permit # AKG520000</i>	<input checked="" type="checkbox"/> Attach a statement documenting that the plans for the proposed waste disposal system, and for any other necessary health requirements, have been submitted to the State Department of Environmental Conservation for approval. Granting of this lease shall be contingent upon the lessee obtaining all necessary approvals from the State DEC.																				

6.	Agency Approval <i>on file for existing buildings</i>	<input checked="" type="checkbox"/> Attach statement(s) of proof that your plans have been inspected and approved by any agency which may have jurisdiction of the project; i.e. Fire Marshall, Army Corps of Engineers, EPA, etc. The granting of this lease shall be contingent upon lessee obtaining approval, necessary permits, and/or inspection statements from all appropriate State and/or Federal agencies.
7.	Fees	<u>All applicable fees must be submitted prior to the public meeting preparation.</u> <input checked="" type="checkbox"/> Application fee - \$30.00. Please make check payable to the City of Homer. <input checked="" type="checkbox"/> Lease fee - \$300.00. Please make check payable to the City of Homer.
8.	Financial Data <i>Attached ←</i>	<u>Please indicate lessee's type of business entity:</u> <input type="checkbox"/> Sole or individual proprietorship. <input type="checkbox"/> Partnership. <input type="checkbox"/> Corporation. <input checked="" type="checkbox"/> Other – Please explain: <u>LLC</u> <hr/> <input type="checkbox"/> Financial Statement – <u>Please attach a financial statement showing the ability of the lessee to meet the required financial obligations.</u> <input type="checkbox"/> Surety Information – Has any surety or bonding company ever been required to perform upon your default or the default of any of the principals in you organization holding more than a 10% interest <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. If yes, please attach a statement naming the surety or bonding company, date and amount of bond, and the circumstances surrounding the default or performance. <input type="checkbox"/> Bankruptcy information - Have you or any of the principals of your organization holding more than a 10% interest ever been declared bankrupt or are presently a debtor in a bankruptcy action? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. If yes, please attach a statement indicating state, date, Court having jurisdiction, case number and to amount of assets and debt. <input type="checkbox"/> Pending Litigation – Are you or any of the principals of your organization holding more than a 10% interest presently a party to any pending litigation? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. If yes, please attach detailed information as to each claim, cause of action, lien, judgment including dates and case numbers.

9.	Partnership Statement <p style="text-align: center;">NA</p>	<input type="checkbox"/> <u>If the applicant is a partnership, please provide the following:</u> Date of organization: _____ Type: <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership Statement of Partnership Recorded? <input type="checkbox"/> Yes <input type="checkbox"/> No Where _____ When _____ Has partnership done business in Alaska? <input type="checkbox"/> Yes <input type="checkbox"/> No Where _____ When _____ Name, address, and partnership share. If partner is a corporation, please complete corporation statement. <i>Please attach a copy of your partnership agreement.</i>																												
10.	Corporation Statement	<input checked="" type="checkbox"/> <u>If the applicant is a corporation, please provide the following:</u> Date of Incorporation: <u>Oct 15, 2020</u> State of Incorporation: <u>AK</u> Is the Corporation authorized to do business in Alaska? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes. Is so, as of what Date? <u>Oct 15, 2020</u> Corporation is held? <input type="checkbox"/> Publicly <input checked="" type="checkbox"/> Privately If publicly held, how and where _____ is _____ the _____ stock _____ traded? _____ Officers & Principal Stockholders [10%+]: <table border="1"> <thead> <tr> <th><u>Name</u></th> <th><u>Title</u></th> <th><u>Address</u></th> <th><u>Share</u></th> </tr> </thead> <tbody> <tr> <td>CLAIRE NENTON</td> <td>MANAGER</td> <td>1450 Candlelight Ct.</td> <td>25.5%</td> </tr> <tr> <td>EMMA LAUKITIS</td> <td>MANAGER</td> <td>1101 17th Ave Apt 204 Seattle, WA 98122</td> <td>25.5%</td> </tr> <tr> <td>Michael LAUKITIS</td> <td>MGR</td> <td>41630 GLADYS Ct.</td> <td>24.5%</td> </tr> <tr> <td>Shelley LAUKITIS</td> <td>MGR</td> <td>"</td> <td>24.5%</td> </tr> </tbody> </table> <input checked="" type="checkbox"/> Please furnish a copy of Articles of Incorporation and By-laws. Please furnish name and title of officer authorized by Articles and/or By-laws to execute contracts and other corporate commitments. <table border="1"> <thead> <tr> <th><u>Name</u></th> <th><u>Title</u></th> </tr> </thead> <tbody> <tr> <td>Claine Nenton</td> <td>Manager Agent</td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> </tbody> </table>	<u>Name</u>	<u>Title</u>	<u>Address</u>	<u>Share</u>	CLAIRE NENTON	MANAGER	1450 Candlelight Ct.	25.5%	EMMA LAUKITIS	MANAGER	1101 17th Ave Apt 204 Seattle, WA 98122	25.5%	Michael LAUKITIS	MGR	41630 GLADYS Ct.	24.5%	Shelley LAUKITIS	MGR	"	24.5%	<u>Name</u>	<u>Title</u>	Claine Nenton	Manager Agent				
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Claine Nenton	Manager Agent																													

<p>11. Applicant References</p>	<p>Please list four persons or firms with whom the Applicant or its owners have conducted business transactions with during the past three years. Two references named shall have knowledge of your financial management history, of which at least one must be your principal financial institution. Two of the references must have knowledge of your business expertise.</p> <hr/> <p>Name: <u>CINDA MARTIN</u> Firm: <u>WELLS FARGO</u> Title: <u>VICE PRESIDENT</u> Address: <u>88 STERLING HIGHWAY HOMER AK 99003</u> Telephone: <u>907 399 4574</u> Nature of business association with Applicant: <u>Applicants have worked with Cinda Martin at Homer Wells Fargo branch for the past three years - knowledge of business expertise.</u></p> <p>Name: <u>DANA CARRELL</u> Firm: <u>CRYSTAL CREEK LOGISTICS</u> Title: <u>ACCOUNT MANAGER</u> Address: <u>2900 SALASHAN LOOP FERNDALE WA 98248</u> Telephone: <u>360 325 8129</u> <u>dana@crystalcreeklogistics.com</u> Nature of business association with Applicant: <u>salmon systems ^{salmon} ^{systems} ^{com} has used Crystal Creek Logistics for the past three years to fulfill orders for frozen sea food.</u></p> <p>Name: <u>MARK ANDERSON</u> Firm: <u>SILVER BAY SEAFOODS</u> Title: <u>MANAGER - FLEET + FALSE PASS ALASKA</u> Address: <u>4039 21ST AVE W SUITE 201, SEATTLE WA 98119</u> Telephone: <u>206-300-1358</u> <u>907 204 1123</u> Nature of business association with Applicant: <u>Applicants have worked with Mark Anderson in commercial fishing sector for the past three years - knowledge of business expertise.</u></p> <p>Name: <u>MEMO TORRES</u> Firm: <u>HONEYWELL SAFETY PRODUCTS - XTRATUF</u> Title: <u>COLLECTIONS SPECIALIST</u> Address: <u>20 THURBER BLVD, SMITTFIELD RI 02917-1879</u> Telephone: <u>833 604 1197 ext 2117</u> <u>Luisguillermo. torres@honeywell.com</u> Nature of business association with Applicant: <u>ext: 8005028, salmon systems ^{salmon} ^{systems} ^{com} purchased product - XTRATUF boots from Honeywell safety product for the past three years. collections specialist info above.</u></p>
--	---

I hereby certify that the above information is true and correct to the best of my knowledge.

Signature: Clark

Date: November 4, 2020

City of Homer Lease Application

Preamble --Salmon Sisters Holdings LLC. supports a working waterfront on the Homer Spit. The owners of the proposed lease are all commercial and sport fishermen who desire to maintain competitive buyers and fish processing in Homer.

We view our purchase of this bank owned facility as a distressed sale in that the facility was bankrupt and has been inoperable for over two years. Many prospective buyers have looked at this facility for their needs and passed. The enterprise value of the plant has declined dramatically. The condition of freezing and ice making plants is unknown. The status of fish stocks is dramatically lower than in 2008 when the last lease was adopted. Halibut landings in Homer in 2007 were 5 mil pounds and the Alaska total harvest was over 35 mil pounds. Last year Homer only processed approximately 2.5 mil pounds and state-wide only 17 million pounds of halibut were processed. The pacific cod GOA stocks declined 85% YOY in 2019, and the Kenai River Sockeye fishery is in long-term decline -- fishermen and processors are seeking a disaster declaration in 2020.) The VALUE of all of these fisheries has declined dramatically since 2008. On top of this there is only so much market share for fish landings to Homer. Any new processor potentially impacts existing processors that might be marginally healthy. The Covid pandemic magnifies business uncertainty. Our plans are under development, and we need flexibility to develop a sustainable business on this lease in Homer.

Type of business:

The facility has four spaces (see sublease description).

Salmon Sisters LLC will use existing space to further develop their e-commerce, direct to consumer fish and merchandise sales. They will use the retail counter for fish and merchandise, and the kitchen for "fresh catch" takeaway. They will use the warehouse for shipping and receiving, labeling, packaging and logistics.

The upstairs space may be utilized as a commercial office for marine related businesses, boat charter services or for marine equipment sales.

The processing, shop, mechanical, warehouse space will be used for processing commercial and sport seafood products, for secondary processing and manufacturing of food products, fish buying, cold storage, staging and logistical support, maintenance and repairs, as a general fisherman's and shipyard mechanical support facility, drydock and storage. Magic Fish Co. (owner of three boats) will immediately occupy this and some outside space.

The outside spaces will be used in support of the indoor facility and separately for storage, drydock, marine support, parking and mobile food service.

It may be necessary to have temporary seasonal caretaker housing.

And other uses as permitted under the City of Homer Marine Industrial District.

4. Subleases: Salmon Sisters Holdings LLC is currently developing plans for the lease and buildings. Our immediate identified business use will not fully utilize the facility or land. It is imperative that we sublet portions of the building and land to afford overhead costs.

The facility consists of four discrete spaces:

- 1.) upstairs office space (1600 ft sq);
- 2.) retail counter, commercial kitchen, warehouse e-commerce fulfillment space (approx. 1600 ft sq);
- 3.) processing/warehouse with blast and storage freezers and processing equipment, salt water pump and outfall line (2400 ft sq.)

All of the above have separate entrances and defined divisions.

4.) Outside spaces on the balance of the lot. Some of the outside space holds an ice machine and the refrigeration plant. We are determining at this time if these have value. Renting outside space for storage, logistics, maintenance, parking, etc. (as compatible with marine industrial zoning and our current use of the facility) will be developed.

We plan on immediately only occupying and using the number 2.) space. We are working on developing the best use for the other spaces either by our own businesses, partners or by others. For example, at this time we would look to rent the office space. (Possible tenants might be NMFS enforcement office, USCG, marine shipping or transportation companies, etc.)



November 4, 2020

Salmon Sisters Holdings, LLC

RE: City of Homer Lease Application

To whom it may concern,

This letter confirms that Salmon Sisters Holdings, LLC is working with Coastline Insurance Agency, and **will** have coverage in place for the property located 4501 Ice Dock Road, Homer, AK 99603. This coverage has been quoted, and is ready to be in place by December 1st, 2020.

Sincerely,

Brian Vecellio
Owner
Coastline Insurance Agency

Salmon Sisters Holdings LLC

Salmon Sisters Holdings LLC's managing members met on Oct 18 and approved the following Resolution:

Salmon Sisters Holdings LLC shall be authorized to enter into a long term ground lease with the City of Homer for Lot 12-C Port Industrial Subdivision and the Managing members (and specifically the Managing Agent) shall be authorized to execute the required documents.

Claire Meaton

Claire Meaton Agent October 20 2020 Date



THE STATE
of **ALASKA**

Department of Commerce, Community, and Economic Development
Division of Corporations, Business, and Professional Licensing
PO Box 110806, Juneau, AK 99811-0806
(907) 465-2550 • Email: corporations@alaska.gov
Website: corporations.alaska.gov

FOR DIVISION USE ONLY

Domestic Limited Liability Company
Initial Biennial Report

Entity Name: Salmon Sisters Holdings, LLC
Entity Number: 10145239
Home Country: UNITED STATES
Home State/Prov.: ALASKA
Physical Address: 4501 ICE DOCK ROAD, HOMER, AK 99603
Mailing Address: 1450 CANDLELIGHT COURT, HOMER, AK 99603

Registered Agent information cannot be changed on this form. Per Alaska Statutes, to update or change the Registered Agent information this entity must submit the Statement of Change form for this entity type along with its filing fee.

Name: Claire Neaton
Physical Address: 1450 CANDLELIGHT COURT, HOMER, AK 99603
Mailing Address: 1450 CANDLELIGHT COURT, HOMER, AK 99603

Officials: The following is a complete list of officials who will be on record as a result of this filing.

- **Provide all officials and required information. Use only the titles provided.**
- **Mandatory Members:** this entity must have at least one (1) Member. A Member must own a %. In addition, this entity must provide all Members who own 5% or more of the entity. A Member may be an individual or another entity.
- **Manager:** If the entity is manager managed (per its articles or amendment) then there must be at least (1) Manager provided. A Manager may be a Member if the Manager also owns a % of the entity.

Full Legal Name	Complete Mailing Address	% Owned	Member
Claire Neaton	1450 Candlelight Court, Homer, AK 99603	25.5	X
Emma Laukitis	1450 Candlelight Court, Homer, AK 99603	25.5	X
Michael Laukitis	41630 Gladys Court, Homer, AK 99603	24.5	X
Shelly Laukitis	41630 Gladys Court, Homer, AK 99603	24.5	X

If necessary, attach a list of additional officers on a separate 8.5 X 11 sheet of paper.

NAICS Code: 531190 - LESSORS OF OTHER REAL ESTATE PROPERTY

New NAICS Code (optional):

This form is for use by the named entity only. Only persons who are authorized by the above Official(s) of the named entity may make changes to it. If you proceed to make changes to this form or any information on it, you will be certifying under penalty of perjury that you are authorized to make those changes, and that everything on the form is true and correct. In addition, persons who file documents with the commissioner that are known to the person to be false in material respects are guilty of a class A misdemeanor. Continuation means you have read this and understand it.

State of Alaska
Department of Commerce, Community, and Economic Development
Corporations, Business, and Professional Licensing

Certificate of Organization

The undersigned, as Commissioner of Commerce, Community, and Economic Development of the State of Alaska, hereby certifies that a duly signed and verified filing pursuant to the provisions of Alaska Statutes has been received in this office and has been found to conform to law.

ACCORDINGLY, the undersigned, as Commissioner of Commerce, Community, and Economic Development, and by virtue of the authority vested in me by law, hereby issues this certificate to

Salmon Sisters Holdings, LLC



IN TESTIMONY WHEREOF, I execute the certificate and affix the Great Seal of the State of Alaska effective **October 15, 2020**.



Julie Anderson
Commissioner



THE STATE of ALASKA

Department of Commerce, Community, and Economic Development
Division of Corporations, Business, and Professional Licensing
PO Box 110806, Juneau, AK 99811-0806
(907) 465-2550 • Email: corporations@alaska.gov
Website: corporations.alaska.gov

FOR DIVISION USE ONLY

Articles of Organization
Domestic Limited Liability Company

Web-10/15/2020 12:56:34 PM

1 - Entity Name

Legal Name: Salmon Sisters Holdings, LLC

2 - Purpose

Engage in the acquisition, development, lease and management of commercial property, and any other lawful purpose and business.

3 - NAICS Code

531190 - LESSORS OF OTHER REAL ESTATE PROPERTY

4 - Registered Agent

Name: Claire Neaton

Mailing Address: 1450 Candlelight Court, Homer, AK 99603

Physical Address: 1450 Candlelight Court, Homer, AK 99603

5 - Entity Addresses

Mailing Address: 1450 Candlelight Court, Homer, AK 99603

Physical Address: 4501 Ice Dock Road, Homer, AK 99603

6 - Management

The limited liability company is managed by its members.

7 - Officials

Table with 4 columns: Name, Address, % Owned, Titles. Rows include Claire Neaton, Michael Laukitis, Shelly Laukitis, and Emma Laukitis, all with the title 'Organizer'.

Alaska Department of Commerce, Community, and Economic Development

Division of Corporations, Business, and Professional Licensing
PO Box 110806, Juneau, AK 99811-0806

This is to certify that

Salmon Sisters Holdings, LLC

1450 Candlelight Court, Homer, AK 99603

owned by

Salmon Sisters Holdings, LLC

is licensed by the department to conduct business for the period

October 15, 2020 to December 31, 2021
for the following line(s) of business:

53 - Real Estate, Rental and Leasing

This license shall not be taken as permission to do business in the state without having complied with the other requirements of the laws of the State or of the United States.
This license must be posted in a conspicuous place at the business location.
It is not transferable or assignable.

Julie Anderson
Commissioner



Name of person completing this online application

This form is for use by the named entity only. Only persons who are authorized by the above Official(s) of the named entity may make changes to it. If you proceed to make changes to this form or any information on it, you will be certifying under penalty of perjury that you are authorized to make those changes, and that everything on the form is true and correct. In addition, persons who file documents with the commissioner that are known to the person to be false in material respects are guilty of a class A misdemeanor. Continuation means you have read this and understand it.

Name: Tracey Tillion