CALL TO ORDER, PLEDGE OF ALLEGIANCE

Councilmember Lord requests excusal.

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.)


b. Memorandum 22-059 from Deputy City Clerk Re: New Liquor License for Homeslice Pizza and Liquor License Renewal for BPO Elks Lodge. Recommend approval.

c. Ordinance 22-21, An Ordinance of the City Council of Homer, Alaska Amending the FY22 Capital Budget and Authorizing the Expenditure of $13,800 from the General Fund Capital Asset Repair and Maintenance Allowance Fund for Upgrades to the City Clerk’s Office and Equipment for City Hall. City Manager/City Clerk. Recommended dates Introduction April 11, 2022, Public Hearing and Second Reading April 25, 2022.

Memorandum 22-060 from City Clerk as backup.

d. Ordinance 22-22, An Ordinance of the City Council of Homer, Alaska Amending the FY22 Capital Budget by an Amount not to Exceed $800,000 from the General Fund Fleet Capital Asset Repair and Maintenance Allowance Fund for the Purchase of an Enforcer
2500 Gallon Tender Fire Truck. City Manager/Mayor. Recommended dates Introduction April 11, 2022, Public Hearing and Second Reading April 25, 2022.

Memorandum 22-061 from City Manager as backup.

e. Resolution 22-028, A Resolution of the City Council of Homer, Alaska Approving an Amendment to the Property Development Plan of the Copper River Seafoods Lease for Portion of Lot 13B, City of Homer Port Industrial Subdivision No. 2, According to Plat No. 80-92, Containing 15,300 Sq Ft, Kenai Peninsula Borough Parcel #18103425. City Manager. Recommend adoption.

Memorandum 22-062 from Port & Harbor Advisory Commission as backup.

f. Resolution 22-029, A Resolution of the City Council of Homer, Alaska Authorizing the Award of a Contract to Design the Ben Walters Lane Sidewalk to HDR Engineering Consultants LLC in an Amount not to Exceed $73,436 and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manage/Public Works Director. Recommend adoption.

Memorandum 22-063 from Public Works Director as backup.

g. Resolution 22-030, A Resolution of the City Council of Homer, Alaska Authorizing the City Manager to Execute a Loan Agreement with the State of Alaska Department of Environmental Conservation for an Alaska Drinking Water Fund Loan in the Amount of $277,090 for the Tasmania Court Water Improvement Project. City Manager/Public Works Director. Recommend adoption.

VISITORS

a. COVID-19 Agency Update Derotha Ferraro, South Peninsula Hospital Director of Public Relations & Marketing and Lorne Carroll, State of Alaska Public Health Nurse III (10 minutes)

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

a. Worksession Report

b. Committee of the Whole Report

c. Mayor’s Report

d. Lunch with a Councilmember Report - Councilmember Davis

e. Borough Report

f. Planning Commission Report

PUBLIC HEARING(S)
 Ordinance 22-16, An Ordinance of the City Council of Homer, Alaska Amending the FY22 Capital Budget by Appropriating $30,000 from the Fishing Lagoon Capital Asset Repair and Maintenance Allowance (CARMA) Fund for the Purpose of Funding the Development of an Engineered Concept and Cost Estimate for an Accessible Fishing Platform at the Nick Dudiak Fishing Lagoon. City Manager/Public Works Director. Introduction March 29, 2022 Public Hearing and Second Reading April 11, 2022.

Memorandum 22-047 from Public Works Director as backup.

 Ordinance 22-18(S), An Ordinance of the City Council of Homer, Alaska Amending the FY22 Capital Budget by Appropriating $461,446 from the Homer Accelerated Water and Sewer Program (HAWSP) Fund to Fund the City's Portion of Costs for Bunnell Ave/Charles Way Water and Sewer Special Assessment Districts. City Manager/Public Works Director. Introduction March 29, 2022, Public Hearing and Second Reading April 11, 2022.

Memorandum 22-064 from Public Works Director as backup.

 Ordinance 22-19, An Ordinance of the City Council of Homer, Alaska, Amending the FY22 Capital Budget by Appropriating Funds in the Amount of $56,450 from the Port Reserves Fund for the Purpose of Engaging R&M Consultants' Grant Assistance and Engineering Support Teams to Develop and Submit a 2022 Port Infrastructure Development Program Grant Application for Homer Harbor’s Float Replacement Project. Erickson/Port. Introduction March 29, 2022 Public Hearing and Second Reading April 11, 2022.

Memorandum 22-050 from Port Director as backup.
Memorandum 22-051 from Port & Harbor Advisory Commission as backup.


Memorandum 22-065 from City Manager as backup.
Memorandum 22-052 from City Manager as backup.

ORDINANCE(S)

CITY MANAGER'S REPORT

 a. City Manager's Report

PENDING BUSINESS

NEW BUSINESS

RESOLUTIONS
COMMENTS OF THE AUDIENCE
COMMENTS OF THE CITY ATTORNEY
COMMENTS OF THE CITY CLERK
COMMENTS OF THE CITY MANAGER
COMMENTS OF THE MAYOR
COMMENTS OF THE CITY COUNCIL

ADJOURNMENT
Next Regular Meeting is Monday, April 25, 2022 at 6:00 p.m., Worksession 4:00 p.m. Committee of the Whole at 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.
Session 22-06 a Regular Meeting of the Homer City Council was called to order on March 29, 2022 by Mayor Ken Castner at 6:00 p.m. at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska, and opened with the Pledge of Allegiance.

PRESENT: COUNCILMEMBERS ADERHOLD, DAVIS, ERICKSON, HANSEN-CAVASOS, LORD, VENUTI

STAFF: CITY MANAGER DUMOUCHEL
       CITY CLERK JACOBSEN
       FINANCE DIRECTOR WALTON
       CITY PLANNER ABBOUD
       PUBLIC WORKS DIRECTOR KEISER
       DEPUTY CITY PLANNER & SPECIAL PROJECTS COORDINATOR ENGEBRETSEN
       INFORMATION TECHNOLOGY ANALYST SULCZYNSKI
       CITY ATTORNEY GATTI

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

Mayor Castner announced the following supplemental items- Consent Agenda Memorandum 22-046 from Deputy City Clerk Re: Liquor License Renewals for Odin Mead and Grace Ridge Brewing. Non-objection notice for Odin Mead from Kenai Peninsula Borough Clerk’s Office; Ordinance 22-18(S), An Ordinance of the City Council of Homer, Alaska Amending the FY22 Capital Budget by Appropriating $461,446 from the Homer Accelerated Water and Sewer Program (HAWSP) Fund to Finance the Cost of the Bunnell Ave/Charles Way Water and Sewer Special Assessment Districts. City Manager/Public Works Director, and updated Financial Supplement. Visitors Climate Action Internship with the City of Homer Public Works Department - Catherine Barrie (10 minutes) City Manager’s Report Letter from Homer Foundation Re: City of Homer Grants Program 2022; Audience Comments Written public comments from Doug VanPatten re: Parking on the Spit.

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.)


   b. Memorandum 22-045 from Mayor Castner Re: Reappointment of Kate Finn & Marcia Kuszmaul to the Library Advisory Board, Jay Cherok & Deborah Brown to the Economic
Development Advisory Commission, and Appointment of Bruce Friend to the Port & Harbor Advisory Commission. Recommend approval.

c. Memorandum 22-046 from Deputy City Clerk Re: Liquor License Renewals for Odin Mead and Grace Ridge Brewing. Recommend approval.

d. Ordinance 22-16, An Ordinance of the City Council of Homer, Alaska Amending the FY22 Capital Budget by Appropriating $30,000 from the Fishing Lagoon Capital Asset Repair and Maintenance Allowance (CARMA) Fund for the Purpose of Funding the Development of an Engineered Concept and Cost Estimate for an Accessible Fishing Platform at the Nick Dudiak Fishing Lagoon. City Manager/Public Works Director. Recommended dates Introduction March 29, 2022 Public Hearing and Second Reading April 11, 2022.

Memorandum 22-047 from Public Works Director as backup.

e. Ordinance 22-17, An Ordinance of the City Council of Homer, Alaska Amending Homer City Code Section 21.03.040 Definitions used in Zoning Code under “Dwelling” or “Dwelling Unit”, to Exclude the Use of Connex Boxes or other Similar Intermodal Shipping Containers. Planning Commission. Recommended dates Introduction March 29, 2022, Public Hearing and Second Reading April 11, 2022.

Memorandum 22-048 from City Planner as backup.

Moved to Ordinances. Aderhold.


Memorandum 22-049 from Public Works Director as backup.

Moved to Ordinances. Aderhold.

g. Ordinance 22-19, An Ordinance of the City Council of Homer, Alaska, Amending the FY22 Capital Budget by Appropriating Funds in the Amount of $ 56,450 from the Port Reserves Fund for the Purpose of Engaging R&M Consultants’ Grant Assistance and Engineering Support Teams to Develop and Submit a 2022 Port Infrastructure Development Program Grant Application for Homer Harbor’s Float Replacement Project. Erickson/Port. Recommended dates Introduction March 29, 2022 Public Hearing and Second Reading April 11, 2022.
Memorandum 22-050 from Port Director as backup.
Memorandum 22-051 from Port & Harbor Advisory Commission as backup.

h. Resolution 22-021, A Resolution of the City Council of Homer, Alaska Approving and Accepting a Donation for the City of Homer Municipal Art Collection from Alaska Artist Deland Anderson Entitled "Seven". City Clerk/PARCAC. Recommend adoption.

Memorandum 22-054 from Deputy City Clerk as backup.

Moved to Resolutions. Aderhold.

i. Resolution 22-022, A Resolution of the City Council of Homer, Alaska Approving and Accepting a Donation from the Bunnell Street Arts Center of a Two Part Mural by Alaskan Artist Kim McNett Inspired by the Peatland Project to be Placed on the Exterior of the Homer Airport on each side of the Entrance Door. City Clerk/PARCAC. Recommend adoption.

Memorandum 22-055 from Parks Art Recreation and Culture Advisory Commission (PARCAC) as backup.

Moved to Resolutions. Aderhold.


Memorandum 22-056 from City Clerk as backup.


m. Resolution 22-026, A Resolution of the City Council of Homer, Alaska Approving an Eleven Month Sublease at the Homer Airport Terminal for Kenai Aviation Operations LLC, and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager/Port Director.
Memorandum 22-026 from Port & Harbor Advisory Commission as backup.

Items e. and f. moved to Ordinances items b and c. Aderhold

Items h. and i. moved to Resolutions items b. and c. Aderhold

City Clerk Jacobsen read the consent agenda and recommendations.

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

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

VISITORS

a. COVID-19 Agency Update Derotha Ferraro, South Peninsula Hospital Director of Public Relations & Marketing and Lorne Carroll, State of Alaska Public Health Nurse III (10 minutes)

Lorne Carroll reported on daily confirmed cases worldwide and in the United States, COVID hospitalizations in Alaska by age group, and reviewed the Omicron variant’s prevalence in Alaska. He reviewed the CDC Dashboard’s Community Levels by County and how to use the information provided. He also touched on statewide hospital capacity, and information on outpatient treatment, and COVID vaccination boosters.

Derotha Ferraro reported that South Peninsula Hospital (SPH) care and services are open as normal with masking required. Week ending March 22 had five emergency room visits for COVID, two new hospitalizations, 377 tests, 41 positive, six infusions, and 14 vaccines. The weekly numbers are posted on the SPH website. They’re waiting for recommendations regarding second booster shot rollouts. The preferred treatment right now is the oral antiviral Paxlovid, available by prescription, then monoclonal antibody infusion.

b. Climate Action Internship with the City of Homer Public Works Department - Catherine Barrie (10 minutes)

Catherine Barrie presented on projects she’s working on through the Semester by the Bay Program as an intern with the Public Works Department. The projects include work on the Homer Climate Action Plan Progress Report, Environmental Resource Directory, Interpretive Trail Signage, Homer Climate Champions Facebook page and community outreach initiative, and the 2022 American Climate Leadership Summit.
ANNOUNCEMENTS / PRESENTATIONS / REPORTS (5 Minute limit per report)

a. Committee of the Whole Report

Councilmember Aderhold reported Council discussed Ordinance 22-16 regarding ADA improvement planning at the fishing lagoon, Resolutions 22-021 and 22-022 regarding art donations, and Ordinance 22-17 regarding eliminating the use of connexes as dwellings. They also had an update on the HERC/Pioneer Avenue Redevelopment Project.

b. Worksession Report

City Manager Dumouchel reported Council heard a legislative update from Representative Sarah Vance, and lobbyist update from the city’s lobbyists Christine Hess and Reggie Joule with J&H Consulting.

c. Mayor’s Report

Mayor Castner reported there is a lot going on at the Council level and at the staff level. He’s going to attempt to have some reporting from departments periodically at the Council meetings.

d. Borough Report

Kenai Peninsula Borough Assembly Member Lane Chesley reported Mayor Castner and Public Works Director Keiser will be attending the KPB Lands Committee meeting to present Homer’s Green Infrastructure Plan. It will be a lead in to their discussion on disposal of KPB land on Kachemak Drive that were removed from last year’s land disposal sale. They have an ordinance to make a permanent hire at Homer’s transfer facility to have one full time lead landfill operator, three full time laborer operators, and one temporary laborer. KPB has contracted with a company to acquire new imagery and footprint data across the borough. Under terms of the contract KPB is allowed to share the geographic data with cities in the borough.

e. Library Advisory Board

Library Advisory Boardmember Michael McKinney reported at their last meeting the board addressed revisions to Facility Use Policy, and proposed updating copy fees. They received information about checkout data and increases up to COVID and how numbers are coming back up. They also discussed the Planned Giving Program, and he reported there is new furniture in the Children’s Room.

f. Planning Commission

Planning Commissioner Syverine Bentz reported on the Commissions discussion of the Hazard Mitigation Plan update at their last meeting.
g. Parks Art Recreation and Culture Advisory Commission

Parks Art Recreation and Culture Advisory Commissioner Ingrid Harrald reported on the HERC/Pioneer Avenue Revitalization public events. At the last Commission meeting they had a presentation on the Peatlands mural proposed for the airport and recommended approval for that art along with the donation from Deland Anderson. They reviewed the amendments to the mural policy and recommend approval of that as well. They heard from staff on the draft Non-Motorized Transportation and Trails Plan update, ADA upgrades the KHLT Park and the fishing lagoon. She also noted work being done on agreements with groups using the ball fields, and conversations regarding green cemeteries prompted by resident Barb Seaman.

h. Port and Harbor Advisory Commission

Port and Harbor Advisory Commission Chair Crisi Matthews reported at their last meeting the Commission had a budget worksession and a lease modification. They request support from Council in the adopting Ordinance 22-19 and hiring R&M Consultants to assist with grant preparation for float repair. They reviewed updates to the parking study that show increasing paid parking will be profitable for the harbor, and the Commission will continue to address parking needs and will be making requests to Council for support. She touched on funding for the Port and Harbor expansion project and the Commission will continue to focus on keeping the projects momentum in the forefront.

PUBLIC HEARING(S)


   Memorandum 22-038 from City Planner as backup.

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

ADERHOLD/VENUTI MOVED TO ADOPT ORDINANCE 22-13 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

Memorandum 22-039 from City Manager as backup.
Memorandum 22-040 from Deputy City Planner & Special Projects Coordinator as backup.

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

HANSEN-CAVASOS/VENUTI MOVED TO ADOPT ORDINANCE 22-14 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.


Ordinance 22-15(S), An Ordinance of the City Council of Homer, Alaska Amending Homer City Code Chapter 8.11 Mobile Food Service. Venuti/Hansen-Cavasos.

Memorandum 22-041 from City Manager as backup.
Memorandum 22-040 from Deputy City Planner & Special Projects Coordinator

Mayor Castner opened the public hearing.

Karin Marks, city resident, commented in support of the changes related to mobile food trucks and suggested they should be required to have a State Business Licenses to keep them on par with the brick and mortar businesses.

There were no further comments and the hearing was closed.
VENUTI/ADERHOLD MOVED TO ADOPT ORDINANCE 22-15 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.
VENUTI/ADERHOLD MOVED TO SUBSTITUTE ORDINANCE 22-15(S) FOR 22-15.

There was no discussion on the motion to substitute.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

VENUTI/ADERHOLD MOVED TO AMEND LINE 212 TO CHANGE THE WORDS SHALL BE PUNISHED BY A FINE TO MAY BE FINED.

In response to questions about changing shall to may City Manager Dumouchel explained using “may” provides him the desecration in instances where a fine may not be warranted, and a warning may be more appropriate.

ADERHOLD/VENUTI MOVED TO AMEND THE AMENDMENT TO READ MAY BE SUBJECT TO A FINE.

There was no discussion.

VOTE (secondary amendment): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

There was no further discussion on the amendment as amended.

VOTE (primary amendment): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

There were comment from councilmembers in support of including a requirement for a state business licenses, in addition to the other requirements. City Manager Dumouchel noted his primary concern for the city regarding licensing is that they have their Alaska Department of Environmental Health Mobile Food Service Permit.

LORD/ADERHOLD MOVED TO AMEND LINE 101 AFTER GENERAL PUBLIC, ADD STATE OF ALASKA BUSINESS LICENSE, AND ON LINE 102 CHANGE DEPARTMENT TO DIVISION.

There were comments that this addresses the public comment and the concern was also demonstrated in the feedback from the Commissions, in helping to ensure people are being held to the same standards.
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.

Mayor Castner called for a brief recess at 7:34 p.m. and reconvened the meeting at 7:44 p.m.

ORDINANCE(S)


Memorandum 22-052 from City Manager as backup.

ADERHOLD/VENUTI MOVED TO INTRODUCE ORDINANCE 22-20 BY READING OF TITLE ONLY.

City Manager Dumouchel reviewed the points in Memorandum 22-052 and responded to questions from Council.

Councilmembers were generally supportive of the amendments and understanding of the need for additional staffing but some shared concerns about adding staff positions and being able to sustain them after so many years of tight budgets.

Mayor Castner shared that he’s felt the administrative capacity has been lacking to accomplish the big projects we want to get done. He thinks the City Manager has done well in recognizing our deficiencies and working to address them. He supports all of the amendments because he thinks it’s the way Homer grows, and we’re in a position now to do it fairly painlessly.

There was also discussion regarding the administrative fee relief. City Manager Dumouchel explained that organizationally we’re doing well and this is an opportunity to give relief to other departments. It’s not proposed as a permanent change, it’s something that’s been suggested before, and Council can bring it back when they feel it’s appropriate.

VOTE (introduction): NON OBJECTION: UNANIMOUS CONSENT
b. Ordinance 22-17, An Ordinance of the City Council of Homer, Alaska Amending Homer City Code Section 21.03.040 Definitions used in Zoning Code under “Dwelling” or “Dwelling Unit”, to Exclude the Use of Connex Boxes or other Similar Intermodal Shipping Containers. Planning Commission. Recommended dates Introduction March 29, 2022, Public Hearing and Second Reading April 11, 2022.

Memorandum 22-048 from City Planner as backup.

ADERHOLD/ERICKSON MOVED TO INTRODUCE ORDINANCE 22-17 BY READING OF TITLE ONLY.

Council expressed their appreciation of the Planning Commission’s work regarding this ordinance and it was noted that the Commission’s vote was 4 to 3 to recommend it to Council.

Councilmember Davis explained connexes are being improved into livings spaces in ways people are finding acceptable and shared some photos supporting that. He believes they need to think carefully about completely banning all uses of all containers in Homer. He also noted their discussion at their visioning sessions related to introducing building codes for Homer so he’s not sure it makes sense to rush forward with an ordinance addressing this one aspect of building in Homer.

Councilmember Erickson concurred and shared examples of connexes that have been converted into temporary housing for employees in Seward and explained how that could be beneficial in Homer for our seasonal workers.

Councilmember Lord shared that she doesn’t feel this is an appropriate change to code to single out one type of building material when, as the City Planner has said, you could build a home out of milk crates. The concerns addressed by the Commission in their minutes, including health and safety and aesthetics, need to be addressed holistically and aren’t unique to a connex or any particular structure, this is where building code comes in.

Councilmember Aderhold doesn’t agree with this ordinance for the reasons that have been stated and questioned the impacts of introducing.

Mayor Castner suggested that if Council wants to address this in a holistic way, then it would be better to dispense with the motion now, and bring forward something more holistic. There were comments in agreement.

VOTE: NO: VENUTI, ERICKSON, ADERHOLD, LORD, DAVIS, HANSEN-CAVASOS

Motion failed.

Memorandum 22-049 from Public Works Director as backup.

Ordinance 22-18(S), An Ordinance of the City Council of Homer, Alaska Amending the FY22 Capital Budget by Appropriating $461,446 from the Homer Accelerated Water and Sewer Program (HAWSP) Fund to Finance the Cost of the Bunnell Ave/Charles Way Water and Sewer Special Assessment Districts. City Manager/Public Works Director.

ADERHOLD/VENUTI MOVED TO INTRODUCE ORDINANCE 22-18 BY READING OF TITLE ONLY.

ADERHOLD/VENUTI MOVED TO SUBSTITUTE ORDINANCE 22-18(S) FOR 22-18.

There was no discussion.

VOTE (substitution): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

City Manager Dumouchel explained the original ordinance was a miscommunication and we are not looking at financing the entire project through HAWSP, but want to get the City’s share squared away.

VOTE (introduction): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

CITY MANAGER'S REPORT

a. City Manager's Report

City Manager Dumouchel reviewed items in his written report and responded to questions from Council.

PENDING BUSINESS

a. Resolution 21-073, A Resolution of the City Council of Homer, Alaska Updating the City of Homer Gift, Donation, and Art Policies, Procedures, and Guidelines to add a section on Murals, and Amend Language and Processes.
HOMER CITY COUNCIL
REGULAR MEETING
MARCH 29, 2022

Memorandum 22-053 from Deputy City Clerk as backup.

ADERHOLD/VENUTI MOVED TO ADOPT RESOLUTION 21-073 BY READING OF TITLE ONLY.

ADERHOLD/LORD MOVED TO AMEND LINE 245 OF THE POLICY TO READ MURAL POLICY AND DELETE GUIDELINES AND PROCEDURES; LINE 253 REMOVE THE COLON AFTER PURPOSE; LINE 259 ADD THE WORD POLICY.

Councilmember Aderhold explained that with the chances proposed in this draft it doesn’t seem like guidelines and procedures anymore, and is policy.

Councilmember Lord supports the changes to the mural policy from the last draft, and these changes also.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

Councilmember Erickson commented a question she hears when people don’t appreciate or like murals that have been done is how do we get rid of them.

There was brief discussion about the deaccession process in the policy.

NEW BUSINESS

RESOLUTIONS

a. Resolution 22-027, A Resolution of the City Council of Homer, Alaska Amending the City of Homer Fee Schedule Under City Clerks, Homer Police Department, Library, and Planning and Zoning. City Clerk.

   Memorandum 22-039 from City Manager as backup.
   Memorandum 22-041 from City Manager as backup.
   Memorandum 22-058 from Deputy City Clerk as backup.

ADERHOLD/VENUTI MOVED TO ADOPT RESOLUTION 22-027 BY READING OF TITLE ONLY.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.
b. Resolution 22-021, A Resolution of the City Council of Homer, Alaska Approving and Accepting a Donation for the City of Homer Municipal Art Collection from Alaska Artist Deland Anderson Entitled "Seven". City Clerk/PARCAC.

Memorandum 22-054 from Deputy City Clerk as backup.

ADERHOLD/VENUTI MOVED TO ADOPT RESOLUTION 22-021 BY READING OF TITLE ONLY.

ADERHOLD/VENUTI MOVED TO AMEND LINE 8: STRIKE THE “A” BEFORE THE WORD “DONATION” AND ADD AN “S” TO THE WORD “DONATION” TO MAKE IT PLURAL; LINE 10: ADD THE WORDS SAMURAI AND PLEIADES TO CORRECT THE TITLES OF THE ARTWORK; LINE 16: ADD THE WORDS SAMURAI AND PLEIADES TO CORRECTLY EXPRESS THE TITLES OF THE ARTWORK BEING DONATED; LINE 17: ADD AN “S” TO THE WORD PIECE TO MAKE IT PLURAL; LINE 28: ADD THE WORDS SAMURAI AND PLEIADES TO CORRECTLY EXPRESS THE TITLES OF THE ARTWORK BEING DONATED.

There was no discussion.

VOTE (amendment): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

Councilmember Aderhold thanked Deland Anderson for his donation to the City’s art collection.

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

Motion carried.

i. Resolution 22-022, A Resolution of the City Council of Homer, Alaska Approving and Accepting a Donation from the Bunnell Street Arts Center of a Two Part Mural by Alaskan Artist Kim McNett Inspired by the Peatland Project to be Placed on the Exterior of the Homer Airport on each side of the Entrance Door. City Clerk/PARCAC. Recommend adoption.

Memorandum 22-055 from Parks Art Recreation and Culture Advisory Commission (PARCAC) as backup.

ADERHOLD/LORD MOVED TO ADOPT RESOLUTION 22-022 BY READING OF TITLE ONLY.
ERICKSON/ADERHOLD MOVED TO AMEND IT TO READ A RESOLUTION OF THE CITY COUNCIL OF HOMER ALASKA APPROVING AND ACCEPTING A DONATION FROM THE BUNNELL STREET ART CENTER OF A TWO PART MURAL BY ALASKAN ARTIST KIM MCNETT INSPIRED BY THE PEATLAND PROJECT TO BE AT THE HOMER AIRPORT AT A PLACE TO BE DETERMINED.

Councilmember Erickson shared doesn’t necessarily agree that the outside of the airport doors is the best place for this mural, it may be better inside where people can take time to look at it. We often have inclement weather or people are rushing in and out of the doors, which would keep people from taking time to look at the work. Once the mural is completed she would like them to have the opportunity to place it where they think it would be most appropriate and not be restricted to the one location.

Councilmember Aderhold noted the piece is being designed to be outside and to withstand the weather.

VOTE (amendment): NON OBJECTION: UNANIMOUS CONSENT
Motion carried.

ERICKSON/LORD MOVED TO AMEND LINE 30 THAT THE MURAL SITE IS TO BE DETERMINED, AND LINE 41 AFTER PEATLAND PROJECT ADD A PERIOD AND DELETE THE REST.

There was no discussion.

VOTE (amendment): NON OBJECTION: UNANIMOUS CONSENT
Motion carried.

There was brief discussion and confirmation from Public Works Director Keiser that the city will have ownership of the artwork. In retaining rights, the artist would like to be able to use pieces the image for derivative works, postcards, tote bags, etc.

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

COMMENTS OF THE AUDIENCE

Mike Illg, city resident, commented regarding the recent event by the Friends of the Homer Library about African American Army Battalions who played a crucial role in constructing the Alcan Highway. He also recognized Dan Miotke who is retiring from the Fire Department.
Wayne Aderhold, city resident, commented regarding the KBBI 10 year poster that has an image of him and his daughter, that the artist was Susan Phillips Cushing.

Sue Mauger commented regarding the maximum parking space ordinance and encouraged considering the slow drip of change that ends up getting you far from what your vision is. She noted existing parking lots along the Sterling Highway and our vision of having a walkable community, but yet you can’t cross the road. She encouraged looking for opportunities for creativity in developing parking lots and getting us closer to our climate action goals.

Karin Marks, city resident, shared her appreciation for their discussion at Committee of the Whole about challenges with being up to speed with what the Commissions are doing. She reminded them in the past the Economic Development Advisory Commission had a Councilmember assigned and that was very beneficial for the group and for Council. They may want to consider doing that with all commissions.

**COMMENTS OF THE CITY ATTORNEY**

City Attorney Gatti had no comments.

**COMMENTS OF THE CITY CLERK**

City Clerk Jacobsen announced advisory body openings, she’ll work with her office staff for steps to keep Councilmembers abreast of the Commissions work, and voter registration deadline for the June 11th special election is May 15th.

**COMMENTS OF THE CITY MANAGER**

City Manager Dumouchel announced current job openings at the City.

**COMMENTS OF THE MAYOR**

Mayor Castner reported about the importance of Commission reports to Council. He shared about his attendance at the Chamber of Commerce retreat and addressed the support for local businesses, and the importance of the Coast Guard and their vessel inspection team to our economy.

**COMMENTS OF THE CITY COUNCIL**

Councilmember Hansen-Cavasos said she hopes to be in person at their next meeting and wished everyone a good evening.

Councilmember Lord had no comments.
Councilmember Venuti shared her appreciation for Commission reports. They met with Representative Vance at their worksession who said there are three local DOT positions open. She also shared her appreciation for the COVID updates are great, it hasn’t gone away, so be safe.

Councilmember Erickson shared Lorne Carroll shared with her the symptoms of the BA-2 variant are the same as the other, broad range from asymptomatic too cold like, flu like and worse, and generally less severe than Delta. She shared about recently attending the Mat-Su sportsman show and it was amazing the people there sharing that they want to get out of town. It’s going to be a busy summer.

Councilmember Davis had no comments.

Councilmember Aderhold reminded listeners we just passed the anniversary of the Exxon Valdez Oil Spill. She encouraged checking out Kenai Peninsula Votes through the library’s webpage and their discussions and the Coalition for a Healthy Democracy is having a learning session about Ranked Choice Voting. It’s becoming spring like outside so keep an eye out for pedestrians and cyclists.

ADJOURNMENT
There being no further business to come before the Council Mayor Castner adjourned the meeting at 9:10 p.m. The next Regular Meeting is Monday, April 11, 2022 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:_____________________

_____________________________
Melissa Jacobsen, MMC, City Clerk
Memorandum 22-059

TO: MAYOR CASTNER AND HOMER CITY COUNCIL
FROM: RENEE KRAUSE, MMC, DEPUTY CITY CLERK
DATE: APRIL 6, 2022
SUBJECT: NEW LIQUOR LICENSE APPLICATION FOR HOMESLICE PIZZA #6040 AND A RENEWAL LIQUOR LICENSE APPLICATION FOR THE ELKS LODGE #2127

The City Clerk’s Office has been notified by the AMCO Board of a new liquor license application and a liquor license renewal application for the following businesses within the City of Homer:

NEW APPLICATION:
License Type: Restaurant Eating Place/Public Convenience Seasonal
License #: 6040
DBA Name: Homeslice Pizza
Service Location: 4246 Homer Spit Road, #4 Homer, AK 99603
Licensee: Voglco, LLC
Contact Person: Mary Vogl

RENEWAL:
License Type: Club
License #: 367
DBA Name: BPO Elks Lodge #2127
Service Location: 215 W Jenny Way Homer, AK 99603
Licensee: BPO Elks Lodge #2127
Contact Person: Jan C Jonker

RECOMMENDATION: Voice non objection and approval for the new liquor license and liquor license renewal applications.

Fiscal Note: Revenues.
March 29, 2022

Kenai Peninsula Borough
City of Homer

VIA Email: mjenkins@kpb.us; jvanhoose@kpb.us; cjjackinsky@kpb.us; maldridge@kpb.us; ncarver@kpb.us; slopez@kpb.us; jblankenship@kpb.us; assemblyclerk@kpb.us; mjacobsen@ci.homer.ak.us; clerk@cityofhomer-ak.gov

<table>
<thead>
<tr>
<th>License Type:</th>
<th>Restaurant/Eating Place-Public Convenience Seasonal</th>
<th>License Number:</th>
<th>6040</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licensee:</td>
<td>Voglco LLC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Doing Business As:</td>
<td>Homeslice Pizza</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Premises Address:</td>
<td>4246 Homer Spit Road #4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

☒ New Application ☐ Transfer of Ownership Application
☐ Transfer of Location Application ☐ Transfer of Controlling Interest Application

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

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

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

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

Sincerely,

Glen Klinkhart, Director
amco.localgovernmentonly@alaska.gov
Alaska Alcoholic Beverage Control Board

Form AB-00: New License Application

What is this form?

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

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

Section 1 – Establishment and Contact Information

Enter information for the business seeking to be licensed.

| Licensee:       | Vogl Co LLC               |
| License Type:   | Restaurant Eating Place Public Com. |
| Doing Business As: | Homestyle Pizza |
| Premises Address: | 424 6 Homer Spit Road #4 |
| City:           | Homer                      |
| State:          | AK                         |
| ZIP:            | 99603                      |
| Local Governing Body: | Homer                      |
| Community Council: | None                        |

| Mailing Address: | PO Box 3350 |
| City:            | Homer       |
| State:           | AK          |
| ZIP:             | 99603       |

| Designated Licensee: | Mary Vogl |
| Contact Phone:       | 907 435 7142 |
| Business Phone:      | 907 435 7142 |
| Contact Email:       | kathyvogler@yahoo.com |

Seasonal License? [ ] Yes [ ] No If "Yes", write your six-month operating period: May - October

OFFICE USE ONLY

| Complete Date: | 3-29-22 |
| License Years: |        |
| License #:     | 16040  |
| Board Meeting Date: | 4-12-27 |
| Transaction #: | 100349331 |
| Issue Date:    |        |
| BRE:           | AMCO KVS |

[Form AB-00] (rev 10/10/2016)
Section 2 – Premises Information

Premises to be licensed is:

☑ an existing facility  ☐ a new building  ☐ a proposed building

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

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

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

Section 3 – Sole Proprietor Ownership Information

This section must be completed by any sole proprietor who is applying for a license. Entities should skip to Section 4. If more space is needed, please attach a separate sheet with the required information.

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

This individual is an: ☐ applicant  ☐ affiliate

Name:
Address:
City: State: ZIP:

This individual is an: ☐ applicant  ☐ affiliate

Name:
Address:
City: State: ZIP:
## Section 4 – Entity Ownership Information

This section must be completed by any entity, including a corporation, limited liability company (LLC), partnership, or limited partnership, that is applying for a license. Sole proprietors should skip to Section 5.

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

- If the applicant is a **corporation**, the following information must be completed for each **stockholder who owns 10% or more of the stock in the corporation, and for each president, vice-president, secretary, and managing officer.**

- If the applicant is a **limited liability organization**, the following information must be completed for each **member with an ownership interest of 10% or more, and for each manager.**

- If the applicant is a **partnership**, including a **limited partnership**, the following information must be completed for each **partner with an interest of 10% or more, and for each general partner.**

<table>
<thead>
<tr>
<th>Entity Official:</th>
<th>Mary Vogl</th>
<th>Phone: 907-435-7142</th>
<th>% Owned: 50</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title(s):</td>
<td>Member</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Address:</td>
<td>2675 Sprucewood DR.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City:</td>
<td>Homer</td>
<td>State: AK</td>
<td>ZIP: 99603</td>
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</table>

<table>
<thead>
<tr>
<th>Entity Official:</th>
<th>Evan Vogl</th>
<th>Phone:</th>
<th>% Owned: 50</th>
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<tbody>
<tr>
<td>Title(s):</td>
<td>Member</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Address:</td>
<td>2675 Sprucewood DR.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City:</td>
<td>Homer</td>
<td>State: AK</td>
<td>ZIP: 99603</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Entity Official:</th>
<th>Phone:</th>
<th>% Owned:</th>
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<tbody>
<tr>
<td>Title(s):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Address:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City:</td>
<td>State:</td>
<td>ZIP:</td>
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</tbody>
</table>

<table>
<thead>
<tr>
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<tr>
<td>Title(s):</td>
<td></td>
<td></td>
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<tr>
<td>Address:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City:</td>
<td>State:</td>
<td>ZIP:</td>
</tr>
</tbody>
</table>
This subsection must be completed by any applicant that is a corporation or LLC. Corporations and LLCs are required to be in good standing with the Alaska Division of Corporations (DOC) and have a registered agent who is an individual resident of the state of Alaska.

<table>
<thead>
<tr>
<th>DOC Entity #:</th>
<th>10112774</th>
<th>AK Formed Date:</th>
<th>8/29/2019</th>
<th>Home State:</th>
<th>AK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered Agent:</td>
<td>Mary Vogl</td>
<td>Agent's Phone:</td>
<td>907-435-7142</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agent’s Mailing Address:</td>
<td>PO Box 3350</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City:</td>
<td>Homer</td>
<td>State:</td>
<td>AK</td>
<td>ZIP:</td>
<td>99603</td>
</tr>
</tbody>
</table>

Residency of Agent: Yes  No

Is your corporation or LLC's registered agent an individual resident of the state of Alaska? Yes  No

Section 5 – Other Licenses

Ownership and financial interest in other alcoholic beverage businesses: Yes  No

Does any representative or owner named in this application have any direct or indirect financial interest in any other alcoholic beverage business that does business in or is licensed in Alaska? Yes  No

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

Evan & Mary Vogl are owners of Little Mermaid Restaurant.

Section 6 – Authorization

Communication with AMCO staff: Yes  No

Does any person other than a licensee named in this application have authority to discuss this license with AMCO staff? Yes  No

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

[Form AB-00] (rev 10/10/2016)
Section 7 – Certifications

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

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

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

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

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

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

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

Mary K. Vogl
Signature of licensee

Mary K. Vogl
Printed name of licensee

Amber Anderson
Signature of Notary Public

Notary Public in and for the State of

My commission expires: 5-6-23

Subscribed and sworn to before me this 4th day of Feb 20, 22

AMCO

[Form AB-00] (rev 10/10/2016)
What is this form?

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

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

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

---

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

---

Section 1 – Establishment Information

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

<table>
<thead>
<tr>
<th>Licensee:</th>
<th>License Number:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voglio LLC</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>License Type:</th>
<th>Doing Business As:</th>
<th>Premises Address:</th>
<th>City:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restaurant Eating Place Public Convenience - Seasonal</td>
<td>Home Slice Pizza</td>
<td>42416 Homer Spit Road #4</td>
<td>Homer</td>
</tr>
</tbody>
</table>

State: AK ZIP: 99603

---

[Form AB-02] (rev 06/24/2016)
Section 2 – Detailed Premises Diagram

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

1. All minors must be accompanied by an adult (age over 21) while in the restricted area when any alcohol is being served/sold/consumed.
2. All new patrons are carded upon ordering alcohol.
3. All staff is trained in the identification of fake IDs.
4. A wood and net fence of 36 inch tall is around the outdoor servicing area.
5. Underaged persons will be monitored closely by our professionally trained alcohol servers.
6. Proper egress from the outdoor service area will always remain unobstructed.
7. ABC mandated posters as required by law are posted inside Homeslice Pizza and at the entrances of the outdoor seating area.
8. All entrances and exits will provide clear notice that NO ALCOHOL IS ALLOWED BEYOND THE OUTDOOR SEATING AREA.
9. Keeping outdoor seating area viable without any increased risk to minors exposed to alcohol WILL continue to be part of our training for our staff.
10. All safety related operations for our current liquor service will additionally be enforced in the new service area.
11. Proper signage at points of entry indication no minors without a parent or legal guardian will be posted.
12. All servers will closely monitor that only the guests that have been carded will have alcoholic beverages.
13. Our top priority continues in providing safety for all guests regarding the service of alcoholic beverages.
14. Servers will be present in the outdoor area to monitor consumption.
Alaska Alcoholic Beverage Control Board
Form AB-03: Restaurant Designation Permit Application

What is this form?

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

Section 1 – Establishment Information

Enter information for licensed establishment.

| Licensee:        | Voglco LLC                          |
| License Type:    | Restaurant Eating Place Pub. Conv.  |
| License Number:  | Seasonal                             |
| Doing Business As: | Homeslice Pizza                     |
| Premises Address: | 4246 Homer Spit Road #4              |
| City:            | Homer                                |
| State:           | AK                                   |
| ZIP:             | 99603                                |
| Contact Name:    | Mary Vogl                            |
| Contact Phone:   | 907-435-7142                         |

Section 2 – Type of Designation Requested

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

1. [ ] Dining after standard closing hours: AS 04.16.010(c)

2. [ ] Dining by persons 16 – 20 years of age: AS 04.16.049(a)(2)

3. [x] Dining by persons under the age of 16 years, accompanied by a person over the age of 21: AS 04.16.049(a)(3)

4. [x] Employment for persons 16 or 17 years of age: AS 04.16.049(c)

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

OFFICE USE ONLY

Transaction #: 
Initials: [003493]
Section 3 – Minor Access

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

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

Minors will only be allowed in designated dining areas and/or workspaces. Hiring policies are that eligible of age staff be TAP trained.

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

All dining areas and all access points are always in full view of staff. All outside dining areas have barriers at 36” height with directional signage for guest entry through main doors and “No alcohol Beyond this Point.” Non-entry points have barriers. House policies include mandatory TAP training for all serving staff.

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

Yes  No

Section 4 – DEC Food Service Permit

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

Please follow this link to the DEC Food Safety Website: http://dec.alaska.gov/eh/fss/food/
Please follow this link to the Municipality Food Safety Website: http://www.muni.org/Departments/Health/Admin/environment/FSS/Pages/fssfood.aspx

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

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

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

[Form AB-03] (rev 4/16/2019)
Voglco LLC  
DBA Homeslice Pizza  
Alcohol Storage/Minor Access statement

Alcohol storage at Homeslice Pizza will be as follows:

Incoming orders will be received by a trained, over 21 years old staff member.

Alcohol in use will be in the form of beer kegs and taps and bottles of wine. Both of these will be attended by an of age, trained staff member while the business is open at all times.

When the business is closed or at any other time while a trained of age staff member is away, all alcohol will be in a locked area noted in the included diagram, only owners and of age trained staff members will have access to the key to the locked area/cabinet.

Minors will not be allowed in the alcohol storage area unaccompanied.
Section 5 – Hours of Operation

Review AS 04.16.010(c).

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

- 7 days a week
- 11am - 11pm

Section 6 – Entertainment & Service

Review AS 04.11.100(g)(2)

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

☐ Yes ☐ No

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

Food and beverage service offered or anticipated is:

☐ table service ☐ buffet service ☒ counter service ☐ other

If “other”, describe the manner of food and beverage service offered or anticipated:
Form AB-03: Restaurant Designation Permit Application

Section 7 – Certifications and Approvals

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

Initials

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

Initials

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

Initials

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

Initials

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

Initials

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

Signature of licensee

Signature of Notary Public

Printed name of licensee

Notary Public in and for the State of

My commission expires: 5-6-23

Subscribed and sworn to before me this 4th day of Feb, 2022

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

Approved Denied

Signature of local government official

Date

Printed name of local government official

Title
## Form AB-03: Restaurant Designation Permit Application

<table>
<thead>
<tr>
<th>AMCO Enforcement Review:</th>
<th>Enforcement Recommendation:</th>
<th>Approve</th>
<th>Deny</th>
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</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

Signature of AMCO Enforcement Supervisor

Printed name of AMCO Enforcement Supervisor

---

Date

Enforcement Recommendations:

---

AMCO Director Review:

<table>
<thead>
<tr>
<th>Approved</th>
<th>Denied</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Signature of AMCO Director

Printed name of AMCO Director

---

Date

Limitations:

---
Homeslice Pizza

Menu

Calzone $12: Veggie (maybe a cartoon bubble saying veg)
Pesto, spinach, artichoke hearts, cream cheese, mushrooms, mozzarella, feta

Stromboli $12: Meaty
Red sauce, Italian sausage, pepperoni, Canadian bacon, mozzarella

SPECIALTY PIZZAS 12” $18

GF crust add $4

Homeslice: Pepperoni, mushroom, cream cheese, artichoke hearts, red sauce

Italian: Pepperoni, Italian sausage, black olives, feta, red sauce

Fab 4: Pepperoni, mushroom, grilled onion, Italian sausage, red sauce

Farm: Grilled chicken, spinach, Canadian bacon, cream cheese, red and pesto swirl

Thai Chicken: Grilled chicken, spinach, carrot, onion, peanut satay sauce

Margarita: EVOO, garlic, tomato, basil, salt n pepper

Smokey Chicken: Grilled chicken, grilled onion, bacon, jalapeno, bbq and red swirl

Spicy Roni: Pepperoni, jalapeno, banana peppers, garlic, red sauce

Meatball Parmesan: Beef Meatballs, cream cheese, artichoke hearts, red and pesto swirl, topped with fresh tomatoes

Hawaiian: Canadian bacon, pineapple, smoked bacon bits, red sauce

Tiger King: Chicken, Italian sausage, Jalapeños, grilled onion, ranch and sriracha

Mediterranean: Artichoke hearts, black olives, feta, roasted red peppers, banana peppers, red and pesto swirl fresh tomatoes
**SALADS** all with organic local greens $12

Garden: cucumbers, carrots, tomatoes, ranch
Greek: artichoke hearts, black olives, feta, tomatoes, cucumbers, banana peppers, artichoke hearts
Caesar: croutons, parmesan

**BASKETS AND FRIES**

Local Fresh Halibut, fries, tartar $
Wild Patagonian Prawns, fries, or cocktail sauce $

Cup o' Fries $

**SPAGHETTI**

Noodles and Sauce $5
Add Meatballs $2
Add Mozzarella $2
Add Garlic Bread $2
Full Monty $10

**PHILLYS on a Philly bread roll**

Sautéed mushrooms, onions, white american cheese
Steak $12
Chicken $13
Impossible Burger $14

**Meatball Sub:** $11
7 balls, white american cheese, red sauce, Philly roll

**Nathan's Hot Dog:** $6
1/4#, on a pretzel roll
Alaska Food Code  
2022 Establishment Permit  
Division of Environmental Health  
Food Safety & Sanitation Program

Permit Number: 12027  
Issued to: VOGSCO LLC  
For: Homestyle Pizza  
For Operation of: FF-6 Deli/Takeout/Drive-in Food Service  
Located at: 4246 Homer Spit RD Homer, AK 99603

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

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

Expiration Date:  
December 31, 2022

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

1-87-SAFE-FOOD

(in Anchorage call 334-2560)
March 29, 2022

Kenai Peninsula Borough
Via Email: cjackinsky@kpb.us; maldridge@kpb.us; ncarver@kpb.us; slopez@kpb.us; jblankenship@kpb.us; assemblyclerk@kpb.us; mjenkins@kpb.us; jVanhoose@kpb.us; mjacobsen@ci.homer.ak.us; Clerk@cityofhomer-ak.gov

Re: Notice of 2022/2023 Liquor License Renewal Application

<table>
<thead>
<tr>
<th>License Type:</th>
<th>Club</th>
<th>License</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licensee:</td>
<td>BPO Elks Lodge #2127</td>
<td></td>
</tr>
<tr>
<td>Doing Business As:</td>
<td>BPO Elks Lodge #2127</td>
<td></td>
</tr>
</tbody>
</table>

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

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

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

Sincerely,

Glen Klinkhart, Director
amco.localgovernmentonly@alaska.gov
STATE OF ALASKA - ALCOHOLIC BEVERAGE CONTROL BOARD

FORM CONTROL

XXXX

LIQUOR LICENSE
2022 - 2023
TEMPORARY

LICENSE NUMBER
367

LICENSE RENEWAL APPLICATION DUE
DECEMBER 31, 2023 (AS 04.11.270(b))

THIS LICENSE EXPIRES MIDNIGHT
FEBRUARY 28, 2024 UNLESS DATED BELOW

TYPE OF LICENSE: Club

LICENSE FEE: $1,200.00

111C

D/B/A: BPO Elks Lodge #2127
215 W Jenny Way

Mail Address:
BPO Elks Lodge #2127
215 W Jenny Way
Homer, AK 99603

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

DIRECTOR

04-900 (REV 7/21)

STATE OF ALASKA - ALCOHOLIC BEVERAGE CONTROL BOARD

FORM CONTROL

XXXX

LIQUOR LICENSE
2022 - 2023
TEMPORARY

LICENSE NUMBER
367

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CITY / BOROUGH: Homer
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ISSUED BY ORDER OF THE
ALCOHOLIC BEVERAGE CONTROL BOARD

DIRECTOR

COPY

04-900 (REV 7/21)
Alaska Alcoholic Beverage Control Board

Form AB-17: 2022/2023 General Renewal Application

- This form and any required supplemental forms must be completed, signed by the licensee, and postmarked no later than 12/31/2022 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 02/28/2022 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.

<table>
<thead>
<tr>
<th>Establishment Contact Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licensee (Owner): BPO Elks Lodge #2127</td>
</tr>
<tr>
<td>License Type: Club</td>
</tr>
<tr>
<td>Doing Business As: Homer Elks Lodge #2127</td>
</tr>
<tr>
<td>Premises Address: 215 Jenny Way, Homer, AK 99603</td>
</tr>
<tr>
<td>Local Governing Body: City of Homer and Kenai Peninsula Borough</td>
</tr>
<tr>
<td>Community Council: None</td>
</tr>
</tbody>
</table>

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

| Mailing Address: 215 Jenny Way |
| City: Homer |
| State: AK |
| ZIP: 99603 |

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: Mr. Jan C Jonker | Contact Phone: 907-235-2127 |
| Contact Email: homerelk@gci.net |

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: | Contact Phone: |
| Contact Email: |

| Name of Contact: | Contact Phone: |
| Contact Email: |

| Name of Contact: | Contact Phone: |
| Contact Email: |

[Form AB-17] (rev09/21/2021)
Alaska CBPL Entity #: 5093D

**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.

<table>
<thead>
<tr>
<th>Name of Official:</th>
<th>Stephen Mueller</th>
<th>Phone: 614-507-5023</th>
<th>% Owned: 0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title(s):</td>
<td>President</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mailing Address:</td>
<td>P.O. Box 1843</td>
<td>215 Jimmy Way</td>
<td></td>
</tr>
<tr>
<td>City:</td>
<td>Homer</td>
<td>State: AK</td>
<td>ZIP: 99603</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of Official:</th>
<th>Benjamin D Spell</th>
<th>Phone: 907-687-5353</th>
<th>% Owned: 0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title(s):</td>
<td>Vice President</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mailing Address:</td>
<td>P.O. Box 978</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City:</td>
<td>Homer</td>
<td>State: AK</td>
<td>ZIP: 99603</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of Official:</th>
<th>Mr. Jan C Jonker</th>
<th>Phone: 907-435-7652</th>
<th>% Owned: 0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title(s):</td>
<td>Secretary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mailing Address:</td>
<td>422 Elderberry Ct</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City:</td>
<td>Homer</td>
<td>State: AK</td>
<td>ZIP: 99603</td>
</tr>
</tbody>
</table>
### 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.

<table>
<thead>
<tr>
<th>This individual is an:</th>
<th>Applicant</th>
<th>Affiliate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name:</td>
<td>Contact Phone:</td>
<td></td>
</tr>
<tr>
<td>Mailing Address:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City:</td>
<td>State:</td>
<td>ZIP:</td>
</tr>
<tr>
<td>Email:</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>This individual is an:</th>
<th>Applicant</th>
<th>Affiliate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name:</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>City:</td>
<td>State:</td>
<td>ZIP:</td>
</tr>
<tr>
<td>Email:</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Section 4 – License Operation

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

1. The license was regularly operated continuously throughout each year. (Year-round)
   - 2020 [x] 2021 [ ]

2. The license was only operated during a specific season each year. (Seasonal)
   - If your operation dates have changed, list them below:
     - to
   - 2020 [ ] 2021 [ ]

3. The license was only operated to meet the minimum requirement of 240 total hours each calendar year.
   - A complete AB-30: Proof of Minimum Operation Checklist, and all documentation must be provided with this form.
   - 2020 [ ] 2021 [ ]

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. 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.
   - 2020 [ ] 2021 [ ]

If you have not met the minimum number of hours of operation in 2020 and/or 2021, 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 2020 or 2021?

- Yes [x] 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.**
Alaska Alcoholic Beverage Control Board
Form AB-17: 2022/2023 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 charged 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

Mr. Jan O. Jonker
Printed name of licensee

Signature of Notary Public

Notary Public in and for the State of Alaska

My commission expires: 01-11-2023

Subscribed and sworn to before me this 20 day of December 2021

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
Common Carrier applications must include a current safety inspection certificate

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

<table>
<thead>
<tr>
<th>License Fee:</th>
<th>$1,200</th>
<th>Application Fee:</th>
<th>$300.00</th>
<th>Misc. Fee:</th>
<th>$1,500</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Fees Due:</td>
<td>$1,500</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

[Form AB-17] (rev09/21/2021)
Details

ENTITY DETAILS

Name(s)

<table>
<thead>
<tr>
<th>Type</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal Name</td>
<td>HOMER LODGE NO. 2127, BENEVOLENT AND PROTECTIVE ORDER OF ELKS OF THE UNITED STATES OF AMERICA</td>
</tr>
</tbody>
</table>

Entity Type: Nonprofit Corporation

Entity #: 5093D

Status: Good Standing

AK Formed Date: 12/5/1960

Duration/Expiration: Perpetual

Home State: ALASKA

Next Biennial Report Due: 7/2/2022

Entity Mailing Address: 215 W JENNY WAY, HOMER, AK 99603

Entity Physical Address: 215 W JENNY WAY, HOMER, AK 99603

Registered Agent

Agent Name: Jan C. Jonker

Registered Mailing Address: 215 W JENNY WAY, HOMER, AK 99603

Registered Physical Address: 215 W JENNY WAY, HOMER, AK 99603

Officials

<table>
<thead>
<tr>
<th>AK Entity #</th>
<th>Name</th>
<th>Titles</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>BENJAMIN SPELL</td>
<td>Vice President</td>
</tr>
<tr>
<td></td>
<td>Jack Alexander</td>
<td>Treasurer</td>
</tr>
<tr>
<td></td>
<td>Jan C. Jonker</td>
<td>Secretary</td>
</tr>
<tr>
<td></td>
<td>JOHN CHAPPLE III</td>
<td>Director</td>
</tr>
<tr>
<td></td>
<td>Justin Cole</td>
<td>Director</td>
</tr>
<tr>
<td></td>
<td>Paul Parsons</td>
<td>Director</td>
</tr>
<tr>
<td></td>
<td>ROBERT KAWA</td>
<td>Director</td>
</tr>
<tr>
<td></td>
<td>STEPHEN MUELLER</td>
<td>President</td>
</tr>
<tr>
<td></td>
<td>Tom Stroozas</td>
<td>Director</td>
</tr>
</tbody>
</table>

Filed Documents

<table>
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<tr>
<th>Date Filed</th>
<th>Type</th>
<th>Filing</th>
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<tbody>
<tr>
<td>12/05/1960</td>
<td>Creation Filing</td>
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<tr>
<td>6/19/1986</td>
<td>Biennial Report</td>
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2/28/2022, 11:59 AM
<table>
<thead>
<tr>
<th>Date Filed</th>
<th>Type</th>
<th>Filing</th>
<th>Certificate</th>
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<tbody>
<tr>
<td>6/27/1988</td>
<td>Biennial Report</td>
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<tr>
<td>7/09/1990</td>
<td>Biennial Report</td>
<td>Click to View</td>
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<tr>
<td>7/06/1992</td>
<td>Biennial Report</td>
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<td>7/15/1994</td>
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<td>6/13/1996</td>
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<td>7/06/1998</td>
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<tr>
<td>12/22/2000</td>
<td>Biennial Report</td>
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<td></td>
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<tr>
<td>10/25/2002</td>
<td>Biennial Report</td>
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<td>6/28/2004</td>
<td>Biennial Report</td>
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<tr>
<td>7/03/2006</td>
<td>Biennial Report</td>
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<td>10/23/2007</td>
<td>Biennial Report</td>
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<td>11/15/2007</td>
<td>Agent Change</td>
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<td>10/19/2010</td>
<td>Biennial Report</td>
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<tr>
<td>4/02/2012</td>
<td>Biennial Report</td>
<td>Click to View</td>
<td></td>
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<tr>
<td>4/09/2012</td>
<td>Amendment</td>
<td>Click to View</td>
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<tr>
<td>9/25/2014</td>
<td>Biennial Report</td>
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<td>5/11/2016</td>
<td>Biennial Report</td>
<td>Click to View</td>
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<tr>
<td>12/14/2017</td>
<td>Change of Officials</td>
<td>Click to View</td>
<td></td>
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<td>8/21/2018</td>
<td>Biennial Report</td>
<td>Click to View</td>
<td></td>
</tr>
<tr>
<td>3/26/2020</td>
<td>Change of Officials</td>
<td>Click to View</td>
<td></td>
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<tr>
<td>4/22/2020</td>
<td>Biennial Report</td>
<td>Click to View</td>
<td></td>
</tr>
</tbody>
</table>
License Detail

LICENSE DETAILS

License #: 291394
Business Name: HOMER ELKS LODGE 2127
Status: Active
Issue Date: 11/13/2002
Expiration Date: 12/31/2022
Mailing Address: 215 JENNY WAY
HOMER, AK 99603
Physical Address: 215 JENNY WAY
HOMER, AK 99603

Owners

HOMER LODGE NO. 2127 BPOE OF THE UNITED STATES OF AMERICA

Activities

Line of Business
81 - Services

NAICS
813410 - CIVIC AND SOCIAL ORGANIZATIONS

Professional License #

Endorsements

End # Issue Renew Expiration Action End Action Note Address
1 12/5/2014 12/31/2016

License Lapse(s)

If this business license lapsed within the last four years the lapsed periods will appear below. Lapsed periods are the unlicensed period between an expiration date and renewal date.

Start Date End Date
1/1/2019 4/11/2019

Close License Detail Print Friendly Version
Memorandum

TO: RENEE KRAUSE, MMC, DEPUTY CITY CLERK
FROM: MARK ROBL, POLICE CHIEF
CC: LISA LINEGAR, COMMUNICATIONS SUPERVISOR
DATE: April 6, 2022
SUBJECT: LIQUOR LICENSE RENEWAL APPLICATION FOR ELKS LODGE #2127 AND NEW LIQUOR LICENSE APPLICATION FOR HOMESLICE PIZZA

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

NEW APPLICATION:
License Type: Restaurant Eating Place/Public Convenience Seasonal
License #: 6040
DBA Name: Homeslice Pizza
Service Location: 4246 Homer Spit Road, #4
                     Homer, AK 99603
Licensee: Voglco, LLC
Contact Person: Mary Vogl

RENEWAL:
License Type: Club
License #: 367
DBA Name: BPO Elks Lodge #2127
Service Location: 215 W Jenny Way
                     Homer, AK 99603
Licensee: BPO Elks Lodge #2127
Contact Person: Jan C Jonker
3/30/2022

Sent via email: clerk@ci.homer.ak.us

Homer City Hall
City of Homer Clerk

RE: Non-Objection of Application

Licensee/Applicant: Voglco LLC
Business Name: Homeslice Pizza
License Type: Restaurant/Eating Places - Seasonal
License Location: 4246 Homer Spit Road #4, City of Homer
License No.: 6040
Application Type: New Liquor License
Restaurant Designation Permit

Dear Ms. Jacobsen,

This serves to advise that the Kenai Peninsula Borough has reviewed the above referenced application and has no objection.

Should you have any questions, or need additional information, please do not hesitate to let us know.

Sincerely,

Johni Blankenship, MMC
Borough Clerk

cc: kathyvogl@yahoo.com;
3/30/2022

Sent via email: clerk@ci.homer.ak.us

Homer City Hall
City of Homer Clerk

RE: Non-Objection of Application

Licensee/Applicant : B.P.O. ELKS LODGE #2127
Business Name : BPO Elks Lodge #2127 (HOMER)
License Type : Club
License Location : 215 W. Jenny Way, Homer, AK 99603, City of Homer
License No. : 367
Application Type : License Renewal

Dear Ms. Jacobsen,

This serves to advise that the Kenai Peninsula Borough has reviewed the above referenced application and has no objection.

Should you have any questions, or need additional information, please do not hesitate to let us know.

Sincerely,

Johni Blankenship, MMC
Borough Clerk

cc: homerelk@gci.net
An Ordinance of the City Council of Homer, Alaska Amending the FY22 Capital Budget and Authorizing the Expenditure of $13,800 from the General Fund Capital Asset Repair and Maintenance Allowance Fund for Upgrades to the City Clerk’s Office and Equipment for City Hall.

Sponsor: City Manager/City Clerk

1. City Council Regular Meeting April 11, 2022 Introduction

   Memorandum 22-060 from City Clerk as backup.
CITY OF HOMER  
HOMER, ALASKA  

ORDINANCE 22-21  

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA, AMENDING THE FY22 CAPITAL BUDGET AND AUTHORIZING THE EXPENDITURE OF $13,800 FROM THE GENERAL FUND CAPITAL ASSET REPAIR AND MAINTENANCE ALLOWANCE (CARMA) FUND ACCOUNT FOR UPGRADES TO THE CITY CLERK’S OFFICE AND EQUIPMENT FOR CITY HALL.

WHEREAS, With the increase in virtual and telephonic meetings due to COVID-19 and changes to City Hall building protocols, having separate work stations in the City Clerk’s Office has become a necessity to ensure an orderly and productive work environment for employees sharing an open space; and

WHEREAS, In the past 17 years, the City Clerk’s Office has had only minor improvements made to their workspace, the last being in 2010; and

WHEREAS, The Clerk’s Office has collaborated with IT and Building Maintenance to create an office layout plan that utilizes the space more efficiently for current needs, and reuses majority of the existing office furniture, equipment, and network cabling to keep costs to a minimum; and

WHEREAS, The equipment and furniture purchases will provide the City Clerk’s Office improved filing and storage space, a replacement roll-up counter door for the Clerk window, an ergonomic desk, and front counter and printing/binding workspaces; and

WHEREAS, Additional equipment purchases requested by the City Manager include dry-erase boards for City Hall meeting spaces and a commercial cross-cut shredder that meets security requirements for Finance and the City Clerk’s Office; and

WHEREAS, Quotes and estimated costs for these purchases, plus a small margin to account for any changes in shipping or prices, totals $13,800.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council Hereby Amends the FY22 Capital Budget and Authorizes the Expenditure of $13,800 from the General Fund CARMA Fund for Upgrades to the City Clerk’s Office and Equipment for City Hall.

<table>
<thead>
<tr>
<th>Fund Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Description</td>
<td>Amount</td>
</tr>
</tbody>
</table>

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ORDINANCE 22-21
CITY OF HOMER

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 this ___ day of _____, 2022.

__________________________
KEN CASTNER, MAYOR

______________________________
MELISSA JACOBSEN, MMC, CITY CLERK

YES:
NO:
ABSTAIN:
ABSENT:
First Reading:
Public Hearing:
Second Reading:
Effective Date:
TO: MAYOR CASTNER AND HOMER CITY COUNCIL
FROM: MELISSA JACOBSEN, MMC, CITY CLERK
DATE: APRIL 5, 2022
SUBJECT: CLERK’S OFFICE UPGRADE AND CITY HALL SUPPLIES

The layout in the City Clerk’s office has been the same for at least 17 years, with a slight expansion in 2010 when a wall was removed to create a library/file room. As the demands on staff time have increased and considerations for the health and safety of the team during the pandemic continue, we see the need to make changes to provide distance between the staff and better utilize the space.

Our plan is to remodel the library/file area into an office space and have one Deputy Clerk located in that remodeled space and one in the current office area. With the freed up space in the current office area we plan to re-arrange filing cabinets and install cabinetry to create a workspace to put the office printer/copier, glue machine binder, paper, and office supplies.

The Clerk’s window counter top will be enlarged to make a more useful workspace for citizens and staff to process transactions. The existing roll up door at the window will be replaced with one that will lock, providing increased security to our office during after hour meetings or if a security risk occurs in the building.

In addition to supplies for the Clerk’s office there is a need to purchase a cross cut shredder to replace the current strip cut shredder at City Hall. A strip cut shredder creates bigger strips of paper and someone could much more easily have a chance of piecing together and making sense of a document that’s been strip-cut rather than cross-cut.

Large magnetic/dry erase whiteboards will replace our one chalk board and be used by departments in different meeting spaces as needed.

Recommendation: Approve funding requested in Ordinance 22-21.
## Estimated Costs for City Hall/Clerks Purchase Requests

### Dry Erase Boards for City Hall

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Source</th>
<th>Cost</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Mobile Rolling Magnetic Whiteboard - Qty. 3 ($294.97/ea); Shipping to WA</td>
<td>Amazon.com</td>
<td>$884.91</td>
<td>*Adjustable height and rotates 360°; 70&quot;x36&quot; Double Sided, magnetic Dry Erase Board on Wheels, black frame. Does not ship directly to AK due to weight; would need to ship through Gear Shed.</td>
</tr>
<tr>
<td>Shipping from WA to AK</td>
<td>Gear Shed</td>
<td>$96.00</td>
<td>*Estimated shipping cost based on 160lbs from item description.</td>
</tr>
</tbody>
</table>

### Cross-Shredder for City Hall/Finance

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Source</th>
<th>Cost</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Cross-Cut Shredder; Shipping to WA</td>
<td>Amazon.com</td>
<td>$2,798.00</td>
<td>*Fellowes Powershred 485Ci 100% Jam Proof Commercial Grade 30-Sheet Cross-Cut Paper Shredder, TAA Compliant. Prices vary between $2,800-$3,700. Does not ship directly to AK due to weight; would need to ship through Gear Shed.</td>
</tr>
<tr>
<td>Shipping from WA to AK</td>
<td>Gear Shed</td>
<td>$96.00</td>
<td>*Estimated shipping cost based on 160lbs from item description.</td>
</tr>
</tbody>
</table>

### City Clerk's Office Renovations

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Source</th>
<th>Cost</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-drawer Commercial Lateral File Cabinet; Shipping to AK</td>
<td>Staples</td>
<td>$359.99</td>
<td>*cabinet is cheapest option when including the shipping; other options do not ship directly to AK.</td>
</tr>
<tr>
<td>Heavy Duty Bookcase 84&quot;H x 48&quot;W; Shipping to AK</td>
<td>Wayfair</td>
<td>$1,335.90</td>
<td>*bookcase meets our necessary max weight allowances and preferred color, durability. Shipping to AK was $357 so using Gear Shed is cheaper.</td>
</tr>
<tr>
<td>Bookshelf Shipping from WA to AK</td>
<td>Gear Shed</td>
<td>$66.00</td>
<td>*Estimated shipping cost based on 110lbs from item description.</td>
</tr>
<tr>
<td>Roll-up Counter Door/Equipment for Clerk Window; Shipping to AK</td>
<td>QMI</td>
<td>$1,778.00</td>
<td>*out of 3 bid requests, 2 came back and this was the cheapest option; other one from Door Systems of Alaska totaled $3,991.</td>
</tr>
<tr>
<td>Adjustable Standing Desk with drawers, 48&quot;W; Shipping to AK</td>
<td>Amazon.com</td>
<td>$399.99</td>
<td>*standing desk to replace non-ergonomic desk, also matches existing sitting desk in office. Includes shipping to AK.</td>
</tr>
<tr>
<td>Base Cabinets for Front Counter &amp; Printing/Binding Workspaces; Shipping to WA</td>
<td>Cabinets.com</td>
<td>$2,885.41</td>
<td>*cabinets on sale through website that lets you pick exact color/style/cabinet sizes you want. Matched to the existing wood/cabinets in City Hall. Spenards quote came in at $6,205.</td>
</tr>
<tr>
<td>Cabinet Shipping from WA to AK</td>
<td>Gear Shed</td>
<td>$270.00</td>
<td>*Estimated shipping cost based on 450lbs.</td>
</tr>
<tr>
<td>Countertops for Workspaces</td>
<td>Gerard HouseWorks</td>
<td>$2,779.00</td>
<td>*Gerard did the countertops for the City Hall renovation and still has the same color/material available to match our existing window countertop.</td>
</tr>
</tbody>
</table>

**Estimate Total** $13,749.20
An Ordinance of the City Council of Homer, Alaska Amending the FY22 Capital Budget by an Amount not to Exceed $800,000 from the General Fund Fleet Capital Asset Repair and Maintenance Allowance Fund for the Purchase of an Enforcer 2500 Gallon Tender Fire Truck.

Sponsor: City Manager/Mayor

1. City Council Regular Meeting April 11, 2022 Introduction

   Memorandum 22-061 from City Manager as backup.
AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA, AMENDING THE FY22 CAPITAL BUDGET BY AN AMOUNT NOT TO EXCEED $800,000 FROM GENERAL FUND FLEET CAPITAL ASSET REPAIR AND MAINTENANCE ALLOWANCE (CARMA) FUND ACCOUNT FOR THE PURCHASE OF AN ENFORCER 2500 GALLON TENDER FIRE TRUCK.

WHEREAS, The Homer Volunteer Fire Department provides critical public safety services to the community; and

WHEREAS, The fire fleet is aging and in need of replacement; and

WHEREAS, The Fire Chief has been able to identify and spec out a piece of fire apparatus that would be appropriate for Homer and meet the City’s firefighting needs; and

WHEREAS, Ordinance 22-09 made $1,500,000 available to the General Fund Fleet CARMA; and

WHEREAS, The City is able to utilize a cooperative purchasing agreement through Sourcewell, a state agency based in Minnesota that establishes competitively awarded cooperative purchasing contracts on behalf of itself and its participating agencies all over the country.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council Hereby Amends the FY22 Capital Budget by appropriating an amount not to exceed $800,000 from the General Fund Fleet CARMA Account for the purchase of an Enforcer 2500 Gallon Tender Fire Truck.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>152</td>
<td>General Fund Fleet CARMA</td>
<td>$800,000</td>
</tr>
</tbody>
</table>

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 this ___ day of _____, 2022.

CITY OF HOMER
ORDINANCE 22-22
CITY OF HOMER

__________________________
KEN CASTNER, MAYOR

ATTEST:

____________________________
MELISSA JACOBSEN, MMC, CITY CLERK

YES:
NO:
ABSTAIN:
ABSENT:

First Reading:
Public Hearing:
Second Reading:
Effective Date:
Memorandum 22-061

TO: Mayor Castner and Homer City Council

FROM: Rob Dumouchel, City Manager

DATE: April 5, 2022

SUBJECT: Purchase of Fire Apparatus

As discussed with Council throughout the FY22/23 budget development process, the Volunteer Fire fleet is quite old and many vehicles are well beyond their intended service life as emergency response vehicles. In February 2022, $1.5M was moved to General Fund Fleet CARMA (Fund 152) through the adoption of Ordinance 22-09. In Memorandum 22-020 which accompanied Ordinance 22-09, it was communicated that there was an intent to come forward this year with a request to purchase a piece of fire apparatus which could cost as much as $850,000.

Chief Kirko has worked to identify and spec out a vehicle that will be an excellent first step in the modernization of our fire fleet. The specific vehicle is a Pierce Enforcer 2500 gallon tender fire truck. It is in the public interest to acquire this vehicle as it will enhance our ability to effectively protect public health and safety. It is expected that Kachemak City will be purchasing an identical, or nearly identical truck. That purchase is under consideration separately by their City Council. If we order in late April, it is expected that it will take approximately two years for the vehicle to be manufactured and delivered. Our order is not dependent on the actions of Kachemak City, we just happen to be on similar timelines.

The City used the Sourcewell service cooperative to get a competitive price for this procurement. Sourcewell is a state agency based in Minnesota that establishes competitively awarded cooperative purchasing contracts on behalf of itself and its participating agencies all over the country. The City of Homer is able to utilize a cooperative purchasing contract through Sourcewell under HCC 3.16.060 (g) and Alaska Stat. § 36.30.700 regarding cooperative purchasing. We have used Sourcewell in the past for public works vehicles.

Pierce’s current Sourcewell contract award is set to lapse this month, however, in discussions with Sourcewell staff, we learned that Pierce won the contract for fire apparatus again for the next contract cycle (they typically run 4-5 years per award). The transition between contract awards may impact the price somewhat. The ordinance provided for introduction is set as an amount not to exceed $800,000. I expect the final price to be $750,000 or less. Unspent funds will be returned to CARMA.

Staff Recommendation: Introduce and adopt ordinance to purchase an Enforcer 2500 gallon tender fire truck for an amount not to exceed $800,000.
CITY OF HOMER
HOMER, ALASKA

RESOLUTION 22-028

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
APPROVING AN AMENDMENT TO THE PROPERTY DEVELOPMENT
PLAN OF THE COPPER RIVER SEAFOODS LEASE FOR A PORTION
OF LOT 13B, CITY OF HOMER PORT INDUSTRIAL SUBDIVISION
NO.2, ACCORDING TO PLAT NO. 80-92, CONTAINING 15,300 SQ FT,
ALSO KNOWN AS KPB PARCEL # 18103425.

WHEREAS, Copper River Seafoods entered into a 20 year lease with the City on May 16
2019 that included a property development plan to build a new 42’ by 47’ office structure; and

WHEREAS, On February 4 2022 the City received a letter from Copper River Seafoods
stating that they are requesting an amendment to the proposed property development
requirement, listed in Exhibit D, E, and F of the lease; and

WHEREAS, Exhibit D listing the proposed use of the property and the property
development completion date of December 31 2022 would remain the same; and

WHEREAS, The proposed amendment would replace Exhibit E and Exhibit F of the lease,
changing the current site plan and floor plans from the construction of a 42’x47’ building to a
plan that places 3 portable buildings onto the existing concrete foundation pad located on site;
and

WHEREAS, On March 23 2022, the Port and Harbor Advisory Commission discussed the
proposed change and moved to recommend that Council approve the Copper River Seafoods’ lease
amendment and new property development plan; and

WHEREAS, HCC 18.08.160(e) States that any significant changes in the terms (use) of the
existing lease must be reviewed by the Port and Harbor Commission and approved by City
Council by resolution as an amendment to the lease; and

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby approves the
amendment of the Copper River Seafoods lease Exhibit D to include the new proposed
development plan for a portion of Lot 13B, City of Homer Port Industrial Subdivision No. 2,
according to Plat No. 80-92, containing 15,300 square feet, Also known as KPB Parcel
#18103425, and authorizes the City Manager to execute the appropriate documents.

PASSED AND ADOPTED by the Homer City Council on this 11th day of April, 2022.
CITY OF HOMER

__________________________________________
KEN CASTNER, MAYOR

ATTEST:

__________________________________________
MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal Note: Lease revenue
Memorandum 22-062

TO: HOMER CITY COUNCIL
THRU: ROB DUMOUCHEL, CITY MANAGER
FROM: PORT AND HARBOR ADVISORY COMMISSION
DATE: MARCH 25, 2022
SUBJECT: RESOLUTION 22-028, COPPER RIVER SEAFOODS LEASE- PROPOSED CHANGED TO DEVELOPMENT PLAN

Background:

At the time of Copper River’s purchase of Snug Harbor Seafoods, and the transfer of Snug Harbor’s lease with the City to Copper River Seafoods respectively, Copper River Seafoods assumed the property improvement condition of the lease for the completion of a new construction building (plans for which are included in detail as attachment “Exhibit E”). Additionally, in Copper River’s lease application requesting the lease transfer, under their development proposal they referenced those plans for the 42x47’ (1974 sq ft) building and stated a date of 9/1/20 for the Framing benchmark and 12/31/20 for a completion date. The onset of COVID prompted a request for a timeline extension and amendment to lease which was granted by the City and a new timeline was set for framing 2/22 and completion by 12/31/2022.

New Request:

On February 4th 2022 Copper River Seafoods reached out to the Port with a proposal to change and amend their property development plan. The proposal put forward the idea of installing 3 portable buildings that they already hold as assets in other locations onto the existing concrete pad at the Homer location as an alternative arrangement to gain the square footage and utility needed. This installation of portable buildings would be instead of the new construction building currently listed as a property development condition of their lease.

On February 24, 2022 the City Manager, City Planner, and port staff met for a preliminary review of the proposed change. It was agreed upon review of the materials that there was no initial objection to any of the proposal documents and that the proposal should continue through the public process.

On March 23, 2022 the Port and Harbor Advisory Commission reviewed the proposed change to the development plan and made the motion listed below:

SIEKANIEC/ULMER MOVED TO APPROVE COPPER RIVER SEAFOOD’S LEASE AMENDMENT AND PROPERTY DEVELOPMENT PLAN PROPOSAL AND RECOMMEND ADOPTION BY CITY COUNCIL.

VOTE: YES: ZEISET, PITZMAN, ULMER, SIEKANIEC, SHAVELSON, MATTHEWS

Motion Carried
The proposed new property development plan has the same purpose of use as the original development plan listed in the lease and will serve as an office with caretaker residence as an accessory use per City zoning requirements for Marine Industrial. The new property development plan will also still have the same timeline for completion as the original current one with no changes, set date for completion is December 31 2022. Copper River Seafoods will be required to also go through the standard planning dept. and public review processes for permitting and approval as set by City code, ensuring all needed permitting is set in place, before installing any structure or moving forward with their development plan.

**Recommendation**

Recommended approval of Copper River Seafoods’ lease amendment and property development plan proposal and to authorize the City Manager to execute the appropriate documents.

Attached
- March 23, 2022 Port & Harbor Advisory Commission Minutes Excerpt
- 2022 Copper River request for amendment and new property development proposal
- 2019 Copper River Lease and 2020 1st amendment
- Draft 2nd Amendment to Lease- New Exhibit E & F dated April 1 2022
Port Director Hawkins spoke to his written staff report, highlighting notable meetings with State representatives, his trip to Juneau to lobby for Port Expansion Project funding, and answered questions regarding the matching funds at the federal level for the Harbor Expansion Project and operational events that took place in the harbor.

B. Homer Marine Trades Association Report

Commissioner Zeiset reported on an article First National Bank of Alaska issued out that spotlighted Northern Enterprise Boat Yard’s recent expansion and captures what marine trade businesses are doing here in Homer. Marine classes are still going on at the college.

PUBLIC HEARING

PENDING BUSINESS

NEW BUSINESS

A. Copper River Property Development Proposal & Lease Amendment
   i. 2022 Copper River Property Development Proposal
   ii. Exhibit E – Copper River’s Current Property Development Plan per Lease

Chair Matthews introduced the item by reading the title and deferred to Port Director Hawkins, who provided a brief overview of the proposal. Chair Matthews clarified with Deputy City Clerk Tussey that a motion to suspend the rules was needed to allow Ms. Eisenberg to speak.

ULMER/ZEISET MOVED TO SUSPEND THE RULES TO ALLOW THE APPLICANT TO SPEAK.

There was no discussion.

VOTE: NON-OBJECT: UNANIMOUS CONSENT.

Motion carried.

Jackie Eisenberg, Fleet Manager, explained Copper River Seafood’s property development plan and what improvements to the buildings on the property they have made so far. Mr. Hawkins responded to questions from commissioners regarding the original lease, whether the rent will change, if the amendments meet the requirements of the prior lease, and how according to the lease any structures would become City property once a lease ends and the tenant has the option to take any of their property with them.

SIEKANIEC/ULMER MOVED TO APPROVE COPPER RIVER SEAFOOD’S LEASE AMENDMENT AND PROPERTY DEVELOPMENT PLAN PROPOSAL AND RECOMMEND ADOPTION BY CITY COUNCIL.

Commissioner Shavelson inquired with Ms. Eisenberg if there was any consideration for worker housing. She responded that living quarters was not allowed out there, only a nightly watchman, but the bathhouse/restroom/laundry facilities was critical for their fishermen and crew with the added benefit of not having to rely on the City’s public bathrooms.

Discussion ensued between staff and the commissioners on how housing on the Homer Spit is a zoning and code issue. Mr. Hawkins opined that this topic will become more critical and not just for the summer season but for workers who work late midnight shifts and should not drive due to safety
reasons. Deputy City Clerk Tussey suggested they could have the topic on a future agenda to make a recommendation to the Planning Commission and City Council.

VOTE: YES: ZEISET, PITZMAN, ULMER, SIEKANIEC, SHAVELSON, MATTHEWS

Motion carried.

Chair Matthews provided a point of protocol regarding how she and the staff liaison set the agenda, and that if any commissioner wishes to have an item on the agenda they can reach out to either of them.

B. Port & Harbor Budget

Chair Matthews introduced the item by reading the title, recapped what took place at their earlier worksession with Finance Director Walton, and opened the floor for discussion.

Commissioners discussed their takeaways from the worksession and shared what other items they would like to see at their monthly meetings. Items include:

- The same monthly financial reports that Port Director Hawkins receives included in their meeting packets; a new running agenda item under staff reports could be established for said reports and for any budget/financial updates as they come up.
- Continuation of budget training opportunities such as the worksession they just had.
- Provide copies of the complete City budget that commissioners can bring with them to each meeting.

The commission unanimously requested to have another budget worksession at 4:00 pm before the April regular meeting. In response to Chair Matthews, Deputy City Clerk Tussey recommended commissioners forward their questions or budget items they would like more information on to Mr. Hawkins the Friday before the next agenda deadline to give staff time to compile everything.

C. Port Infrastructure Development Grant Program (PIDP) for Float Replacement

i. Port of Homer Asset Sheet for Float Systems
ii. R&M Proposal for PIDP Grant Development & Submission Management

Chair Matthews introduced the item by reading the title and deferred to Port Director Hawkins.

Mr. Hawkins explained the results from the harbor float asset assessment. While they have been talking about a replacement plan for years they’re still a ways away from making those repairs possible due to the floats getting worse faster than the Harbor Enterprise is able to save up the replacement costs in reserves. Chair Matthews spoke to the work harbor staff accomplished to get the grant and R&M hiring proposal together that was currently in front of the commission and City Council. She explained the time restrictions that they need to meet to make the grant and budget cycles/deadlines and what action would be needed from the commission at this time.

SHAVELSON/ULMER MOVED TO RECOMMEND TO CITY COUNCIL THAT R&M BE HIRED FOR PORT INFRASTRUCTURE DEVELOPMENT GRANT PROGRAM GRANT DEVELOPMENT AND SUBMISSION MANAGEMENT ON HOMER’S BEHALF.

Commissioner Shavelson commented on how vital it is that we stay ahead of the float replacement improvements, and how this proposal sounds like an opportunity to do so.

Discussion ensued between commissioners and Mr. Hawkins on the following:
GROUND LEASE AND SECURITY AGREEMENT

BETWEEN

CITY OF HOMER, ALASKA

AND

COPPER RIVER SEAFOODS, INC.

Dated March 1, 2019
GROUND LEASE AND SECURITY AGREEMENT

GROUND LEASE AND SECURITY AGREEMENT ("Lease") dated as of March 1, 2019, between the CITY OF HOMER, an Alaska Municipal Corporation ("Landlord"), whose address is 491 East Pioneer Avenue, Homer, Alaska 99603, and COPPER RIVER SEAFOODS, INC., a State of Alaska Business Corporation ("Tenant"), whose address is 1118 E. 5th Avenue, Anchorage, Alaska 99501.

Attached as Exhibit A is a schedule naming each owner of Tenant and describing the percentage of ownership of each. Also attached to Exhibit A is a certificate of good standing issued by the state under whose laws Tenant is organized. Attached as Exhibit B is a true and correct copy of a resolution of Tenant authorizing Tenant to enter into this Lease and authorizing the undersigned individual(s) or officer(s) to execute the Lease on behalf of Tenant.

RECATALS

WHEREAS, Landlord owns certain properties having a strategic location near the waterfront and marine-related public infrastructure; and

WHEREAS, it is the policy of Landlord to retain ownership of these properties, and to make them available for leasing, in order to encourage growth in targeted economic sectors, to ensure that Landlord receives the maximum benefit from a large investment in public infrastructure, and to provide land for businesses that require close proximity to the waterfront or infrastructure to operate efficiently and profitably; and

WHEREAS, Landlord has accepted Tenant’s proposal to lease and develop the property leased herein, because Tenant’s proposed use of the property should further Landlord’s goals for the development of Landlord’s properties, and Tenant’s proposal to lease and develop the property is a material inducement to Landlord leasing the property to Tenant; and

WHEREAS, Tenant has made its own determination that its proposed development of the property will be economically feasible, and that the term for which it is leasing the property will be sufficient to amortize Tenant’s investment in developing the leased property under Tenant’s proposal.

NOW, THEREFORE, in consideration of the matters recited above, and the mutual covenants herein, the parties agree as follows:

ARTICLE 1. DEFINITIONS AND ATTACHMENTS

1.01 Definitions. As used herein, the term:

(a) "Additional Rent" includes all amounts defined or referred to in this lease as additional rent, as well as all charges in the nature of rent such as taxes, utilities and insurance, regardless of whether such amounts are due directly to or collectible by Landlord or to a third party under the terms of this Lease or under applicable law and including any of the preceding amounts that Landlord pays to a third party on behalf of Tenant, before or after any event of default.

(b) "Annual Rent Adjustment" and "Annual Rent Adjustment Date" are defined in Section 4.01(b).

(c) "Base Rent" is defined in Section 4.01.
(d) "Complete" and "Completion" mean, with regard to an improvement, that construction of the improvement is finished and the improvement is fully operational and ready for occupancy or use for its intended purpose, including without limitation the issuance of any applicable certificate of occupancy and other applicable permits, licenses, certificates or inspection reports necessary to the improvement's legally authorized use.

(e) "Council" means the City Council of the City of Homer, Alaska.

(f) "Default Rate" means an annual rate of interest equal to the lesser of (i) the maximum rate of interest for which Tenant may lawfully contract in Alaska, or (ii) ten and one-half percent (10.5%).

(g) "Environmental Laws" means all local, state, and federal laws, ordinances, regulations, and orders related to environmental protection; or the use, storage, generation, production, treatment, emission, discharge, remediation, removal, disposal, or transport of any Hazardous Substance.

(h) "Excusable Delay" means delay due to strikes, acts of God, inability to obtain labor or materials, orders of any governmental authority having jurisdiction, removal of Hazardous Materials discovered at any time after the commencement of the Term, enemy action, civil commotion, fire, unusual inclement weather, unavoidable casualty or similar causes beyond the reasonable control of Tenant.

(i) "Extended Term" is defined in Section 3.05 if this Lease provides for extension at the option of the Tenant.

(j) "Five Year Rent Adjustment" and "Five Year Rent Adjustment Date" are defined in Section 4.01(a).

(k) "Hazardous Substance" means any substance or material defined or designated as hazardous or toxic waste; hazardous or toxic material; hazardous, toxic, or radioactive substance; or other similar term by any federal, state, or local statute, regulation, or ordinance or common law presently in effect or that may be promulgated in the future as such statutes, regulations, and ordinances may be amended from time to time.

(l) "Initial Term" is defined in Section 3.01.

(m) "Lease Ordinance" means such ordinances or other portions and provisions of the Homer City Code as may be enacted from time to time to dictate Landlord's policies and requirements in leasing real property, currently enacted as Chapter 18.08 of the Homer City Code, as such may be amended, reenacted, supplemented or recodified from time to time, and as used herein the term shall refer to the Lease Ordinance as currently in effect at the time its terms would have operative effect on this Lease.

(n) "Leasehold Mortgage" is defined in Section 13.01.

(o) "Property" is defined in Section 2.01.

(p) "Rent" means Base Rent plus any Additional Rent.

(q) "Qualified Mortgagee" is defined in Section 13.03.

(r) "Required Improvements" is defined in Section 6.02.
(s) "Term" means the Initial Term plus any Extended Term.

1.02 Attachments. The following documents are attached hereto, and such documents, as well as all drawings and documents prepared pursuant thereto and all documents, policies and endorsements delivered hereunder, including without limitation all copies of required insurance policies and/or endorsements, shall be deemed to be a part hereof:

- Exhibit “A” Schedule of Organization, Owners, Percentage of Ownership
- Exhibit “B” Conformed Copy of Resolution Authorizing Lease and Authorizing Signers to Sign Lease Agreement on Behalf of Tenant
- Exhibit “C” Legal Description of Property
- Exhibit “D” Tenant’s Lease Proposal
- Exhibit “E” Site Plan
- Exhibit “F” Required Improvements Floor Plan
- Exhibit “G” Permission to Obtain Insurance Policies

ARTICLE 2. THE PROPERTY

2.01 Lease of Property. Subject to the terms and conditions of this Lease, Landlord leases to Tenant and Tenant leases from Landlord the following described property (the “Property”):

*Portion of Lot 13B, City of Homer Port Industrial Subdivision No. 2, according to Plat No. 80-92, Homer Recording District, State of Alaska, as depicted on Exhibit C, containing 15,300 square feet, more or less, also known as Kenai Peninsula Borough Tax Parcel No. 18103425;*

subject, however, to reservations, restrictions, easements and encumbrances of record, and to encroachments that may be revealed by an inspection of the Property.

2.02 Quiet Enjoyment. Landlord covenants that Tenant, upon paying the Rent and other charges and performing its other obligations under this Lease shall have quiet enjoyment of the Property during the Term without hindrance or interference by Landlord or by any person claiming an interest in the Property through Landlord.

2.03 Property Accepted “As Is.” Tenant has inspected the Property, has made its own determination as to the suitability of the Property for Tenant’s intended use, and accepts the Property “AS IS.” None of landlord, its agents, or its employees make any warranties, expressed or implied, concerning the condition of the Property, including without limitation the habitability or fitness of the Property for any particular purpose, including those uses authorized by this Lease, or subsurface and soil conditions, including the presence of any Hazardous Substance.

2.04 No Subsurface or Mineral Rights. This Lease does not confer mineral rights, any rights to extract natural resources, or any rights with regard to the subsurface of the Property below the level necessary for the uses of the Property permitted in this Lease, all of which rights are, as between Landlord and Tenant, reserved to Landlord.
ARTICLE 3. TERM

3.01 Lease Term. The term of this Lease is twenty (20) years, commencing on May 1, 2019, and ending on April 30, 2039 (the “Term”).

3.02 Lease Renewal.

(a) Tenant represents and warrants that it has determined that the duration of the Term, including any available Extended Terms, will be sufficient for Tenant to amortize any investment that it makes in connection with this Lease, including without limitation any investment in leasehold improvements, including any Required Improvements as Tenant may be required to develop. Tenant acknowledges that it has no right of any kind to continue using or occupying the Property after the expiration or earlier termination of the Term, including without limitation any option to renew this Lease, or any option to extend the Term other than as may be provided in Section 3.05.

(b) Notwithstanding the preceding subsection (a), not less than 12 months and not more than 18 months before the expiration of the Term, Tenant may apply to Landlord to enter into a new lease for the Property that is exempted from competitive bidding under and pursuant to the Lease Ordinance.

3.03 Surrender of Possession. Upon the expiration or earlier termination of the Term, unless Tenant and Landlord have entered into a new lease for the Property commencing upon the termination of the Term, Tenant shall promptly and peaceably surrender the Property, clean, free of debris, and in as good order and condition as at the commencement of the Term, ordinary wear and tear excepted. If Tenant fails to surrender the Property in the required condition, Landlord may restore the Property to such condition and Tenant shall pay the cost thereof, plus interest at the Default Rate, on demand. Section 6.08 governs the disposition of improvements on the Property at the expiration or earlier termination of the Term.

3.04 Holding Over. Tenant’s continuing in possession of the Property after the expiration or earlier termination of the Term will not renew or extend this Lease. In the absence of any agreement renewing or extending this Lease, Tenant’s continued possession of the Property after the end of the Term will be a tenancy from month to month, termaible upon 30 days written notice by either party at any time, at a monthly rental equal to 150% of the monthly Base Rent in effect at the end of the Term, subject to all other terms of this Lease. For good cause, Landlord may waive all or part of the increase in Base Rent during the holdover period.

3.05. Options to Extend Lease Term.

(a) At its option and in its sole discretion, Tenant may seek to extend the Term for two (2) additional, consecutive five (5) year periods (each an “Extended Term”), provided that:

(1) Tenant gives Landlord written notice of its exercise of the option not more than one year and not less than 120 days before day the Term would otherwise expire; and

(2) the City Manager determines that the lessee is in full compliance with the terms of the lease at the time of renewal.

(b) Tenant’s failure to exercise an option to extend the Term in strict compliance with all the requirements in subsection (a) renders that option and all options as to subsequent Extended Terms null and void.
ARTICLE 4. RENT, TAXES, ASSESSMENTS AND UTILITIES

4.01 Base Rent. Tenant shall pay to Landlord an initial annual rent of $12,996.12 (as such may later be adjusted per the terms of this Lease, the “Base Rent”). Base Rent is payable monthly in advance in installments of $1,083.01, plus sales and all other taxes Landlord is authorized or obligated to collect on such transactions, on May 1, 2019, and on the first (1st) day of each month thereafter, at the office of the City of Homer, 491 East Pioneer Avenue, Homer, Alaska 99603-7645, or at such other place as Landlord may designate in writing. All Base Rent shall be paid without prior demand or notice and without deduction or offset. Base Rent that is not paid on or before the due date will bear interest at the Default Rate. Base Rent is subject to adjustment as provided in Section 4.02.

4.02 Rent Adjustments.

(a) Five-Year Appraised Rent Adjustments. Starting on January 1, 2019, and in every fifth year thereafter, Landlord will obtain an appraisal by a qualified real estate appraiser of the fair rental value of the Property as if privately owned in fee simple, excluding the value of alterations, additions or improvements (other than utilities) made by Tenant (or by Tenant’s predecessors under the Lease, if Tenant is party to this Lease by assignment). Following receipt of each such appraisal, the Base Rent will be adjusted (the “Five Year Rent Adjustment”), effective on the anniversary of the commencement of the term (each such date is a “Five Year Rent Adjustment Date”), to an amount equal to the greater of (1) the area of the Property in square feet, multiplied by the fair rental value per square foot determined by the appraisal, and (2) the Base Rent in effect immediately before the Five Year Rent Adjustment Date. The Base Rent as adjusted on a Five Year Rent Adjustment Date thereafter shall be the Base Rent.

(b) Annual Rent Adjustments. In addition to the rent adjustments under Section 4.02(a), the Base Rent also shall be adjusted annually (the “Annual Rent Adjustment”), effective on the anniversary of the commencement of the term in every year without a Five Year Rate Adjustment (each such date is an “Annual Rent Adjustment Date”), by the increase, if any, for the previous year in the cost of living as stated in the Consumer Price Index, All Urban Consumers, Anchorage, Alaska Area, All Items 2000 – present = 100 (“CPI-U”), as published by the United States Department of Labor, Bureau of Labor Statistics most recently before the Annual Rent Adjustment Date. If the CPI-U is revised or ceases to be published, Landlord instead shall use such revised or other index, with whatever adjustment in its application is necessary, to most nearly approximate in Landlord’s judgment the CPI-U for the relevant period.

4.03 Taxes, Assessments and Other Governmental Charges. Tenant shall pay prior to delinquency all taxes, installments of assessments that are payable in installments and other governmental charges lawfully levied or assessed upon or with respect to the Property, improvements on the Property and personal property that is situated on the Property; provided that Tenant may contest in good faith any such tax, assessment or other governmental charge without subjecting the Property to lien or forfeiture. If an assessment on the Property that is not payable in installments becomes due during the Term, Tenant shall be obligated to pay the fraction of the assessment that is determined by dividing the number of years remaining in the Term by 10. If the Term of this Lease is subsequently extended renewed (i.e. if Tenant and Landlord later enter into a new lease without putting the Property out for competitive bidding as referenced in Section 2.02), then the part of the assessment that Tenant shall be liable for shall be determined by adding the extended or renewal term to the number of years remaining in the Term when the assessment became due. If the Term commences or expires during a tax year, the taxes or assessments payable for that year will be prorated between Landlord and Tenant. Tenant shall exhibit to Landlord, on demand, receipts evidencing payment of all such taxes, assessments and other governmental charges. Any taxes, installments of assessments on the Property that are due to or
collectible by Landlord, or for which Landlord becomes liable that are attributable to any portion of the Term, shall be Additional Rent.

4.04 Utility Charges. Tenant shall pay all charges for utility and other services provided to or used on the Property, including without limitation gas, heating oil, electric, water, sewer, heat, snow removal, telephone, internet service and refuse removal. Tenant shall be solely responsible for the cost of utility connections. Any of the preceding due to or collectible by Landlord shall be Additional Rent.

4.05 Tenant to Pay for City Services. Tenant shall pay for all services provided by the City of Homer that are related to the use or operation of the Property, improvements thereon and Tenant’s activities thereon, at the rates established by the City of Homer from time to time for such services, including without limitation wharfage, crane use, ice, and other Port and Harbor services. Tenant shall provide the City of Homer with the information necessary to determine the amount of service charges owed, keep written records of such information for not less than two years after such charges are due, and, upon request, make such records available to the City of Homer for inspection and audit.

4.06 Additional Rent and Landlord’s Right to Cure Tenant’s Default. All costs or expenses that Tenant is required to pay under this Lease at Landlord’s election will be treated as Additional Rent, and Landlord may exercise all rights and remedies provided in this Lease in the event of nonpayment. If Tenant defaults in making any payment required of Tenant or defaults in performing any term, covenant or condition of this Lease that involves the expenditure of money by Tenant, Landlord may, but is not obligated to, make such payment or expenditure on behalf of Tenant, and any and all sums so expended by Landlord, with interest thereon at the Default Rate from the date of expenditure until repaid, will be Additional Rent and shall be repaid by Tenant to Landlord on demand, provided, however, that such payment or expenditure by Landlord will not waive Tenant’s default, or affect any of Landlord’s remedies for such default.

4.07 Security Deposit. Upon execution of this Lease, and in addition to any other security or credit support provided by or for the benefit of Tenant in entering into this Lease, Tenant shall deposit with Landlord an amount equal to 10% of the annual Base Rent as security for Tenant’s performance of its obligations under this Lease. Landlord may comingle the security deposit with other funds of Landlord, and its obligations with respect to such security deposit shall only be as a debtor and not as a trustee or fiduciary. If Tenant defaults in performing any obligation under this Lease, including without limitation the payment of rent, Landlord may apply all or any portion of the security deposit to the payment of any sum in default or any damages suffered by Landlord as a result of the default, or any sum that Landlord may be required to incur by reason of the default. Upon demand, Tenant shall deposit with Landlord the amount so applied so that Landlord will have the full deposit on hand at all times during the Term.

ARTICLE 5. SECURITY INTEREST

To secure the performance of Tenant’s obligations under this Lease, including without limitation the obligations to pay rent and other sums to be paid by Tenant, Tenant grants to Landlord a lien and security interest in the following collateral: (“Collateral”): (1) all security deposits or other monies owing from Landlord to Tenant (as collateral in the possession of the secured party); (2) all insurance proceeds from any policy insuring the Property or improvements thereon; (3) all compensation payable to Tenant as a result of eminent domain proceedings or a transfer in lieu thereof; (4) all rents from Tenant’s subletting of all or a part of the Property; and (5) all improvements on the Property, including any Required Improvements. Said lien and security interest will be in addition to Landlord’s liens provided by law.
This Lease shall constitute a mortgage by Tenant as mortgagor of all right, title and interest of Tenant in and to any and all improvements on the Property, including any Required Improvements, in favor of Landlord as mortgagee, and the recorded memorandum of this Lease shall reference Landlord as mortgagee of such improvements. In addition, Tenant shall execute, such financing statements and other instruments as Landlord may now or hereafter reasonably request to evidence the liens, mortgages and security interests granted by Tenant hereunder, including any deed of trust pertaining to additions, alterations and improvements on the Property. This Lease also constitutes a security agreement under the Uniform Commercial Code as enacted in Alaska (“UCC”), and Landlord will have all rights and remedies of a secured party under the UCC regarding the Collateral.

**ARTICLE 6. USE AND IMPROVEMENT OF PROPERTY**

**6.01 Use of Property.** Tenant shall use and, if applicable, improve the Property only in the manner described in Tenant’s proposal or application for the Property as more fully set forth on Exhibit D. Tenant’s undertaking to use and, if applicable, improve the Property as described on Exhibit D is a material inducement to Landlord leasing the Property to Tenant, and Tenant shall not use or improve the Property for any purpose other than as described on Exhibit D without Landlord’s written consent, which consent Landlord may withhold in its sole discretion.

**6.02 Required Improvements.** Tenant shall, at Tenant’s sole expense, construct, and at all times during the Term keep and maintain as the minimum development on the Property the Required Improvements as described on Exhibit D and as depicted more specifically in the site plan and floor plans in Exhibit E and Exhibit F, respectively. If the Required Improvements are not in place at the commencement of the Term, Tenant shall commence construction of the Required Improvements within one year after the date of commencement of the Term, prosecute the construction of the Required Improvements with diligence, and Complete construction of the Required Improvements within one additional year.

**6.03 Construction Prerequisites.** Tenant may not commence any construction on the Property, including without limitation construction of the Required Improvements, without first satisfying the following conditions:

(a) Not less than thirty (30) days before commencing construction, Tenant shall submit to Landlord preliminary plans and specifications, and an application for a City of Homer zoning permit, for the construction, showing the layout of proposed buildings and other improvements, ingress and egress, dimensions and locations of utilities, drainage plans, and any other information required for the zoning permit or other required permits. The preliminary plans and specifications are subject to Landlord’s approval, which will not be unreasonably withheld, as well as all specific requirements for the issuance of any permits or zoning variances. Landlord shall communicate approval or disapproval in the manner provided for notices hereunder, accompanying any disapproval with a statement of the grounds therefor. Tenant shall be responsible for complying with all laws governing the construction, including any specific requirements for the issuance of any permits or zoning variances, notwithstanding Landlord’s approval of preliminary plans and specifications under this paragraph.

(b) Not less than fifteen (15) days before commencing construction, Tenant shall deliver to Landlord one complete set of final working plans and specifications as approved by the governmental agencies whose approval is required for Tenant to commence construction. The final working plans and specifications shall conform substantially to the preliminary plans and specifications previously approved by Landlord, subject to changes made to comply with suggestions, requests or requirements of a governmental agency or official in connection with the application for permit or approval.
(c) Not less than five (5) days before commencing construction, Tenant shall give Landlord written notice of its intent to commence construction, and furnish to Landlord the following:

(1) Proof that all applicable federal, state and local permits required for the construction have been obtained.

(2) For construction, alteration or restoration of Required Improvements, a current certificate of insurance with the coverages specified in Section 9.04(c).

6.04 Extensions of Time for Completion of Required Improvements. Landlord shall grant an extension of the time to Complete the Required Improvements for a period of time equal to the duration of an Excusable Delay, upon Tenant's written request describing the nature of the Excusable Delay, provided Tenant has commenced construction in a timely manner and is proceeding diligently to Complete construction.

6.05 Additional and Replacement Improvements.

(a) Construction of alterations, additions improvements that are not consistent with terms of this Lease or the proposed uses for the Property set forth on Exhibit D is prohibited unless the improvements are authorized by an amendment to this Lease approved by the Council via resolution.

(b) Subject to Section 6.05(a), upon satisfying the conditions in section 6.03, Tenant at any time may, but is not obligated to, construct new improvements on the Property and demolish, remove, replace, alter, relocate, reconstruct or add to existing improvements; provided that Tenant is not then in default under this Lease and provided further that Tenant continuously maintains on the Property the Required Improvements, or their equivalent of equal or greater value. Once any work is begun, Tenant shall with reasonable diligence prosecute to Completion all construction of improvements, additions, alterations, or other work. All salvage resulting from such work will belong to Tenant, who is responsible for its removal and lawful disposal.

6.06 As-Built Survey. Within 30 days after Completion of construction of any improvements on the Property involving construction, alteration, addition, removal or demolition of the foundation, structure, utility services, ingress and egress, or any major changes of all or any part of any structure or improvement on the Property, Tenant shall provide Landlord with three copies of an as-built survey of the Property prepared by a registered professional surveyor, showing the location of all improvements on the Property, including underground utilities, pipelines and pre-existing improvements. Tenant shall accompany the as-built survey with a description of all changes from the approved plans or specifications made during the course of the work.

6.07 Ownership of Improvements. Other than the Required Improvements, any and all buildings, fixtures and improvements of any nature whatsoever constructed or maintained on the Property by Tenant will be and remain the property of Tenant at all times during the Term and may be removed or replaced by Tenant during the Term, subject to the provisions Section 6.08.

6.08 Disposition of Improvements at End of Term.

(a) Unless excepted by operation of the following subsection (b), any and all buildings, fixtures and improvements of any nature whatsoever constructed or maintained on the Property become the property of Landlord upon expiration or earlier termination of the Term.

(b) One year before the expiration of the Term, the Landlord and Tenant shall determine if the buildings, fixtures and improvements constructed or maintained on the Property,
including the Required Improvements, are structurally sound and in good condition. If such buildings, fixtures and improvements constructed or maintained on the Property are structurally sound and in good condition, Tenant shall leave such improvements intact with all components, including without limitation doors, windows, and plumbing, electrical and mechanical fixtures and systems, in good condition and ready for use or occupancy, upon expiration of the Term, and Tenant shall execute, acknowledge, and deliver to Landlord a proper instrument in writing releasing and quitclaiming to Landlord all of Tenant’s interest in such buildings, fixtures and improvements. Tenant shall be obligated to and shall remove, prior to the expiration of the Term, any buildings, fixtures and improvements constructed or maintained on the Property that are not structurally sound and in good condition, and Landlord shall not have or obtain any ownership interest in such buildings, fixtures and improvements by reason of this Lease.

(c) If Landlord terminates this Lease because of a default by Tenant prior to the expiration of the Term, any buildings, fixtures and improvements constructed or maintained on the Property shall, at Landlord’s option, become the property of Landlord, which may use or dispose of them in its sole discretion. If Landlord elects not to obtain ownership of such buildings, fixtures and improvements under the preceding sentence or elects to remove any of such buildings, fixtures or improvements for any reason, Tenant shall be obligated to and shall remove such buildings, fixtures or improvements.

(d) Tenant shall notify Landlord before commencing the removal of an improvement as required under the preceding subsections (b) and/or (c) and coordinate the removal work with Landlord. Once Tenant commences the removal work, Tenant shall prosecute the removal with reasonable diligence to Completion and shall repair all damages to the Property caused by such removal no later than the expiration of the Term. All salvage resulting from such work will belong to Tenant, who is responsible for its removal and lawful disposal.

(e) If Tenant fails to remove any improvements from the Property that Tenant is required to remove under and per the terms of the preceding subsections (b), (c) and/or (d), Tenant shall pay Landlord the costs that Landlord incurs in removing and disposing of the improvements and repairing damages to the Property caused by such removal.

ARTICLE 7. CARE AND USE OF THE PROPERTY

7.01 Maintenance of the Property. Tenant at its own cost and expense shall keep the Property and all buildings and improvements that at any time may be situated thereon in a clean, safe and orderly condition, and in good repair at all times during the Term.

7.02 Repair of Improvements.

(a) Except as provided in Section 7.02(b), in the event any buildings or improvements situated on the Property by Tenant are damaged or destroyed by fire, earthquake, tsunami, or other casualty, Tenant shall at Tenant’s expense restore the same to good and tenantable condition or shall remove the same as soon as is reasonably possible, but in no event may the period of restoration exceed 18 months nor may the period of removal exceed 45 days.

(b) Unless Tenant is excused from the obligation under this paragraph, if the Required Improvements or any part thereof are damaged or destroyed by fire, earthquake, tsunami, or other casualty, rendering the Required Improvements totally or partially inaccessible or unusable, Tenant shall at Tenant’s expense restore the Required Improvements to substantially the same condition as they were in immediately before such damage, provided that:

(1) if the cost of repairing or restoring the Required Improvements, less any available insurance proceeds not reduced by applicable deductibles and coinsurance, exceeds
10% of the replacement cost of the Required Improvements, then Tenant may terminate this Lease by giving notice to Landlord of Tenant’s election to terminate within 15 days after determining the restoration cost and replacement cost, and this Lease shall terminate as of the date of such notice;

(2) if the repair or restoration of the Required Improvements would be contrary to law, either party may terminate this Lease immediately by giving notice to the other party; or

(3) if such damage or casualty to the Required Improvements occurs within three years before the end of the Term, Tenant may, in lieu of restoring or replacing the Required Improvements, terminate this Lease by giving written notice of termination to Landlord within 120 days after such damage or casualty.

Nothing in this paragraph relieves Tenant of the obligation to surrender the Property upon the expiration or earlier termination of the Term in the condition required by Section 3.03.

7.03 Nuisances Prohibited. Tenant at all times shall keep the Property in a clean, orderly and sanitary condition and free of insects, rodents, vermin and other pests; junk, abandoned or discarded property, including without limitation vehicles, equipment, machinery or fixtures; and litter, rubbish or trash. Tenant shall not use the Property in any manner that will constitute waste or a nuisance. Landlord, at Tenant’s expense and without any liability to Tenant, may remove or abate any such junk, abandoned or discarded property, litter, rubbish or trash, or nuisance on the Property after 15 days written notice to Tenant, or after (4) four hour notice to Tenant in writing, by telephone, facsimile or in person if Landlord makes a written finding that such removal or abatement is required to prevent imminent harm to public health, safety or welfare. Tenant shall pay Landlord all the costs of such removal, plus interest at the Default Rate, as Additional Rent under this Lease. This section does not limit or waive any other remedy available to the City of Homer to abate any nuisance or for the violation of the Homer City Code.

7.04 Compliance with Laws. Tenant’s improvement and use of the Property shall comply with all governmental statutes, ordinances, rules and regulations, including without limitation the City of Homer Zoning Code and all applicable building codes, now or hereafter in effect.

7.05 Liens. Except as provided in Article 13, Tenant may not permit any lien, including without limitation a mechanic’s or materialman’s lien, to be recorded against the Property. If any such lien is recorded against the Property, Tenant shall cause the same to be removed; provided that Tenant may in good faith and at Tenant’s own expense contest the validity of any such lien without subjecting the Property to foreclosure, and in the case of a mechanic’s or materialman’s lien, if Tenant has furnished the bond required in A.S. 34.35.072 (or any comparable statute hereafter enacted providing for a bond freeing the Property from the effect of such a lien claim). Tenant shall indemnify and save Landlord harmless from all liability for damages occasioned by any such lien, together with all costs and expenses (including attorneys’ fees) incurred by Landlord in negotiating, settling, defending, or otherwise protecting against such lien and shall, in the event of a judgment of foreclosure of the lien, cause the same to be discharged and removed prior to any attempt at execution of such judgment.

7.06 Radio Interference. Upon Landlord’s request, Tenant shall discontinue the use on the Property of any source of electromagnetic radiation that interferes with any government operated transmitter, receiver, or navigation aid until the cause of the interference is eliminated.

7.07 Signs. Tenant may only erect signs on the Property that comply with state and local sign laws and ordinances. City Planning Department approval is required prior to the erection of any sign on the Property.
7.08 Garbage Disposal. Tenant shall keep any garbage, trash, rubbish or other refuse in industry standard containers until removed, and cause all garbage, trash, rubbish or other refuse on the Property to be collected and transported to a Kenai Peninsula Borough solid waste facility or transfer station at least once a week. Tenant may not place garbage, trash, rubbish or other refuse from the Property in Landlord’s garbage disposal facilities on the Homer Spit or any other public facility.

7.09 Access Rights of Landlord. Landlord’s agents and employees shall have the right, but not the obligation, to enter the Property at all reasonable times to inspect the use and condition of the Property; to serve, post or keep posted any notices required or allowed under the provisions of this Lease, including notices of non-responsibility for liens; and to do any act or thing necessary for the safety or preservation of the Property.

7.10 Fish Dock Use Permit. Before using the City of Homer Fish Dock, Tenant shall obtain a City of Homer Fish Dock Use Permit. Tenant shall continue to have a current Fish Dock Use Permit in force until the earlier to occur of (i) the expiration or earlier termination of the Term, and (ii) the date Tenant ceases to use the Fish Dock.

7.11 Terminal Use Permit. Before using City of Homer Docks other than the Fish Dock, Tenant shall obtain a City of Homer Terminal Use Permit. Tenant shall continue to have a current Terminal Use Permit in force until the earlier to occur of (i) the expiration or earlier termination of the Term, and (ii) the date Tenant ceases to use City of Homer Docks other than the Fish Dock.

ARTICLE 8. ASSIGNMENT AND SUBLEASE

8.01 Assignment or Sublease Absent Consent is Void.

(a) Tenant shall not assign or sublease its interest in this Lease or in the Property without compliance with applicable provisions of the Lease Ordinance, including applying for and receiving consent of Council, and any attempted assignment or sublease absent such compliance is and shall be null and void and of no effect and, at Landlord’s election, will constitute an event of default hereunder.

(b) If Tenant seeks to assign or sublease its interest in this Lease or in the Property, in addition to compliance with applicable provisions of the Lease Ordinance, Tenant shall request consent of Council to such assignment or sublease in writing at least 30 days prior to the effective date of the proposed assignment or sublease, accompanied by a copy of the proposed assignment or sublease. If Tenant subleases any portion of the Property, Tenant shall be assessed Additional Rent equal to 10% of the current Base Rent for the subleased area.

(c) No consent to any assignment or sublease waives Tenant’s obligation to obtain Landlord’s consent to any subsequent assignment or sublease. An assignment of this Lease shall require the assignee to assume the Tenant’s obligations hereunder, and shall not release Tenant from liability hereunder unless Landlord specifically so provides in writing.

8.02, Events that Constitute an Assignment. If Tenant is a partnership or limited liability company, a withdrawal or change, voluntary, involuntary or by operation of law, of one or more partners or members owning 25% or more of the entity, or the dissolution of the entity, will be deemed an assignment to the Tenant as reconstituted, subject to Section 8.01 and the Lease Ordinance. If Tenant is a corporation, any dissolution, merger, consolidation or other reorganization of Tenant, or the sale or other transfer of a controlling percentage of the capital stock of Tenant, or the sale of 25% of the value of the assets of Tenant, will be deemed an assignment to the Tenant as reconstituted, subject to Section 8.01 and the Lease Ordinance; provided that if Tenant is a corporation the stock of which is traded through an exchange or over
the counter, a sale or other transfer of a controlling percentage of the capital stock of Tenant will
not constitute such an assignment. The phrase "controlling percentage" means the ownership of,
and the right to vote, stock possessing at least 25% of the total combined voting power of all classes
of Tenant’s capital stock issued, outstanding and entitled to vote for the election of directors.

8.03. Costs of Landlord’s Consent to Be Borne by Tenant. As a condition to Landlord’s
consent to any assignment or sublease under section 8.01 and the Lease Ordinance, Tenant shall
pay Landlord’s reasonable costs, including without limitation attorney’s fees and the expenses of
due diligence inquiries, incurred in connection with any request by Tenant for Landlord’s consent
to the assignment or sublease.

ARTICLE 9. LIABILITY, INDEMNITY AND INSURANCE

9.01 Limitation of Landlord Liability. Landlord, its officers and employees shall not be liable
to Tenant for any damage to the Property or the buildings and improvements thereon, or for death
or injury of any person or damage to any property, from any cause; however, this provision shall
not affect the liability of Landlord, its officers and employees on any claim to the extent the claim
arises from their negligence or willful misconduct.

9.02 Indemnity Generally. Tenant shall indemnify, defend, and hold harmless Landlord, its
officers and employees from all claims arising from death or injury of any person or damage to
any property occurring in or about the Property; however, this provision shall not apply to any
claim to the extent the claim arises from the sole negligence or willful misconduct of Landlord,
its officers and employees.

9.03 Indemnity for Emergency Service Costs. Without limiting the generality of Section 9.02,
in the event of a major fire or other emergency, Tenant shall reimburse Landlord for the cost of
providing fire-fighting and other emergency service to Tenant, the Property or at any other
location where the fire or emergency requiring response arises from or is related to the use of the
Property or Tenant’s operations. For purposes of this section, a major fire or other emergency
is one that requires more than five man-hours of effort by the City of Homer Fire Department.

9.04 Insurance Requirements.

(a) Without limiting Tenant’s obligations to indemnify under this Lease, Tenant at its
own expense shall maintain in force such policies of insurance with a carrier or carriers reasonably
satisfactory to Landlord and authorized to conduct business in the state of Alaska, as Landlord
may reasonably determine are required to protect Landlord from liability arising from Tenant’s
activities under this Lease, including the minimum insurance requirements set forth for tenants
under the Lease Ordinance. Landlord’s insurance requirements in the Lease Ordinance (or any
superseding policy permitted under the Lease Ordinance) specify only the minimum acceptable
coverage and limits, and if Tenant’s policy contains broader coverage or higher limits, Landlord
shall be entitled to such coverage to the extent of such higher limits.

(b) Without limiting the generality of the foregoing, Tenant shall maintain in force at
all times during the Term the following minimum policies of insurance:

(1) Comprehensive general liability insurance with limits of liability not less than a
combined single limit for bodily injury and property damage of $1,000,000 each
occurrence and $2,000,000 aggregate. This insurance shall also be endorsed to
provide contractual liability insuring Tenant’s obligations to indemnify under this
Lease.
(2) Comprehensive automobile liability covering all owned, hired and non-owned vehicles with coverage limits not less than $1,000,000 occurrence combined single limit for bodily injury and property damage.

(3) Workers' compensation insurance as required by AS 23.30.045. This coverage shall include employer's liability protection not less than $1,000,000 per person, $1,000,000 per occurrence. Where applicable, coverage for all federal acts (i.e. U.S. Longshoremen's and Harbor Worker's Compensation and Jones Acts) shall also be included. The workers' compensation insurance shall contain a waiver of subrogation clause in favor of Landlord.

(4) Based on the authorized uses of the Property stated in Section 6.01, environmental insurance is not required. However, if Tenant uses the Property, with or without authorization from the Landlord, for purposes other than those stated in paragraph Section 6.01, if Landlord so elects, and within 10 days after Landlord gives notice of such election, Tenant shall procure and at all times thereafter maintain, at its expense, environmental remediation and environmental impairment liability, including sudden and accidental coverage, gradual pollution coverage, and clean-up cost coverage associated with any activity by Tenant or others on, from, or related to the Property, with coverage limits not less than $1,000,000 for any one accident or occurrence. Coverage shall extend to loss arising as a result of the work or services or products furnished, used or handled in connection with Tenant's operations contemplated under this Lease.

(5) Property insurance covering the Required Improvements described in Section 6.02 in an amount not less than full replacement cost of the Required Improvements. This policy shall include boiler and machinery coverage.

(c) During any construction of the Required Improvements and during any subsequent alteration or restoration of the Required Improvements at a cost in excess of $250,000 per job, Tenant shall maintain builder's risk insurance in an amount equal to the completed value of the project.

(d) Tenant shall furnish Landlord with certificates evidencing the required insurance not later than the date as of which this Lease requires the insurance to be in effect, and the provision of any such certificates due at or prior to the commencement of the Term shall be a condition precedent to the commencement of the Term. The certificates and the insurance policies required by this Section shall contain a provision that coverages afforded under the policies will not be cancelled or allowed to expire, and limits of liability will not be reduced, without at least 30 days' prior written notice to Landlord. Landlord shall be named as an additional insured under all policies of liability insurance required of Tenant. Landlord's acceptance of a deficient certificate of insurance does not waive any insurance requirement in this Lease. Tenant also shall grant Landlord permission to obtain copies of insurance policies from all insurers providing required coverage to Tenant by executing and delivering to Landlord such authorizations substantially in the form of Exhibit G as Landlord may request.

ARTICLE 10. ENVIRONMENTAL MATTERS

10.01 Use of Hazardous Substances. Tenant shall not cause or permit the Property to be used to generate, manufacture, refine, transport, treat, store, handle, dispose of, transfer, produce or process any Hazardous Substance, except as is necessary or useful to Tenant's authorized uses of the Property stated in Section 6.01, and only in compliance with all applicable Environmental Laws. Any Hazardous Substance permitted on the Property as provided in this section, and all
containers thereof, shall be handled, used, kept, stored and disposed of in a manner that complies with all applicable Environmental Laws, and handled only by properly trained personnel.

**10.02 Prevention of Releases.** Tenant shall not cause or permit, as a result of any intentional or unintentional act or omission on the part of Tenant or any of its agents, employees, contractors, tenants, subtenants, invitees or other users or occupants of the Property, a release of any Hazardous Substance onto the Property or onto any other property.

**10.03 Compliance with Environmental Laws.** Tenant at all times and in all respects shall comply, and will use its best efforts to cause all tenants, subtenants and other users and occupants of the Property to comply, with all Environmental Laws, including without limitation the duty to undertake the following specific actions: (i) Tenant shall, at its own expense, procure, maintain in effect and comply with all conditions of, any and all permits, licenses and other governmental and regulatory approvals required by all Environmental Laws, including without limitation permits required for discharge of (appropriately treated) Hazardous Substances into the ambient air or any sanitary sewers serving the Property; and (ii) except as discharged into the ambient air or a sanitary sewer in strict compliance with all applicable Environmental Laws, all Hazardous Substances from or on the Property to be treated and/or disposed of by Tenant will be removed and transported solely by duly licensed transporters to a duly licensed treatment and/or disposal facility for final treatment and/or disposal (except when applicable Environmental Laws permit on-site treatment or disposal in a sanitary landfill).

**10.04 Notice.** Tenant shall promptly give Landlord (i) written notice and a copy of any notice or correspondence it receives from any federal, state or other government agency regarding Hazardous Substances on the Property or Hazardous Substances which affect or will affect the Property; (ii) written notice of any knowledge or information Tenant obtains regarding Hazardous Substances or losses incurred or expected to be incurred by Tenant or any government agency to study, assess, contain or remove any Hazardous Substances on or near the Property, and (iii) written notice of any knowledge or information Tenant obtains regarding the release or discovery of Hazardous Substances on the Property.

**10.05 Remedial Action.** If the presence, release, threat of release, placement on or in the Property, or the generation, transportation, storage, treatment or disposal at the Property of any Hazardous Substance (i) gives rise to liability (including but not limited to a response action, remedial action or removal action) under any Environmental Law, (ii) causes a significant public health effect, or (iii) pollutes or threatens to pollute the environment, Tenant shall, at its sole expense, promptly take any and all remedial and removal action necessary to clean up the Property and mitigate exposure to liability arising from the Hazardous Substance, whether or not required by law.

**10.06 Indemnification.** Subject to Section 10.09, Tenant shall indemnify, defend, and hold harmless Landlord, its officers and employees from and against any and all claims, disbursements, demands, damages (including but not limited to consequential, indirect or punitive damages), losses, liens, liabilities, penalties, fines, lawsuits and other proceedings and costs and expenses (including experts', consultants' and attorneys' fees and expenses, and including without limitation remedial, removal, response, abatement, cleanup, legal, investigative and monitoring costs), imposed against Landlord, arising directly or indirectly from or out of, or in any way connected with (i) the failure of Tenant to comply with its obligations under this Article; (ii) any activities on the Property during Tenant's past, present or future possession or control of the Property which directly or indirectly resulted in the Property being contaminated with Hazardous Substances; (iii) the discovery of Hazardous Substances on the Property whose presence was caused during the possession or control of the Property by Tenant; (iv) the clean-up of Hazardous Substances on the Property; and (v) any injury or harm of any type to any person or damage to any property arising out of or relating to Hazardous Substances on the Property or from the Property on any other
property. The liabilities, losses, claims, damages, and expenses for which Landlord is indemnified under this section shall be reimbursable to Landlord as and when the obligation of Landlord to make payments with respect thereto are incurred, without any requirement of waiting for the ultimate outcome of any litigation, claim or other proceeding, and Tenant shall pay such liability, losses, claims, damages and expenses to Landlord as so incurred within 10 days after notice from Landlord itemizing in reasonable detail the amounts incurred (provided that no itemization of costs and expenses of counsel to Landlord is required where, in the determination of Landlord, such itemization could be deemed a waiver of attorney-client privilege).

10.07 Survival of Obligations. The obligations of Tenant in this Article, including without limitation the indemnity provided for in Section 10.06, are separate and distinct obligations from Tenant’s obligations otherwise provided for herein and shall continue in effect after the expiration of the Term.

10.08 Claims against Third Parties. Nothing in this Article shall prejudice or impair the rights or claims of Tenant against any person other than Landlord with respect to the presence of Hazardous Substances as set forth above.

10.09 Extent of Tenant’s Obligations. Tenant’s obligations under this Article apply only to acts, omissions or conditions that (i) occur in whole or in part during the Term or during any time of Tenant’s possession or occupancy of the Property prior to or after the Term of this Lease; or (ii) are proximately caused in whole or in part by the occupancy of, use of, operations on, or actions on or arising out of the Property by Tenant or its employees, agents, customers, invitees or contractors.

10.10 Inspection at Expiration of Term. Within 90 days before the expiration of the Term, Tenant shall at its own expense obtain a Phase I environmental inspection of the Property, and conduct any further inspection, including without limitation test holes, that is indicated by the results of the Phase I inspection. Tenant, at its own expense, shall remediate any contamination of the Property that is revealed by the inspections and that is Tenant’s responsibility under this Article.

ARTICLE 11. CONDEMNATION

11.01 Article Determines Parties’ Rights and Obligations. If any entity having the power of eminent domain exercises that power to condemn the Property, or any part thereof or interest therein, or acquires the Property, or any part thereof or interest therein by a sale or transfer in lieu of condemnation, the interests of Landlord and Tenant in the award or consideration for such transfer and the effect of the taking or transfer upon this Lease will be as provided in this Article.

11.02 Total Taking. If all of the Property is taken or so transferred, this Lease and all of Tenant’s interest thereunder will terminate on the date title to the Property vests in the condemning authority.

11.03. Partial Taking. If the taking or transfer of part of the Property causes the remainder of the Property to be not effectively and practicably usable in the opinion of the Tenant for the purpose of operation thereon of Tenant’s business, this Lease and all of Tenant’s interest thereunder will terminate on the date title to the Property vests in the condemning authority. If the taking or transfer of part of the Property leaves the remainder of the Property effectively and practicably usable in the opinion of Tenant for the operation of Tenant’s business, this Lease and all of Tenant’s interest thereunder will terminate as to the portion of the Property so taken or transferred on the date title to the Property vests in the condemning authority, but will continue in full force and effect as to the portion of the Property not so taken or transferred, and the Base Rent will abate in the proportion that the portion of the Property taken bears to all of the Property.
11.04 Compensation. Landlord and Tenant each may make a claim against the condemning or taking authority for the amount of just compensation due to it. Tenant shall make no claim against Landlord for damages for termination of the leasehold or interference with Tenant’s business, even if Landlord is the condemning or taking authority. Neither Tenant nor Landlord will have any rights in or to any award made to the other by the condemning authority; provided, that if a single award to Landlord includes specific damages for loss of Tenant’s leasehold interest separately awarded in the eminent domain proceeding and not as a part of the damages recoverable by Landlord, Landlord will transmit such separately awarded damages to Tenant.

ARTICLE 12. DEFAULT

12.01. Events of Default. Each of the following shall constitute an event of default under this Lease:

(a) The failure of Tenant to pay Rent or any other sum of money due under this Lease within ten (10) days after the date such payment is due.

(b) The failure of Tenant to perform or observe any covenant or condition of this Lease, other than a default in the payment of money described in the preceding subsection (a), which is not cured within thirty (30) days after notice thereof from Landlord to Tenant, unless the default is of a kind that cannot be cured within such 30-day period, in which case no event of default shall be declared so long as Tenant shall commence the curing of the default within such 30 day period and thereafter shall diligently and continuously prosecute the curing of same.

(c) The use of the Property or buildings and improvements thereon for purposes other than those permitted herein, to which Landlord has not given its written consent.

(d) The commencement of a case under any chapter of the federal Bankruptcy Code by or against Tenant, or the filing of a voluntary or involuntary petition proposing the adjudication of Tenant as bankrupt or insolvent, or the reorganization of Tenant, or an arrangement by Tenant with its creditors, unless the petition is filed or case commenced by a party other than Tenant and is withdrawn or dismissed within ninety (90) days after the date of its filing.

(e) The admission in writing by Tenant of its inability to pay its debts when due; the appointment of a receiver or trustee for the business or property of Tenant, unless such appointment shall be vacated within ten (10) days after its entry; Tenant making an assignment for the benefit of creditors; or the voluntary or involuntary dissolution of Tenant.

12.02 Landlord’s Remedies. Upon the occurrence of an event default, Landlord has all of the following remedies, all in addition to any other remedies that Landlord may have at law or in equity:

(a) Landlord may terminate this Lease by written notice to Tenant, upon which termination Tenant shall immediately surrender possession of the Property, vacate the Property, and deliver possession of the Property to Landlord. Tenant hereby makes a present grant to Landlord of a full, free and irrevocable license to enter into and upon the Property, in the event Landlord terminates this Lease in accordance with this subsection (a), and to repossess the Property, to expel or remove Tenant and any others who may be occupying or within the Property, and to remove any and all property therefrom, using such force as may be necessary, with or without process of law, without being deemed in any manner guilty of trespass, eviction or forcible entry or detainer, and without relinquishing Landlord’s right to rent or any other right given to Landlord hereunder or by operation of law.
(b) Landlord may by written notice declare Tenant’s right to possession of the Property terminated without terminating this Lease. Tenant hereby makes a present grant to Landlord of a full, free and irrevocable license to enter into and upon the Property, in the event Landlord terminates Tenant’s right of possession in accordance with this subsection (b), and to repossess the Property, to expel or remove Tenant and any others who may be occupying or within the Property, and to remove any and all property therefrom, using such force as may be necessary, with or without process of law, without being deemed in any manner guilty of trespass, eviction or forcible entry or detainer, and without relinquishing Landlord’s right to rent or any other right given to Landlord hereunder or by operation of law.

(c) Subject to Section 12.01(e), Landlord may relet the Property in whole or in part for any period equal to or greater or less than the remainder of the Term, as applicable, for any sum that Landlord may deem reasonable.

(d) Landlord may collect any and all rents due or to become due from subtenants or other occupants of the Property.

(e) Landlord may recover from Tenant, with or without terminating this Lease, actual attorney’s fees and other expenses incurred by Landlord by reason of Tenant’s default and elect to recover damages described under either (1) or (2):

1. from time to time, an amount equal to the sum of all Base Rent and other sums that have become due and remain unpaid, less the rent, if any, collected by Landlord on reletting the Property reduced by the amount of all expenses incurred by Landlord in connection with reletting the Property; or

2. immediately upon Tenant’s default, an amount equal to the difference between the Base Rent and the fair rental value of the Property for the remainder of the Term, discounted to the date of such default at a rate per annum equal to the rate at which Landlord could borrow funds for the same period as of the date of such default.

(f) Reentry or reletting of the Property, or any part thereof, shall not terminate this Lease, unless accompanied by Landlord’s written notice of termination to Tenant.

12.03 Assignment of Rents. Tenant immediately and irrevocably assigns to Landlord, as security for Tenant’s obligations under this Lease, all rent from any subletting of all or a part of the Property, and Landlord, as assignee and attorney-in-fact for Tenant, or a receiver for Tenant appointed on Landlord’s application, may collect such rent and apply it toward Tenant’s obligations under this Lease, except that Tenant has the right to collect such rent until the occurrence of an event of default by Tenant.

ARTICLE 13. LEASEHOLD MORTGAGES

13.01. Mortgage of Leasehold Interest. Tenant shall have the right at any time, and from time to time, to subject the leasehold estate and any or all of Tenant’s improvements situated on the Property to one or more deeds of trust, mortgages, and other collateral security instruments as security for a loan or loans or other obligation of Tenant (each a “Leasehold Mortgage”), subject to the remainder of this Article 13.

13.02 Subordinate to Lease. The Leasehold Mortgage and all rights acquired under it shall be subject and subordinate to all the terms of this Lease, and to all rights and interests of Landlord except as otherwise provided in this Lease.
13.03 Notice to Landlord. Tenant shall give Landlord notice before executing each Leasehold Mortgage, and shall accompany the notice with a true copy of the note and the Leasehold Mortgage as proposed for execution. Upon Landlord's written consent to the Leasehold Mortgage and upon execution of the Leasehold Mortgage by all parties, the mortgagee shall become a Qualified Mortgagee as that term is used in this Lease. Tenant also shall deliver to Landlord a true and correct copy of any notice from a Qualified Mortgagee of default or acceleration of the maturity of the note secured by a Leasehold Mortgage promptly following Tenant's receipt thereof.

13.04 Modification or Termination. No action by Tenant or Landlord to cancel, surrender, or materially modify the economic terms of this Lease or the provisions of Article 11 will be binding upon a Qualified Mortgagee without its prior written consent.

13.05 Notice to Qualified Mortgagee.

(a) If Landlord gives any notice hereunder to Tenant, including without limitation a notice of an event of default, Landlord shall give a copy of the notice to each Qualified Mortgagee at the address previously designated by it.

(b) If a Qualified Mortgagee changes its address or assigns the Leasehold Mortgage, the Qualified Mortgagee or assignee may change the address to which such copies of notices hereunder shall be sent by written notice to Landlord. Landlord will not be bound to recognize any assignment of a Qualified Mortgage unless and until Landlord has been given written notice thereof, a copy of the executed assignment, and the name and address of the assignee. Thereafter, the assignee will be deemed to be the Qualified Mortgagee hereunder with respect to the assigned Leasehold Mortgage.

(c) If a Leasehold Mortgage is held by more than one person, Landlord shall not be required to give notices to the Qualified Mortgagee of the Leasehold Mortgage unless and until all of the holders of the Leasehold Mortgage give Landlord an original executed counterpart of a written designation of one of their number to receive notices hereunder. Notice given to the one so designated is effective as notice to all them.

13.06 Performance of Tenant Obligations.

(a) A Qualified Mortgagee may perform any obligation of Tenant and remedy any default by Tenant under this Lease within the time periods specified in the Lease, and Landlord shall accept such performance with the same force and effect as if furnished by Tenant; provided, however, that the Qualified Mortgagee will not thereby be subrogated to the rights of Landlord.

(b) Tenant may delegate irrevocably to a Qualified Mortgagee the non-exclusive authority to exercise any or all of Tenant's rights hereunder, but no such delegation will be binding upon Landlord unless and until either Tenant or the Qualified Mortgagee gives Landlord a true copy of a written instrument effecting such delegation.

(c) If Tenant defaults in the performance of any monetary obligation hereunder, Landlord shall not terminate this Lease unless and until Landlord provides written notice of such default to each Qualified Mortgagee and no Qualified Mortgagee cures such default within 10 days after the expiration of any grace or cure periods granted Tenant herein. If Tenant defaults in the performance of any non-monetary obligation hereunder, Landlord shall not terminate this Lease unless and until Landlord provides written notice of such default to each Qualified Mortgagee and no Qualified Mortgagee cures such default within 30 days after the expiration of any grace or cure periods granted Tenant herein.
13.07 Possession by Qualified Mortgagee. A Qualified Mortgagee may take possession of the Property and vest in the interest of Tenant in this Lease upon the performance of the following conditions:

(a) The payment to Landlord of any and all sums due to Landlord under this Lease, including without limitation accrued unpaid rent.

(b) The sending of a written notice to Landlord and Tenant of the Qualified Mortgagee’s intent to take possession of the Property and assume the Lease.

(c) The curing of all defaults not remediable by the payment of money within an additional 30 days after the date upon which such default was required to be cured by Tenant under the terms of this Lease.

13.08 No Liability of Mortgagee Without Possession. A Qualified Mortgagee shall have no liability or obligation under this Lease unless and until it sends to Landlord the written notice described in paragraph 13.07(b). Nothing in this Lease or in the taking of possession of the Property and assumption of the Lease by a Qualified Mortgagee or a subsequent assignee shall relieve Tenant of any duty or liability to Landlord under this Lease.

13.09 New Lease. If a Qualified Mortgagee acquires Tenant’s leasehold as a result of a judicial or non-judicial foreclosure under a Leasehold Mortgage, or by means of a deed in lieu of foreclosure, the Qualified Mortgagee thereafter may assign or transfer Tenant’s leasehold to an assignee upon obtaining Landlord’s written consent thereto, which consent will not be unreasonably withheld or delayed but which assignment will be subject to all of the other provisions of Article 8 and any provisions of the Lease Ordinance concerning acceptable assignees. Upon such acquisition by a Qualified Mortgagee or its assignee of Tenant’s leasehold, Landlord will execute and deliver a new ground lease of the Property to the Qualified Mortgagee or its assignee not later than 120 days after such party’s acquisition of Tenant’s leasehold. The new ground lease will be identical in form and content to this Lease, except with respect to the parties thereto, the term thereof (which will be co-extensive with the remaining Term hereof), and the elimination of any requirements that Tenant fulfilled prior thereto, and the new ground lease will have priority equal to the priority of this Lease. Upon execution and delivery of the new ground lease, Landlord will cooperate with the new tenant, at the sole expense of said new tenant, in taking such action as may be necessary to cancel and discharge this Lease and to remove Tenant from the Property.

ARTICLE 14. GENERAL PROVISIONS

14.01 Authority. Tenant represents and warrants that it has complete and unconditional authority to enter into this Lease; this Lease has been duly authorized by Tenant’s governing body; this Lease is a binding and enforceable agreement of and against Tenant; and the person executing the Lease on Tenant’s behalf is duly and properly authorized to do so.

14.02 Estoppel Certificates. Either party shall at any time and from time to time upon not less than 30 days prior written request by the other party, execute, acknowledge and deliver to such party, or to its designee, a statement in writing certifying that this Lease is in full force and effect and has not been amended (or, if there has been any amendment thereof, that the same is in full force and effect as amended and stating the amendment or amendments); that there are no defaults existing, (or, if there is any claimed default, stating the nature and extent thereof); and stating the dates to which the Base Rent and other charges have been paid in advance. The requesting party shall pay the cost of preparing an estoppel certificate, including the cost of conducting due diligence investigation and attorney’s fees.
14.03 Delivery of Notices -Method and Time. All notices, demands or requests from one party to another shall be delivered in person or be sent by (i) mail, certified or registered, postage prepaid, (ii) reputable overnight air courier service, or (iii) electronic mail or facsimile transmission (accompanied by reasonable evidence of receipt of the transmission and with a confirmation copy mailed by first class mail no later than the day after transmission) to the address for the recipient in Section 14.04 and will be deemed to have been given at the time of delivery or, if mailed, three (3) days after the date of mailing.

14.04 Addresses for Notices. All notices, demands and requests from Tenant to Landlord shall be given to Landlord at the following address:

City Manager
City of Homer
491 East Pioneer Avenue
Homer, Alaska 99603
Facsimile: (907) 235-3148
Email: citymanager@cityofhomer-ak.gov

All notices, demands or requests from Landlord to Tenant shall be given to Tenant at the following address:

Martin Weiser
Copper River Seafoods
1118 E. 5th Avenue
Anchorage, Alaska 99501
Email: mweiser@crsalaska.com
Each party may, from time to time, designate a different address or different agent for service of process by notice given in conformity with Section 14.03.

14.05 Time of Essence. Time is of the essence of each provision of this Lease.

14.06 Computation of Time. The time in which any act provided by this Lease is to be done is computed by excluding the first day and including the last, unless the last day is a Saturday, Sunday or a holiday, and then it is also excluded. The term “holiday” will mean all holidays as defined by the statutes of Alaska.

14.07 Interpretation. Each party hereto has been afforded the opportunity to consult with counsel of its choice before entering into this Lease. The language in this Lease shall in all cases be simply construed according to its fair meaning and not for or against either party as the drafter thereof.

14.08 Captions. The captions or headings in this lease are for convenience only and in no way define, limit or describe the scope or intent of any provision of this Lease.

14.09 Independent Contractor Status. Landlord and Tenant are independent contractors under this Lease, and nothing herein shall be construed to create a partnership, joint venture, or agency relationship between Landlord and Tenant. Neither party shall have any authority to enter into agreements of any kind on behalf of the other and shall have no power or authority to bind or obligate the other in any manner to any third party.

14.10 Parties Interested Herein. Nothing in this Lease, express or implied, is intended or shall be construed to give to any person other than Landlord, Tenant and any Qualified Mortgage any right, remedy or claim, legal or equitable, under or by reason of this Lease. The covenants, stipulations and agreements contained in this Lease are and shall be for the sole and exclusive
benefit of Landlord, Tenant and any Qualified Mortgagee, and their permitted successors and assigns.

14.11 Multi-Party Tenant. If Tenant is comprised of more than one natural person or legal entity, the obligations under this Lease imposed upon Tenant are joint and several obligations of all such persons and entities. All notices, payments, and agreements given or made by, with, or to any one of such persons or entities will be deemed to have been given or made by, with, or to all of them, unless expressly agreed otherwise by Landlord in writing.

14.12 Broker’s Commissions. Each of the parties represents and warrants that there are no claims for brokerage commissions or finders’ fees in connection with the execution of this Lease, and agrees to indemnify the other against, and hold it harmless from, all liability arising from any such claim including, without limitation, the cost of counsel fees in connection therewith.

14.13 Successors and Assigns. This Lease shall be binding upon the successors and assigns of Landlord and Tenant, and shall inure to the benefit of the permitted successors and assigns of Landlord and Tenant.

14.14 Waiver. No waiver by a party of any right hereunder may be implied from the party’s conduct or failure to act, and neither party may waive any right hereunder except by a writing signed by the party’s authorized representative. The lapse of time without giving notice or taking other action does not waive any breach of a provision of this Lease. No waiver of a right on one occasion applies to any different facts or circumstances or to any future events, even if involving similar facts and circumstances. No waiver of any right hereunder constitutes a waiver of any other right hereunder.

14.15 Attorney’s Fees.

(a) If Landlord is involuntarily made a party to any litigation concerning this Lease or the Property by reason of any act or omission of Tenant, or if Landlord is made a party to any litigation brought by or against Tenant without any fault on the part of Landlord, then Tenant shall pay the amounts reasonably incurred and expended by Landlord, including the reasonable fees of Landlord’s agents and attorneys and all expenses incurred in defense of such litigation.

(b) In the event of litigation between Landlord and Tenant concerning enforcement of any right or obligation under this Lease, the non-prevailing party shall reimburse the prevailing party for the attorney’s fees reasonably incurred and expended by the prevailing party in the litigation.

14.16 Severability. If any provision of this Lease shall for any reason be held to be invalid, illegal, unenforceable, or in conflict with any law of a federal, state, or local government having jurisdiction over this Lease, such provision shall be construed so as to make it enforceable to the greatest extent permitted, such provision shall remain in effect to the greatest extent permitted and the remaining provisions of this Lease shall remain in full force and effect.

14.17 Entire Agreement, Amendment. This Lease constitutes the entire and integrated agreement between Landlord and Tenant concerning the subject matter hereof, and supersedes all prior negotiations, representations or agreements, either written or oral. No affirmation, representation or warranty relating to the subject matter hereof by any employee, agent or other representative of Landlord shall bind Landlord or be enforceable by Tenant unless specifically set forth in this Lease. This Lease may be amended only by written instrument executed and acknowledged by both Landlord and Tenant.
14.18 Governing Law and Venue. This Lease will be governed by, construed and enforced in accordance with, the laws of the State of Alaska. Any action or suit arising between the parties in relation to or in connection with this Lease, or for the breach thereof, shall be brought in the trial courts of the State of Alaska for the Third Judicial District at Homer.

14.19 Execution in Counterparts. This Lease may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same document.

14.20 Prior Lease Amended And Superseded. Landlord and Tenant are parties to a prior lease affecting the Property dated May 1, 2014, a lease of which has been recorded in the records of the Homer Recording District under Document No. 2014-001303-0 (the “Prior Lease”). This Lease replaces and supersedes the Prior Lease effective as of May 1, 2019, and on and after that date the Prior Lease shall have no force or effect, except that it shall remain in effect as to events, rights, obligations, or remedies arising or accruing under the Prior Lease prior to that date.

IN WITNESS WHEREOF, the parties have executed this Lease as of the date first set forth above.

Landlord:  Tenant:

CITY OF HOMER  COPPER RIVER SEAFOODS INC.

By: [Signature] [Signature]  
Katie Koester, City Manager  Martin Weiser, Chief Development Officer

ACKNOWLEDGMENTS

STATE OF ALASKA  )
) ss.
THIRD JUDICIAL DISTRICT  )

The foregoing instrument was acknowledged before me on May 16, 2019, Katie Koester, City Manager of the City of Homer, an Alaska municipal corporation, on behalf of the City of Homer.

[Signature]
Notary Public in and for Alaska
My Commission Expires: 08/06/19
STATE OF ALASKA  

THIRD JUDICIAL DISTRICT  

The foregoing instrument was acknowledged before me on May 15, 2019 by Martin Weiser, as Chief Development Officer of Copper River Seafoods Inc. on behalf of Copper River Seafoods Inc.

Karina Chambers  
Notary Public in and for Alaska  

My Commission Expires: 4.17.2021
EXHIBIT A

SCHEDULE OF ORGANIZATION, OWNERS, PERCENTAGE OF OWNERSHIP

Tenant, Copper River Seafoods Inc., is a Business Corporation organized under the laws of the State of Alaska. Attached to this exhibit is a certificate issued by that state certifying that Tenant is in good standing and describing its legal organization.

The shareholders and their percentage of ownership are as follows:

James Stavis, Shareholder
1118 E. 5TH AVE., ANCHORAGE, AK
99501

Norman Stavis, Shareholder
1118 E. 5TH AVE., ANCHORAGE, AK
99501

Rodger May, Director, Shareholder
1118 E. 5TH AVE., ANCHORAGE, AK
99501

Scott Blake, Director, President, Shareholder
1118 E. 5TH AVE., ANCHORAGE, AK
99501

TOTAL:

6.30 %
6.30 %
33.20%
54.20%
100%
EXHIBIT B

CONFORMED COPY OF RESOLUTION AUTHORIZING LEASE AND AUTHORIZING SIGNERS TO SIGN LEASE AGREEMENT ON BEHALF OF TENANT
CITY OF HOMER
HOMER, ALASKA

RESOLUTION 19-017

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
APPROVING A LEASE ASSIGNMENT FROM SNUG HARBOR
SEAFOODS INC. TO COPPER RIVER SEAFOODS INC. AND
AUTHORIZING THE CITY MANAGER TO EXECUTE THE
APPROPRIATE DOCUMENTS FOR A NEW TWENTY YEAR LEASE
WITH OPTIONS FOR TWO CONSECUTIVE FIVE YEAR LEASE
RENEWALS FOR A PORTION OF LOT 13B, CITY OF HOMER PORT
INDUSTRIAL SUBDIVISION NO. 2, ACCORDING TO PLAT NO. 80-92,
AT AN INITIAL ANNUAL RATE OF $12,996.12.

WHEREAS, Snug Harbor Seafoods Inc. requested to transfer their 2014 City lease to
Copper River Seafoods Inc. as part of Copper River Seafoods Inc.’s buyout of Snug Harbor
Seafoods Inc. assets; and

WHEREAS, Copper River Seafoods Inc. submitted a complete application pursuant to
Homer City Code (HCC) § 18; and

WHEREAS, Copper River Seafoods has indicated their intention of operating a fish
buying station which is similar to the Snug Harbor Seafoods Inc. permitted use of seafood
buying; and

WHEREAS, Per HCC § 18.08.110 the lease is in compliance and the past lease history has
shown contractual obligations are satisfactorily met; and

WHEREAS, The lease assignment will be based on the City’s updated lease template
which reflects the new and current code requirements; and

WHEREAS, The initial annual rental rate of $12,996.12 will change in accordance with
the appraisal of the lot due in 2019 per HCC § 18.08.100; and

WHEREAS, On February 27, 2019 The City Administration and the Port and Harbor
Advisory Commission reviewed the application pursuant to HCC § 18.08.060 and recommend
a new twenty year lease with options for two consecutive five-year renewals for a portion of
Lot 13B, City of Homer Port Industrial Subdivision No. 2, according to Plat No. 80-92; and
WHEREAS, HCC § 18.08.160 (4) states Council shall approve or deny the request for lease assignment via resolution.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, hereby approves the lease assignment of the Snug Harbor Seafoods Inc. lease from Snug Harbor Seafoods Inc. to Copper River Seafoods Inc., and authorizes the City Manager to execute a new twenty year lease with options for two consecutive five-year renewals for a portion of Lot 13B, City of Homer Port Industrial Subdivision No. 2, according to Plat No. 80-92, at an initial annual base rent of $12,996.12 for the purpose of a fish buying station.

PASSED AND ADOPTED by the Homer City Council this 11th day of March, 2019.

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal note: $12,996.12
EXHIBIT C

LOCATION OF PROPERTY

(Section 2.01)

Portion of Lot 13B, City of Homer Port Industrial Subdivision No. 2, according to Plat No. 80-92, Homer Recording District, State of Alaska, containing 15,300 square feet, more or less, also known as Kenai Peninsula Borough Tax Parcel No. 18103425.
EXHIBIT D

TENANT’S PROPOSED USE OF THE PROPERTY

(Section 6.01)

The Tenant’s proposed use of the property is a fish buying station.
### 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.

<table>
<thead>
<tr>
<th>Applicant Name:</th>
<th>Copper River Seafoods, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Security Number:</td>
<td>92-0157589</td>
</tr>
<tr>
<td>Mailing Address:</td>
<td>1118 E. 5th Ave</td>
</tr>
<tr>
<td>City, State, ZIP code:</td>
<td>Anchorage, AK 99501</td>
</tr>
<tr>
<td>Business Telephone No.</td>
<td>907-522-7806</td>
</tr>
<tr>
<td>Representative’s Name:</td>
<td>Martin Weiser</td>
</tr>
<tr>
<td>Mailing Address:</td>
<td>1118 E. 5th Ave</td>
</tr>
<tr>
<td>City, State, ZIP code:</td>
<td>Anchorage, AK 99501</td>
</tr>
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<td>Business Telephone No.</td>
<td>907-522-7806</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Property Location:</th>
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<tbody>
<tr>
<td>Legal Description:</td>
</tr>
<tr>
<td>Type of Business to be placed on property:</td>
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<tr>
<td>Duration of Lease requested:</td>
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<tr>
<td>Options to re-new:</td>
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<tr>
<td>The following materials must be submitted when applying for a lease of City of Homer real property</td>
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<tr>
<td><strong>1. Plot Plan</strong></td>
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<td><strong>2. Development Plan</strong></td>
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<td>9/1/20</td>
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<tr>
<td>12/31/2020</td>
</tr>
<tr>
<td>For each building, indicate: Building Use: Seafood Processing</td>
</tr>
<tr>
<td><strong>3. Insurance</strong></td>
</tr>
<tr>
<td><strong>4. Subleases</strong></td>
</tr>
<tr>
<td><strong>5. Health Requirements</strong></td>
</tr>
</tbody>
</table>
6. **Agency Approval**

   □ 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**

   All applicable fees must be submitted prior to the preparation and/or execution of a lease.

   □ Application fee - $30.00. Covers costs associated with processing the application. *Please make check payable to the City of Homer.*

   □ Lease fee - $300.00. Covers the costs of preparing and processing the actual lease.

   □ Assignment fee - $250.00. Covers the costs of preparing and processing the lease transfer. *Please make check payable to the City of Homer.*

8. **Financial Data**

   Please indicate lessee’s type of business entity:

   □ Sole proprietorship.

   □ Partnership.

   ☑ Corporation.

   □ Other – Please explain: _____________________________________________

   □ Financial Statement – *Please attach a financial statement showing the ability of the lessee to meet the required financial obligations.*

   □ 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 your organization holding more than a 10% interest

   ☑ No □ 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.

   □ 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?

   ☑ No □ Yes. If yes, please attach a statement indicating state, date, Court having jurisdiction, case number and to amount of assets and debt.

   □ 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?

   ☑ No □ Yes. If yes, please attach detailed information as to each claim, cause of action, lien, judgment including dates and case numbers.
9. Partnership Statement

☐ If the applicant is a partnership, please provide the following:

Date of organization: ____________________________

Type: ☐ General Partnership ☐ Limited Partnership

Statement of Partnership Recorded? ☐ Yes ☐ No
Where ________________ When _____________________

Has partnership done business in Alaska? ☐ Yes ☐ No
Where ________________ When _____________________

Name, address, and partnership share. If partner is a corporation, please complete corporation statement.

Please attach a copy of your partnership agreement.

10. Corporation Statement

☒ If the applicant is a corporation, please provide the following:

Date of Incorporation: March 7, 1996

State of Incorporation: Alaska

Is the Corporation authorized to do business in Alaska?

☐ No ☐ Yes. Is so, as of what Date? March 7, 1996

Corporation is held? ☐ Publicly ☒ Privately If publicly held, how and where is the stock traded?

Officers & Principal Stockholders [10%+]:

Name Title Address Share
Scott A. Blake Pres/CEO 118 E 5th Ave Anchorage 99501 54.20
Rodger May Director/Shareholder 11 33.20
Rich Monroe Secretary/Treas. 9 0

☐ 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.

Name Title
Scott Blake President/CEO

Attached
11. Applicant References

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.

Name: Jeff Buske
Firm: Independent Packers Company
Title: Owner
Address: 2001 W. 46th St, Seattle, WA 98109
Telephone: 206-522-3860
Nature of business association with Applicant: Custom process for us an approx. 10 yrs

Name: Seattle Tacoma Box
Firm: Cindy Unley
Title: CPO
Address: 23400 71st Pl S, Kent, WA 98032
Telephone: 253-854-9700
Nature of business association with Applicant: They have supplied us with all our packaging for numerous years

Name: Jim Gonzales
Firm: Pacific Harvest Seafoods
Title: Owner/Pres.
Address: 1800 NE 4th St, #200 Renton, WA 98056
Telephone: 425-254-1544
Nature of business association with Applicant: Customer/Supplier, partnered on ventures in past, not currently

Name: Michael Panichi
Firm: Key Bank Biz Capital
Title: Sr. VP
Address: 127 Public Square, Cleveland, OH 44114
Telephone: 216-689-4761
Nature of business association with Applicant: Bank

I hereby certify that the above information is true and correct to the best of my knowledge.

Signature: [Signature]
Date: 9/20/18
From: Martin Welser <mweiser@crsalaska.com>
Sent: Friday, February 22, 2019 3:26 PM
To: Rachel Friedlander <rfriedlander@ci.homer.ak.us>
Cc: Erica Hollis <ehollis@ci.homer.ak.us>
Subject: RE: Questions regarding CRS application

Sorry for the confusion, it is confirmed that the proper term for the activities we plan to perform in Homer would be, “fish buying station.” If you could amend the application to read as such I would appreciate it.

As far as #2 goes, I will have to research that. It was my understanding from Paul Dale that the package I was submitting to you had all the necessary prior approvals. I will let you know if that is something we have and we failed to submit it or if we are going to have to scramble to meet the necessary requirement.

Marty

From: Rachel Friedlander <rfriedlander@ci.homer.ak.us>
Sent: Friday, February 22, 2019 12:48 PM
To: Martin Weiser <mweiser@crsalaska.com>
Cc: Erica Hollis <ehollis@ci.homer.ak.us>
Subject: Questions regarding CRS application

Hi Martin,

A few questions came up while reviewing the application submitted by CRS in 2018, namely:

1) On the first page under “type of business to be placed on the property”, you list “seafood manufacturing” but then on the second page under “Development Plan” you list “seafood processing.” I’ve also heard that CRS intends to use the facility/City property for “fish buying” — could you clarify the intended use?

2) On #5 “Health Requirements,” you noted “attached prior approval” but I don’t seem to have those documents on my end — could you please resubmit those?

Thank you for your prompt response,
Rachel

Rachel Friedlander
Executive Assistant to City Manager Katie Koester
City of Homer
Rachel Friedlander

From: Martin Weiser <mweiser@crsalaska.ccm>
Sent: Wednesday, February 27, 2019 12:42 PM
To: Rachel Friedlander
Cc: Erica Hollis
Subject: RE: Questions regarding CRS application

Not to our knowledge at this time. My understanding is that the parcel was already connected to city sewer and that is all that is going to be required as we do not have any plans to process in this facility.

Marty

From: Rachel Friedlander <rfriedlander@ci.homer.ak.us>
Sent: Wednesday, February 27, 2019 9:54 AM
To: Martin Weiser <mweiser@crsalaska.com>
Cc: Erica Hollis <ehollis@ci.homer.ak.us>
Subject: RE: Questions regarding CRS application

Hi Marty,

Following up with you on #2 – is there any required environmental information from the DEC that should be presented at the Port&Harbor Advisory Commission this evening?

Thank you,
Rachel

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Thank you for your prompt response,
Rachel

Rachel Friedlander
Executive Assistant to City Manager Katie Koester
City of Homer
907. 435. 3102
RFriedlander@ci.homer.ak.us
https://www.cityofhomer-ak.gov/
EXHIBIT E

SITE PLANS

(Section 6.02)
GENERAL
ALL MATERIALS AND CONSTRUCTION SHALL CONFORM TO REQUIREMENTS OF THE INTERIOR DOOR CODE WHERE EXPLICIT DETAILS ARE NOT SHOWN OR DESCRIBED. THE MINIMUM APPROVAL SIZE OF LAMINATED SHEETWOOD SHALL APPLY UNLESS OTHERWISE NOTED. ALL CODES, STANDARDS AND OTHER PUBLICATIONS SHALL REPLY TO THE LATEST ISSUES.

LOCATION
THESE DRAWINGS ARE INTENDED FOR THE CONSTRUCTION OF ONLY ONE BUILDING IN HOMER, ALASKA.

DESIGN LOADS
DEAD LOADS, THE FOLLOWING LIVE LOADS WERE USED FOR DESIGN:
ROOF: 50 PSF SNOW, 2 MONTH DURATION PLUS DRIFTING WIND H/P 6 PSF EXPOSURE C
SEATING, 8.18, 6.87 SF/SEAT CLASS B
SEPARATE VICE GROUPS, 4.0 SF/NICHTING FAMILY
SEPARATE DESIGN CATEGORY: D

LATERAL LOADS ARE REGULATED BY WOOD SHEAR WALLS AND DIAPHRAGMS.

SITE WORK
PREPARATION OF A SUFFICIENTLY SUITABLE BUILDING SITE SHALL BE COMPLETED FROM CONSTRUCTION OF FOUNDATIONS AND SEALS NO SOIL OR FINISH FLOORING MATERIALS.

FOUNDATION
THE FOUNDATION DESIGN IS BASED ON THE ASSUMPTION THAT FOUNDATION CONSTRUCTION ARE WELL DRAINED FROM FREE COLLAPSIBLE SAND OR SAND WITH LOAD CAPACITIES IN ACCORDANCE WITH THE ALASKAN CODE FOR BUILDING AND CONSTRUCTION.

MASSIVE CONCRETE SUPPORTS ARE DETERMINED TO BE OF USE AND BE COMPATIBLE WITH THE BUILDING FUNDAMENT B AND TO 7/8" TYPHONY X 12" PLATE WALLS.

CONCRETE
CONCRETE FLOOR STRUCTURAL DESIGN ARE IN ACCORDANCE WITH THE FIBER REINFORCING MANUFACTURER'S RECOMMENDATIONS.

CONCRETE USE OF CONCRETE FOR CONCRETE SHEATH AND CONCRETE SHEATHING ARE IN ACCORDANCE WITH THE FIBER REINFORCING MANUFACTURER'S RECOMMENDATIONS.

REINFORCING STEEL
UNLESS OTHERWISE NOTED, ALL REINFORCING STEEL SHALL BE FIBER REINFORCING STEEL MANUFACTURED TO 100% FIBER REINFORCING STEEL, UNLESS OTHERWISE NOTED. STEELS REINFORCING STEEL SHALL BE ADHERED TO THE CONCRETE SHEATH WITH SPECIFIED ADHESIVE.

CONCRETE COVER OVER REINFORCING STEEL SHALL BE 2" FOR CONCRETE CAST AGAINST CONCRETE SHEATH OR FORMED CONCRETE CAST AGAINST EARTH. CONCRETE COVER FOR FORMED CONCRETE CAST AGAINST EARTH SHEATHING SHAL BE 2" IN MINIMUM.

CONCRETE COVER OVER REINFORCING STEEL SHALL BE 3" CONCRETE CAST AGAINST EARTH. CONCRETE COVER FOR FORMED CONCRETE CAST AGAINST EARTH SHEATHING SHAL BE 3" IN MINIMUM.

SASH LUMBER AND TIMBER
ALL LUMBER SHALL BE FIBER REINFORCING MANUFACTURER'S RECOMMENDATIONS FOR LUMBER AND TIMBER SPECIFICATIONS. TIMBER SHALL BE SAWN LUMBER OF THE BEST QUALITY AND ALSO OF THE BEST QUALITY AND Size AND GRADE PERMITTED BY THE AMERICAN WOOD PRESERVER'S ASSOCIATION STANDARD NO.25. TO A RETENTION OF 0.600 PSF AS REQUIRED FOR USE.

PRESERVANT TREATED WOOD WOOD ALL WOOD MODIFIED AS PRESSURE TREATED, D111, SHALL BE PRESSURE TREATED IN COMPLIANCE WITH THE AMERICAN WOOD PRESERVER'S ASSOCIATION STANDARD NO.25. TO A RETENTION OF 0.600 PSF AS REQUIRED FOR USE.

SHHALL BE FIBER REINFORCING MANUFACTURER'S RECOMMENDATIONS FOR LUMBER AND TIMBER SPECIFICATIONS. LUMBER SHALL BE SAWN LUMBER OF THE BEST QUALITY AND ALSO OF THE BEST QUALITY AND SIZE AND GRADE PERMITTED BY THE AMERICAN WOOD PRESERVER'S ASSOCIATION STANDARD NO.25. TO A RETENTION OF 0.600 PSF AS REQUIRED FOR USE.

GOVERNED STRAND BOARDS (GSB)
ALL GSB BOARDS SHALL BE FIBER REINFORCING MANUFACTURER'S RECOMMENDATIONS FOR LUMBER AND TIMBER SPECIFICATIONS. GSB BOARDS SHALL BE FIBER REINFORCING MANUFACTURER'S RECOMMENDATIONS FOR LUMBER AND TIMBER SPECIFICATIONS. GSB BOARDS SHALL BE FIBER REINFORCING MANUFACTURER'S RECOMMENDATIONS FOR LUMBER AND TIMBER SPECIFICATIONS. GSB BOARDS SHALL BE FIBER REINFORCING MANUFACTURER'S RECOMMENDATIONS FOR LUMBER AND TIMBER SPECIFICATIONS. GSB BOARDS SHALL BE FIBER REINFORCING MANUFACTURER'S RECOMMENDATIONS FOR LUMBER AND TIMBER SPECIFICATIONS.

MANUFACTURED WOOD JOISTS
FABRICATED WOOD JOISTS SHALL BE OF THE SIZE INDICATED ON THE DRAWINGS AS MANUFACTURED BY FIBER REINFORCING MANUFACTURER'S RECOMMENDATIONS FOR INSTALLATION, HANDLING AND CREATION OF FLOOR JOISTS. PROVIDE WETTEN STANDARDS FOR MANUFACTURER'S RECOMMENDATIONS.

PLANT FABRICATED JOISTS PROVIDE WETTEN STANDARDS FOR MANUFACTURER'S RECOMMENDATIONS.

BOLT HEADS AND NUTS BEARING AGAINST WOOD TO BE PROVIDED WITH FLAT HARDWARE. NO RIVETS OR NAILS TO BE USED. PROVIDE SOLID WOOD SUPPORTS AND TIE downs TO FOUNDATIONS UNDER ALL BEAMS AND JOISTS. HARDWARE HIDDEN UNDER OPENINGS SHALL BE 400 IMP ZP WITHOUT OTHER DESIGN.

BOLT HEADS AND NUTS BEARING AGAINST WOOD TO BE PROVIDED WITH FLAT HARDWARE. NO RIVETS OR NAILS TO BE USED. PROVIDE SOLID WOOD SUPPORTS AND TIE downs TO FOUNDATIONS UNDER ALL BEAMS AND JOISTS. HARDWARE HIDDEN UNDER OPENINGS SHALL BE 400 IMP ZP WITHOUT OTHER DESIGN.

PLYWOOD
ALL PANELS SHALL BE FIBER REINFORCING MANUFACTURER'S RECOMMENDATIONS FOR PANELS. PROVIDE WETTEN STANDARDS FOR MANUFACTURER'S RECOMMENDATIONS. PROVIDE WETTEN STANDARDS FOR MANUFACTURER'S RECOMMENDATIONS. PROVIDE WETTEN STANDARDS FOR MANUFACTURER'S RECOMMENDATIONS.

FLOOR SHEATHING PANELS PERPENDICULAR TO JOISTS AND PARALLEL TO WALLS SHALL BE 5º MOLDING OR REMOVAL WITH NO RIVETS OR NAILS TO BE USED. PROVIDE SOLID WOOD SUPPORTS AND TIE downs TO FOUNDATIONS UNDER ALL BEAMS AND JOISTS. HARDWARE HIDDEN UNDER OPENINGS SHALL BE 400 IMP ZP WITHOUT OTHER DESIGN.

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OLIED LAMINATED STRUCTURAL TIMBERS
MATERIALS MANUFACTURED TO THE INFRASTRUCTURE SPECIFICATIONS AND ECONOMIC TREATMENT ARES MANUFACTURED TO THE AMERICAN WOOD FIBER INSTITUTE SPECIFICATIONS.

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EXHIBIT G

PERMISSION TO OBTAIN INSURANCE POLICIES

(Section 9.04(d))

The City of Homer is hereby granted permission to request and obtain copies of Copper River Seafoods Inc. ("Tenant") insurance policies from Tenant’s broker and/or insurer, Marsh + McLennan. Tenant requests the broker/insurer to provide the City of Homer with information about and copies of all of Tenant’s insurance policies providing the type of coverage required by the Lease between Tenant and the City of Homer.

It is understood that the Tenant may revoke this permission at any time by written notice to City of Homer and to Tenant’s broker and/or insurer; however, such revocation will constitute a default of Tenant’s lease from the City of Homer.

Date: 5/15/19

COPPER RIVER SEAFOODS INC.

By: [Signature]

Printed Name: Martin Weisen

Title: Chief Development Officer
2nd AMENDMENT TO LEASE AGREEMENT

This amendment is made and entered into effect as of ___________, 2022 between the City of Homer, an Alaska municipal corporation (“Landlord”) whose address is 491 East Pioneer Avenue, Homer, Alaska 99603, and Copper River Seafoods Inc., an Alaskan business corporation (“Tenant”), whose address is 1118 E. 5th Ave. Anchorage, Alaska 99501, and amends the Ground Lease Agreement (“Lease”) entered into between Copper River Seafoods Inc., and the City of Homer, dated March 1, 2019 and recorded by the Kenai Peninsula Borough’s recorder’s office on May 20, 2019, Number 2019-001382-0, Homer Recording District 309, Alaska.

Landlord and Tenant agree as follows:

• “Exhibit E – Site Plans” shall be amended and replaced by “Exhibit E – Site Plans dated April 1, 2022” included as pages 2-3 of this amendment.

• “Exhibit F – Floor Plans” shall be amended and replaced by “Exhibit F – Site Plans dated April 1, 2022” included as pages 4-14 of this amendment.
EXHIBIT E
SITE PLANS dated APRIL 1 2022
(Section 6.02)

Clarification Notes on Copper River Seafoods Site plan “Homer Concept” page:

- Each of the portable buildings is 8’x27’, 216 sq. ft. (each)
- The “Break Room” on the Homer Concept page is the same as the “Bunk Room” in Exhibit F floor plans
- The bait freezer is an 8’x40’ refrigerated container, 320 sq. ft.
- The “office” building is identical in shape and size to the other two shown in Exhibit F floor plans. The existing containerized office will be removed from the site and replaced with the portable building.
Attachment - “Homer Concept”
EXHIBIT F

FLOOR PLANS dated APRIL 1 2022

(Section 6.02)
BATH HOUSE FLOOR PLAN 230 S.F. GROSS / 200.6 S.F. NET

BUILDING SECTION

FRONT ELEVATION

RIGHT SIDE ELEVATION

REAR ELEVATION

LEFT SIDE ELEVATION

TYPICAL HANDRAIL/RAILING DETAIL
IN WITNESS WHEREOF, the parties have executed this Lease Amendment as of the date set forth above.

Landlord:       Tenant: Copper River Seafoods Inc.
City of Homer

By: __________________________    By: ________________________
_________________________________   ________________________________
Rob Dumouchel, City Manager     name/title

ACKNOWLEDGMENTS

STATE OF ALASKA
 )
 ) SS.
THIRD JUDICIAL DISTRICT
 )

The foregoing instrument was acknowledged before me on ______________, 2022 by Rob Dumouchel, City Manager of the City of Homer, an Alaska municipal corporation, on behalf of the City of Homer.

Notary Public in and for Alaska
My Commission Expires: ______

STATE OF
 )
 ) SS.
 )

The foregoing instrument was acknowledged before me on ______________, 2022 by ________________ (name/title) of Copper River Seafoods Inc.

Notary Public in and for the state of ______
My Commission Expires: ______

After recording return to:
Melissa Jacobsen, MMC, City Clerk
City of Homer
491 E. Pioneer Avenue
Homer, AK 99603
Good Morning Bryan and Erica

With the challenges we are still facing as an industry and company, we would ask that you consider a proposal that will allow us to keep the Homer operation functional and moving forward in development. We have a bunk house and a bath house available to locate on the Homer property. The specs for these buildings are attached and they are built to code. We will be pulling 3-phase power to the construction site this spring to support this project. Additionally we will be adding a freezer container for bait storage to support the fleet. (This concept is attached)

Thank you for your support and consideration as we work together for continuous improvements.

Joe O’Halloran
VP of Operations and Sales
Copper River Seafoods
Phone: 503-747-8814

Disclaimer

The information contained in this communication from the sender is confidential. It is intended solely for use by the recipient and others authorized to receive it. If you are not the recipient, you are hereby notified that any disclosure, copying, distribution or taking action in relation of the contents of this information is strictly prohibited and may be unlawful.

This email has been scanned for viruses and malware, and may have been automatically archived by Mimecast, a leader in email security and cyber resilience. Mimecast integrates email defenses with brand protection, security awareness training, web security, compliance and other essential capabilities. Mimecast helps protect large and small organizations from malicious activity, human error and technology failure; and to lead the movement toward building a more resilient world. To find out more, visit our website.
ADDITIONAL NOTES FOR “HOMER CONCEPT” PAGE

Below are clarification points/statements from Copper River Seafoods on the “Homer Concept” page submitted as part of their proposal, condensed from a series of e-mail correspondence:

- Each of the portable buildings are 8’x27’, 216 sq ft each.
- The “Break Room” on the Homer Concept page is the same as the “Bunk Room” on the schematic drawings.
- The Bath house is broken up into 3 separate individual Bath rooms with a Shower, Toilet and Sink. Along with a small laundry room. These would be used by our crew and our fishermen.
- The Bait freezer is a 8’x40’ refrigerated container, 320 sq ft.
- The office is a new building identical in shape and size as the other Two. The existing containerized office will be moved offsite.
- The Break room and Bath House total sq ft is 432 sq ft. and could be considered under the accessory use of caretaker residence. The Office and Bait Freezer total sq ft is 536 sq ft. for commercial use (more than 50% of building square footage for primary zoning use per Marine Commercial Industrial zoning)
CRS KENAI BATH HOUSE AND EMPLOYEE CABINS
810 CHILDS AVE., KENAI, ALASKA

1. **BATHHOUSE UNDERFLOOR PLUMBING**

2. **BATHHOUSE FIRST FLOOR PLUMBING**

3. **BATHHOUSE FIRST FLOOR VENTILATION**

**SHEET NOTES**

1. UNDERGROUND DRAINAGE TO BE CLEAR THROUGHOUT.
2. ALL EXISTING DRAINAGE TO BE CLEAR THROUGHOUT.
3. EXISTING DRAINAGE TO BE CLEAR THROUGHOUT.
4. ALL EXISTING DRAINAGE TO BE CLEAR THROUGHOUT.
5. EXISTING DRAINAGE TO BE CLEAR THROUGHOUT.
6. EXISTING DRAINAGE TO BE CLEAR THROUGHOUT.
7. EXISTING DRAINAGE TO BE CLEAR THROUGHOUT.
8. EXISTING DRAINAGE TO BE CLEAR THROUGHOUT.
9. EXISTING DRAINAGE TO BE CLEAR THROUGHOUT.
**CRS KENAI BATH HOUSE AND EMPLOYEE CABINS**

**810 CHILDS AVE., KENAI, ALASKA**

---

### fixture schedule

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Model</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>CABIN, ELECTRIC AND LIGHTING (TYP.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>BATHHOUSE, ELECTRIC AND LIGHTING</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

*Note: The floor plans and fixture schedule are detailed to provide comprehensive information about the bath house and employee cabins.*
1ST AMENDMENT TO LEASE AGREEMENT

This amendment is made and entered into effect as of 12-07-2020 between the City of Homer, an Alaska municipal corporation ("Landlord") whose address is 491 East Pioneer Avenue, Homer, Alaska 99603, and Copper River Seafoods Inc., an Alaskan business corporation ("Tenant"), whose address is 1118 E. 5th Ave. Anchorage, Alaska 99501, and amends the Ground Lease Agreement ("Lease") entered into between Copper River Seafoods Inc., and the City of Homer, dated March 1 2019 and recorded by the Kenai Peninsula Borough’s recorder’s office on May 20 2019, Number 2019-001382-0, Homer Recording District 309, Alaska.

Landlord and Tenant agree as follows:

In Exhibit D -Tenant’s Proposed Use of the Property, under the section listed as “2. Development Plan”:

<table>
<thead>
<tr>
<th>Dates</th>
<th>Tasks</th>
</tr>
</thead>
<tbody>
<tr>
<td>9/1/20</td>
<td>Framing</td>
</tr>
<tr>
<td>12/31/2020</td>
<td>Completion</td>
</tr>
</tbody>
</table>

Shall be amended to the following:

<table>
<thead>
<tr>
<th>Dates</th>
<th>Tasks</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/1/2022</td>
<td>Framing</td>
</tr>
<tr>
<td>12/31/2022</td>
<td>Completion</td>
</tr>
</tbody>
</table>

IN WITNESS WHEREOF, the parties have executed this Lease Amendment as of the date set forth above.

Landlord:
City of Homer

By: ____________________________
Rob Dumouchel, City Manager

Tenant:
Copper River Seafoods Inc.

By: ____________________________
Mark Hansen, COO
ACKNOWLEDGMENTS

STATE OF ALASKA

) SS.

THIRD JUDICIAL DISTRICT

) SS.

The foregoing instrument was acknowledged before me on December 14, 2020 by Rob Dumouchel, City Manager of the City of Homer, an Alaska municipal corporation, on behalf of the City of Homer.

[Signature]
Notary Public in and for Alaska
My Commission Expires: 12/10/2022

STATE OF WASHINGTON

) SS.

COUNTY OF PIERCE

) SS.

The foregoing instrument was acknowledged before me on DEC. 7, 2020 by Mark Hansen, as COO of Copper River Seafoods Inc.

[Signature]
Notary Public in and for the state of WA
My Commission Expires: 7-1-22

After recording return to:
Melissa Jacobsen, MMC, City Clerk
City of Homer
491 E. Pioneer Avenue
Homer, AK 99603

Notary Public
State of Washington
LAUREL A BRESTER
License Number 31996
MY COMMISSION EXPIRES
July 1, 2022
HOMER, ALASKA

RESOLUTION 22-029

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
AUTHORIZING AWARD OF A CONTRACT TO DESIGN THE BEN
WALTERS WAY SIDEWALK TO HDL ENGINEERING CONSULTANTS
LLC IN THE NOT TO EXCEED AMOUNT OF $73,436 AND
AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE
THE NECESSARY DOCUMENTS.

WHEREAS, Homer’s FY 22 Capital Improvement Plan includes funding for the design of
a sidewalk on one side of Ben Walters Way; and

WHEREAS, Funding is from the HART Roads Fund; and

WHEREAS, Two civil engineering firms, with which the City has Term Contracts, were
invited to submit proposals for the sidewalk design; and

WHEREAS, The selection was not a “low bid” process, cost considered in that the City
was looking for the “best value”; that is, the proposal that identified the scope of services
needed at a reasonable cost; and

WHEREAS, The firm of HDL Engineering Consultants LLC was determined to provide the
best value to the City; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer Alaska hereby
authorizes the award of a contract to HDL Engineering Consultants LLC for the design of the
Ben Walters Way sidewalk in the not to exceed amount of $73,436 and authorizes the City
Manager to negotiate and execute all necessary documents.

PASSED AND ADOPTED by the Homer City Council on this 11th day of April, 2022.

KEN CASTNER, MAYOR
RESOLUTION 21-029
CITY OF HOMER

ATTEST:

______________________________
MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal Note: HART Roads Fund $73,436
Memorandum 22-063

TO: Mayor Castner and Homer City Council
THROUGH: Rob Dumouchel, City Manager
FROM: Janette Keiser, PE, Director of Public Works
DATE: March 30, 2022
SUBJECT: Awarding contract for design of Ben Walters Lane Sidewalk

I. Issue: The purpose of this Memorandum is to recommend that the City Council award a contract for the design of the Ben Walters Lane Sidewalk to HDL Engineering Consultants, LLC.

II. Background

Homer’s FY 22/23 Capital Improvement Plan includes funding for the design of a sidewalk on one side of Ben Walters Lane. The intent is to design the sidewalk this year and build it next year. The primary challenges with this project are (1) determining which side of the road would most cost effectively accommodate the sidewalk and (b) determining the best solution for addressing drainage. Funding is from the HART Roads Fund.

I invited Kinney Engineering, LLC and HDL Engineering Consultants LLC, two civil engineering firms, with which the City has Term Contracts, to submit proposals for the sidewalk design. Both of these firms are highly experienced and well qualified to perform for the work. I invited them to submit proposals to see whether there was much difference in how the firms would approach this project. Both firms submitted proposals identifying how they would address drainage. Funding is from the HART Roads Fund.

III. Recommendation

That the City Council pass the proposed resolution awarding the engineering design contract to HDL Engineering Consultants, LLC in the Not to Exceed amount of $73,436.

1 Under HCC 3.16.060, procurement of architect-engineer services is an exception to bidding requirements.
CITY OF HOMER
HOMER, ALASKA

City Manager/
Public Works Director

RESOLUTION 22-030

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
AUTHORIZING THE CITY MANAGER TO EXECUTE A LOAN
AGREEMENT WITH THE STATE OF ALASKA DEPARTMENT OF
ENVIRONMENTAL CONSERVATION FOR AN ALASKA DRINKING
WATER FUND LOAN IN THE NOT TO EXCEED PRINCIPAL AMOUNT
OF $277,090 FOR THE TASMANIA COURT WATER IMPROVEMENT
PROJECT.

WHEREAS, The Homer City Council approved the creation of the Tasmania Court Water
Special Assessment District with the adoption of Resolution 20-083; and

WHEREAS, The Homer City Council authorized the City Manager to apply for a State of
Alaska Department of Environmental Conservation (ADEC) for an Alaska Drinking Water Fund
Loan in the amount of $277,090 with the adoption of Resolution 21-042 (Loan); and

WHEREAS, ADEC approved the City’s loan application conditioned upon the execution
and delivery of a loan agreement setting forth terms and conditions of the Loan (Loan
Agreement) which shall be in substantially the form presented to and made part of the records
of this meeting; and

WHEREAS, The Loan, referred to by ADEC as ADWF No. 409331-S, is for an amount not
to exceed the principal amount of $277,090, with a 1.5% finance charge (consisting of an
interest rate of 1.0% and fee of 0.5%), and a term of 20 years; and

WHEREAS, The Loan will be repaid with amounts deposited in the Homer Accelerated
Water & Sewer Program (HAWSP) Fund (25% of the Loan) and amounts collected from the
Tasmania Court Water Special Assessment District (75% of the Loan); the Loan is not a general
obligation of the City; and

WHEREAS, The Loan Agreement provides for a $138,545.00 subsidy in the form of
principal forgiveness of the Loan amount.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska authorizes
the City Manager to execute and deliver the Loan Agreement in the form now presented at this
meeting, but with such changes, modifications, additions and deletions therein as shall to him
be necessary, desirable, or appropriate, the execution thereof to constitute conclusive
evidence of the City’s approval of the terms and conditions therein stated.
BE IT FURTHER RESOLVED by the City Council of Homer, Alaska that the City Manager, or any other person designated by the City Manager, is hereby authorized to execute and deliver for an on behalf of the City any and all additional documents or other papers and perform all such acts as he may deem necessary or appropriate in order to implement and carry out the intent and purpose of this Resolution.

BE IT FURTHER RESOLVED this Resolution does hereby incorporate by reference as though fully set out herein the Loan Agreement herein above referenced as presented to this meeting. Further, the recitals to this Resolution are hereby made a part of this Resolution, including all defined terms not herein defined.

BE IT FURTHER RESOLVED this Resolution shall become effective immediately upon its passage and approval.

PASSED AND ADOPTED by the Homer City Council on this 11th day of April, 2022.

CITY OF HOMER

_______________________________
KEN CASTNER, MAYOR

ATTEST:

______________________________
MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal Note: HAWSP $69,273
Thank you for using the DEC Water Online Application System. In order to sign your electronic ADWF Loan application, you the Signatory Official must sign this Signature Form and then submit to ADEC. The ADEC needs to verify your signature in order to update the status of your electronic application to a signed and submitted status.

Please sign and date on the appropriate line on Page 5, and then mail, fax, or email all 6 pages to:

Attn: Water Information Management
Division of Water
Alaska Department of Environmental Conservation
PO Box 111800
Juneau, AK 99811-1800
Fax Number: (907) 465-5177
Phone Number: (907) 465-5307
Email Address: DEC.Water.OMHelp@alaska.gov

If you have any questions regarding this signature form or other questions concerning the Water Online Application System, please call ADEC at: (907) 465-5307.

Thank you for using the ADEC Water Online Application System.
Project Title: Tasmania Court Water Main Extension - Updated

General Project Location: Homer, Alaska

Latitude: 59.52245 Longitude: -151.52245 Community Name: City of Homer

This Is:  
✓ New Construction  ___ Upgrades  ___ Design/Study  ___ Material/Equipment

Project Type:
___ Wastewater Treatment  ___ Collection System  ___ Discharge System  
___ Stormwater System  ___ Water Quality Enhancement  ___ Solid Waste

Community Pop.: 5000 Population Served: 5000 DUNS: 040171563

Population served by project: 5000

Project Description

The subject project would design and install an 8 Inch water main to serve an existing neighborhood. It will also design and install a 12 inch water main, which will connect to a future water storage tank.

Project Contacts

Signatory Official:

Contact Name: Robert Dumouchel

Title: City Manager  
Organization Name: City of Homer

491 E. Pioneer Ave  
Homer  AK  99603

Contact Address

Phone: 907-435-3102  Phone (Cell):  Fax:

Email Address: rdumouchel@ci.homer.ak.us

Financial Contact:

Contact Name: Elizabeth Walton

Title: Finance Director  
Organization Name: City of Homer

491 E. Pioneer Ave  
Homer  AK  99603

Contact Address

Phone: 9074353117  Phone (Cell):  Fax:

Email Address: ewalton@ci.homer.ak.us

Application Preparer:

Contact Name: Janette Keiser

Title:  
Organization Name: City of Homer

3575 Heath St; Homer, AK 99603  
Homer  AK  99603

Contact Address

Phone: 907-435-3141  Phone (Cell):  12067148955  Fax:

Email Address: jkeiser@ci.homer.ak.us
## Financial Information

<table>
<thead>
<tr>
<th>Loan Amount</th>
<th>$277,090</th>
<th>(In whole dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repayment Term</td>
<td>20 yrs</td>
<td>Estimated Annual Payment: $16,139</td>
</tr>
<tr>
<td>Community's Debt Ceiling</td>
<td>$__________</td>
<td>How Much Remains Available? $__________</td>
</tr>
<tr>
<td>Community's Bonded Indebtness</td>
<td>$__________</td>
<td>(If none, write N/A)</td>
</tr>
<tr>
<td>Date of Last Bond Sale</td>
<td>__________</td>
<td>Rating: __________</td>
</tr>
</tbody>
</table>

Describe whether or not any sources of funding or revenue have been previously pledged and, if so, please indicate the type of pledge or encumbrance (such as a previous bond sale, special assessment, legal or judicial settlement, etc.), amount pledged and any balance remaining:

No

Please describe any litigation that could affect your community's ability to repay this loan:

None

## Project Repayment Funding Sources

<table>
<thead>
<tr>
<th>Currently Available Funds That Will Be Used to Repay the Loan:</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Funds: $__________</td>
</tr>
<tr>
<td>Capital Reserves: $69,273</td>
</tr>
<tr>
<td>User Fees: $__________</td>
</tr>
<tr>
<td>Assessments, LIDs: $207,818</td>
</tr>
<tr>
<td>Taxes (Identify) $__________</td>
</tr>
<tr>
<td>Other: $__________</td>
</tr>
</tbody>
</table>

## Other Funding

What funds, if any, other than Alaska Drinking Water Fund monies are committed for this project?

| Federal Funds from: 0 | Amount: $__________ |
| Other State Funds from: 0 | Amount: $__________ |
| Other Local Funds from: | Amount: $0 |
| Other (Identify Source): Property Owner Assessments | Amount: $207,818 |

Describe how these other funds will be used for this project:

Project will be paid for with a combination of City funds from the Homer Accelerated Water & Sewer Fund, built from sales taxes, and property owner assessments.
Current Financing and User Fees
(Note: Additional attachments are required if user fees are to be used. See the Document Checklist below)

Operating Revenues: $ 1,992,588
User Fees Collected: $ 0
Non-operating Revenues: $ 125,493
Total Revenues: $ 2,118,081
Reserves: $ 2,537,102

Operating Expenses: $ 2,118,081
Annual Debt Service: $ 0
Other Non-operating Expenses: $ 0
Total Expenses: $ 2,118,081

Number of Existing Residential and Commercial Users: 2000
Number of Proposed Residential and Commercial Users: 2000
Current Average Residential User Fee: $ 0
Projected User Fees Increase: $ 0

Please Describe the Increase:

Number of Days in Billing Cycle: __________ Frequency of Rate Setting: __________
Number of Rate Settings in Past 10 Years: __________ Date of Last Rate Increase: __________
Please Describe Guidance in Rate Setting:

Project Costs

Administration: $ 11,450
Engineering Design: $ 27,480
Engineering Construction: $ 9,160
Construction: $ 229,000
Equipment: $ 0
Contingencies: $ 0
Other: $ 0
Other: $ 0
Other: $ 0

Total of Other Costs: $ 0
Total Project Costs: $ 277,090

Alaska Drinking Water Fund Application Form v10
Green Project/Component Information

If your project does not have green components, leave this section blank.

Most appropriate "Green" category:

- Energy Efficiency
- Water Efficiency
- Green Infrastructure
- Environmentally Innovative Projects

Green Component Costs:

- Administration: $___________
- Engineering Design: $___________
- Engineering Construction/Inspection: $___________
- Construction: $___________
- Equipment: $___________
- Contingencies: $___________
- Other: $___________
- Other: $___________
- Other: $___________

Total Green Components Costs: $0

Green Project Description:

Estimated Project Schedule

<table>
<thead>
<tr>
<th>Estimated Date</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan Agreement Signed:</td>
<td>08/02/2021</td>
</tr>
<tr>
<td>Preliminary Engineering Report:</td>
<td>02/01/2021</td>
</tr>
<tr>
<td>Design Engineering:</td>
<td>03/15/2021</td>
</tr>
<tr>
<td>Preparation of Bid Documents:</td>
<td>06/21/2021</td>
</tr>
<tr>
<td>Award of Construction Contract:</td>
<td>07/26/2021</td>
</tr>
<tr>
<td>Construction Initiation:</td>
<td>08/16/2021</td>
</tr>
<tr>
<td>Construction Completion:</td>
<td>12/30/2021</td>
</tr>
<tr>
<td>Initiation of Operation:</td>
<td>12/30/2021</td>
</tr>
<tr>
<td>Anticipated First Payment Request:</td>
<td>02/28/2022</td>
</tr>
</tbody>
</table>
**Document Checklist**

**Documents to be submitted as part of this application:**

- ______ Facility Plan, If Applicable
- ______ Environmental Review Checklist
- ______ The Force Account Forms were previously submitted to ADEC within the past year and will not be attached to this application, If Applicable
- ______ Force Account Labor Approval Form, If Applicable
- ______ Force Account Equipment Rates, If Applicable
- ______ Green Project Assessment Form, If Applicable
- ______ Certification from your City Attorney stating that the Municipality has sufficient legal authority to incur the debt for an Alaska Drinking Water Fund Loan
- ______ Financial Capacity Assessment Documentation (applicable if not done within last 2 years)
  - ______ Last three audited financial statements
  - ______ Most Current rate Study
  - ______ Capitol Budget
  - ______ Annual Budget for current year
  - ______ Capital Improvement Plan

**AND EITHER:**

- ______ A resolution from your city council authorizing this loan application and designing an official authorized to accept and manage an Alaskan Drinking Water Fund Loan
- OR

- ______ A resolution from your city council authorizing this loan application and specifying that an additional resolution will be issued to authorize the acceptance of a loan offer from the Alaska Drinking Water Fund

If User Fees are intended to repay any portion of this loan, please submit:

- ______ Existing ordinance that authorizes the collection of user fees
- ______ Current fee structure
- ______ Pertinent portions of your budget documents
- ______ Most recent State Single Audit
- ______ Most recent rate study or rate analysis

✔ **Documents Attached with Online Application**

Note: All files attached online are listed on page 6.

---

A separate account will be established within the municipality's accounting system through which financial assistance received from the Alaska Drinking Water Fund will be administered. I certify that the above information is current and correct.

Name: Robert Dumouchel

Title: City Manager

[Signature]  
[Date]

Submit Completed Application to:

Alaska Department of Environmental Conservation  
State Revolving Fund Program  
555 Cordova Street  
Anchorage, AK 99501
Documents Attached with Online Application:
This page is not required if no documents were attached with the online submittal

Cost estimate water - Tasmania Water SAD - 4-2.pdf
Reso 21-042 Signed - adjusting loan amount to .pdf
Attorney certificate letter re Tasmania Court .pdf
March 24, 2022

Robert Duchoumele
City Manager
City of Homer
491 E. Pioneer Ave
Homer, Alaska 99603

Re: Loan Agreement for Tasmania Court Water Main Extension (ADWF No. 409331-S)

Dear Mr. Duchoumele:

Enclosed for signature is the loan agreement in the amount of $277,090 for the Tasmania Court Water Main Extension (Alaska Drinking Water Fund No. 409331-S). The finance charge for this loan is 1.5 percent.

Please return a copy of the fully signed loan agreement to dec.facilities.grants.loans@alaska.gov or mail a hard copy to the address identified below. The signed original agreement should be retained for your records.

Alaska Department of Environmental Conservation
Division of Water
Attn: Grants and Contracts
555 Cordova Street, 4th Floor
Anchorage, Alaska 99501

This loan is not effective, and no disbursements will be made, until the Department has received a copy of the fully signed agreement. If you have any questions regarding the loan agreement you may contact Young Ha, Program Manager, at 907-269-7544 or Josh Alvey, Project Engineer, at 907-269-1065.

Sincerely,

Randy Bates
Director

Enclosure: ADWF No. 409331-S Tasmania Court Water Main Extension Loan Agreement
Drinking Water State Revolving Fund
Loan Agreement
No. 409331-S

Between

State of Alaska
Department of Environmental Conservation
Division of Water
State Revolving Fund Program

And

City of Homer

<table>
<thead>
<tr>
<th>Tasmania Court Water Main Extension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan Amount</td>
</tr>
<tr>
<td>Subsidy Amount</td>
</tr>
<tr>
<td>Repayment Amount</td>
</tr>
<tr>
<td>Finance Charge</td>
</tr>
<tr>
<td>Term</td>
</tr>
</tbody>
</table>
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1.05 Principal Forgiveness ...................................................................... 3
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Article 1. Loan Terms

This loan agreement ("Agreement") is made and entered into as of the date of final signature by the Alaska Department of Environmental Conservation ("Department") and the City of Homer ("Borrower") as identified in Article 4, and continues in full force and effect until the final day of the Agreement Period. This Agreement is made subject to, and conditional upon, the availability of funds.

1.01 Borrower Information

   Borrower Name: City of Homer
   Borrower Mailing Address: 491 E. Pioneer Ave, Homer, AK, 99603
   Name of Authorized Signatory: Robert Duchoumell
   Resolution Number: 20-042

1.02 Project Description

   The Borrower shall use this loan to extend the water distribution system to provide piped public water to 11 rural residential zoned properties that are currently served by hauled water from City watering points or an onsite well.

1.03 Loan Amount

   $277,090

1.04 Loan Term

   20 Years

1.05 Principal Forgiveness

   $138,545

1.06 Finance Charge

   Interest Rate: 1.0%
   Fee: 0.5%
   Total Finance Charge: 1.5%
Article 2. General Terms and Conditions

The Borrower shall comply with all applicable federal, state and local laws, requirements, and ordinances for the planning, design, construction, implementation, and administration of the Project and this Agreement, including but not limited to those identified in the General Terms and Conditions and Attachments.

2.01 Accounting Practices

The Borrower shall separately account for all monies received from the Alaska Drinking Water Fund and shall maintain project accounts in accordance with generally accepted governmental accounting principles. The Department shall have the right to audit Borrower’s records related to the Project.

2.02 Timely Use of Funds

a. Concurrent with the execution and delivery of this Agreement, or as soon thereafter as practicable, the Borrower shall take all steps necessary to complete the Project in a timely manner in accordance with all applicable loan conditions.

b. The Department will, in its discretion, revoke this Agreement if the Borrower has not initiated the Project within one year after signing the Agreement.

c. If no disbursement request is made within the two-year period, the Department may take action to recall the loan.

2.03 Disbursement of Funds

Subject to the terms and conditions of this Agreement, the eligible project costs less other funding sources will be disbursed by the Department upon receipt and approval of Disbursement Requests and Progress Status Updates.

The Borrower shall submit Disbursement Requests and Progress Status Updates to the Department via the Division of Water’s Online Application System (OASys). OASys may be accessed at the following link: https://dec.alaska.gov/water/oasys.aspx.

a. Disbursement Requests including Progress Status Updates must be submitted to the Department on a quarterly basis, within 30 days following the end of each quarter.

b. Should the Borrower fail to submit the quarterly Disbursement Requests and Progress Status Updates as required, the Department will not process subsequent Disbursement Requests until all outstanding quarterly report(s) are received.

c. Departmental approvals required by this Agreement will not be unreasonably withheld.
d. The Department will disburse funds only as necessary to complete the Project. Any funds remaining after completion of the Project will remain in the Alaska Drinking Water Fund.

e. Borrower shall provide the Department with written evidence of materials and labor furnished to and performed upon the Project and such receipts of the payment of the same, releases, satisfactions and other signed statements and forms as the Department may reasonably require.

f. The Department may at any time review and audit requests for disbursement and make adjustments for, among other things, ineligible expenditures, mathematical errors, items not built or bought, unacceptable work and other discrepancies.

2.04 Principal Forgiveness

As part of this Agreement, the Department has offered the Borrower $138,545 of subsidy, in the form of principal forgiveness.

a. Subsidy will be applied to each disbursement at 50% until all available subsidy has been applied.

b. All subsidy shall be spent within one year of the date of this Agreement. Any subsidy funds not used within one year of the date of this Agreement may be withdrawn by the Department.

2.05 Loan Repayment

a. The Borrower shall repay the principal amount and the finance charges on all cash disbursements made to the Borrower according to the repayment schedule. The repayment schedule will be prepared by the Department and confirmed by the Borrower, and will provide that:

i. The Borrower shall pay a finance charge of 1.5% on each disbursement. The finance charge is comprised of a fee of 0.5% on the total loan disbursed, plus the interest rate of 1.0%. Accrual of the finance charge will begin one year after the date of the first disbursement to the Borrower.

ii. The Borrower shall pay back the loan amount within 20 years from initiation of repayment. Repayment of the loan will be made with either equal annual principal payments plus the finance charge or equal annual total payments including the finance charge. Other repayment methods may be negotiated with the Department. Payments shall be applied first to any costs or charges incurred by the Department, outstanding interest, and, finally, to principal.

iii. The first installment payment will be due one year following substantial completion and initiation of operation of the Project.
b. The Borrower hereby grants to the Department a security interest in and irrevocably pledges its Net Operating Revenues of the Borrower's water system to secure payment of and to pay the amounts due under this Loan Agreement. The Net Operating Revenues so pledged and hereafter received by the Borrower shall immediately be subject to the lien of such pledge without physical delivery or further act, and the lien of the pledge shall be superior to all other claims and liens whatsoever, to the fullest extent permitted by law. The Borrower represents and warrants that the pledge of its Net Operating Revenues hereby made by the Borrower complies with, and shall be valid and binding from the date of this Agreement. The Borrower covenants with the Department and any assignee of this Agreement that, except as otherwise expressly provided herein, the Borrower shall not issue any other obligations which have a pledge or lien on its Net Operating Revenues superior to or on a parity with the pledge herein granted without the written permission of the Department. This Loan is a parity obligation with all other State Revolving Fund (SRF) loans between the Department and the Borrower.

c. The Borrower represents and warrants to the Department that the Borrower has not pledged revenues for the repayment of this Loan that have been previously pledged or encumbered, unless specifically set forth in the Borrower's Approved Application. The Net Operating Revenues pledged in this Loan Agreement for repayment of this Loan and each separate source of revenue are specifically identified and described in the Borrower's Approved Application.

d. If the Borrower's Net Operating Revenues are insufficient to meet any loan payment to the Department when due, the Borrower shall pay the deficiency in its loan payment from any legally available funds of the Borrower. Repayment of the loan shall not be a direct and general obligation of the Borrower.

e. If the Project Facility is damaged or destroyed prior to completion of the Agreement Period, the Borrower is liable to the Department for all amounts due under this Agreement.

2.06 Late Payment Fee

The Borrower shall be subject to a late charge for any repayment that is delinquent by more than 30 days, in accordance with the following conditions.

a. If the Borrower is in good standing with the Department and has no late payments on any loans within the last five years:

i. And a payment is more than two months late a 1% charge will be applied against the outstanding amount due;

ii. And a payment is more than three months late a 3% charge will be applied against the outstanding amount due;

iii. And a payment is more than four months late a 5% charge will be applied against
the outstanding amount due.

b. If the Borrower has had late loan payments in the last five years.
   
   i. And a payment is more than one month late a 1% charge will be applied against
      the outstanding amount due;
   
   ii. And a payment is more than two months late a 3% charge will be applied against
        the outstanding amount due;
   
   iii. And a payment is more than three months late a 5% charge will be applied against
        the outstanding amount due.

c. Additionally, interest on the unpaid balance will continue to accrue at the rate established
   in Section 1.05 and must be paid in addition to the late charge. Payments in arrears when
   the 5% late charge is assessed will be referred to the Alaska Department of Law for
   collection.

2.07 Loan Default

The Borrower shall be in default, if a loan repayment has not been made within 90 days of
the due date, as determined by the repayment schedule prepared by the Department and
provided to the Borrower.

The provisions of AS 37.15.575 relating to state aid interception apply to the loan made
under this Agreement.

2.08 Notification

Any disbursement or repayment made by the Department or Borrower under this
Agreement shall be delivered by electronic transfer or by registered or certified mail.

b. In order to submit repayments electronically, the Borrower must submit a request to the
   following email: dec.adec.userfees@alaska.gov to initiate the process and complete
   required forms.

c. Any repayment addressed to the Department shall be sent to:

   Alaska Department of Environmental Conservation
   Division of Administrative Services
   Financial Services
   PO Box 11800
   Juneau, AK 99811-1800

d. Any disbursement addressed to the Borrower shall be sent to:

   Robert Duchoumel
City Manager, City of Homer
491 E. Pioneer Ave
Homer, AK 99603

2.09 Insurance

a. If applicable, until the Project is completed by the Borrower, the Borrower (or at the option of the Borrower, the contractor) shall maintain insurance for the loss of the Project Facility for the benefit of the Department, the Borrower and the prime contractor, and all subcontractors, as their interests in the Project may appear. The Borrower shall insure the Facility against loss or damage in an amount at least equal to the Allowable Project Cost specified in Article 3(e).

b. If applicable, an insurance policy issued pursuant to Section 2.15 must be written or endorsed to make losses payable to the Department and the Borrower as their interests may appear. The interests of the Department are limited to the unpaid principal balance of the loan and any finance charge and penalties accrued as of the date such loan may be paid in full as a result of any insurance payoff, following destruction or damage to the Project Facility.

c. In the event the Borrower fails to maintain the full insurance coverage required by this Agreement, the Department may take out the required policies of insurance and pay the premiums. All amounts so advanced by the Department shall become an additional obligation of the Borrower to the Department.

d. The Borrower shall require its contractors and subcontractors to maintain workers compensation, commercial general liability, property damage, and vehicle liability insurance. Until the Project is complete, the Borrower (or at the option of the Borrower, the contractor) shall maintain insurance for the loss of the facility for the benefit of the Department, the Borrower, the prime contractor, and all subcontractors, as their interests in the Project may appear.

2.10 Environmental Review

Prior to initiating the Project, the Borrower shall consult with the Department to determine the required level of environmental review. The Department will notify the Borrower of the type of environmental documentation that will be required, if any.

The Borrower shall complete an environmental review in accordance with the State Environmental Review Process (SERP), and in compliance with state and federal environmental laws prior to any ground disturbing or construction activities conducted as part of this Project. Disbursement Requests for costs related to construction activities shall not be accepted until the SERP review has been completed. Any ground disturbing or construction activities that occur prior to the notification to the Borrower, by the Department, that Department’s decision has been finalized are ineligible for reimbursement.
Any mitigation measures identified through the environmental review shall be fully implemented by the Borrower.

An environmental determination is valid for five years. Any activities occurring more than five years following the original environmental determination must undergo an additional review.

2.11 Archeological and Historical Preservation

If historical or cultural artifacts are discovered during the Project, the Borrower shall immediately stop construction and implement reasonable measures to protect the discovery site from further disturbance; take reasonable steps to ensure confidentiality of the discovery site, restrict access to the site; and notify the concerned tribe’s cultural staff or committee, the Department, and the State of Alaska’s Historical Preservation Officer. If human remains are uncovered, the Borrower shall immediately report the presence and location of the remains to law enforcement, the concerned tribe’s cultural staff or committee, and the Department.

2.12 Site Access

The Department has the right, at all reasonable times, to enter the Project Site, for the purpose of inspecting the Project and Project Facility.

2.13 Construction

a. With the exception of land easements, all real estate and personal property constituting the Project Site and the Project must belong to the Borrower.

b. The Borrower shall not begin construction until the Project has received an Approval to Construct (ATC), if one is required. If an ATC is not required by the Department’s Drinking Water Program (DWP), the Borrower shall provide a statement from DWP to that effect.

   i. In its approvals, the Department may specify changes or conditions to the plans and specifications.

   ii. The Department must approve any subsequent changes to, or deviations from, approved plans.

c. If an ATC as described in (b) above is not required, the Borrower shall not begin construction until the plans and specifications have been reviewed and approved by the assigned State Revolving Fund Program Engineer.

d. Any construction contract estimated to equal or exceed $100,000 shall be awarded through a competitive bidding process and any construction contract estimated to be less than $100,000 may be negotiated if the Department approves the solicitation and negotiation procedures.
e. All construction contracts and contractors’ estimate forms shall be prepared so that materials and equipment may be readily itemized as to allowable project costs and non-eligible costs.

f. Any change in a construction contract that will alter the contract specifications, time, or price, or will substantially modify the proposed treatment process, shall be submitted to the Department for approval if the Borrower wishes to have the modifications considered loan eligible.

g. When applicable, the Borrower shall require each construction contractor to furnish a performance and payment bond in an amount at least equal to 100 percent of the contract price.

h. Construction of the Project shall conform to applicable federal, state, and local laws, ordinances, and regulations.

i. The Borrower shall proceed expeditiously and complete the Project in accordance with the Approved Application, project schedule, surveys, plans, profiles, cross-sections, specifications, and amendments.

2.14 Compliance with Laws, Regulations, Etc.

The Borrower shall comply with, and require its contractors and subcontractors to comply with, all applicable federal and state laws, rules, guidelines, regulations, and requirements to include, but not limited to, the following:

a. The “List of Federal Laws and Authorities (Federal ‘Cross-Cutting’ Authorities)” as identified in Exhibit “A” and made a part hereof.

b. Lobbying

No portion of the loan amount may be used for lobbying or propaganda purposes as prohibited by 18 U.S.C. Section 1913 or Section 607(a) of Public Law 96-74.

c. Davis-Bacon Act

For construction, alteration, and repair of treatment works, the Borrower shall ensure that contract wages paid are the higher of the State or Federal wage rate on a classification by classification basis for the construction of the Project. Both prevailing wage rates established for the locality by the Alaska Department of Labor under AS 36.05.010, and Federal standards in accordance with 40 U.S.C. Subtitle II Part A Subchapter IV (commonly referred to as the “Davis Bacon Act”) apply. Laborers and mechanics employed by contractors and subcontractors shall be paid wages not less often than once a week and at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor.
i. The Borrower shall obtain the wage determination for the area in which the project is located prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation) less than 10 days before posting. Wages are locked-in at bid opening if awarded within 90 days. Wages must be updated if contract award is more than 90 days after bid opening. Once a Davis-Bacon wage rate has been locked, it stays in effect for the duration of the project. These wage determinations shall be incorporated into solicitations and any subsequent contracts. In addition, the wage determination and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor or subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

ii. The Borrower shall ensure that the required EPA contract language regarding Davis-Bacon Wages is in all contracts and sub-contracts in excess of $2,000. Borrower shall ensure no contracts are awarded to contractors excluded from federal contracts.

iii. The Borrower shall periodically interview a representative portion of the work force entitled to Davis-Bacon prevailing wages to verify that contractors or subcontractors are paying the appropriate wage rates. Borrowers shall immediately conduct interviews in response to an alleged violation of the prevailing wage requirements. As provided in 29 CFR 5.6(a)(5), all interviews must be conducted in confidence. The Borrower must use Standard Form 1445 or equivalent documentation to memorialize the interviews.

iv. The Borrower shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. In addition, during the examinations, the Borrower shall verify evidence of fringe benefit plans and payments thereunder by contractors and subcontractors who claim credit for fringe benefit contributions. The Borrower shall maintain records sufficient to document compliance with the Davis-Bacon Act, and make such records available for review upon request.

v. In addition, the Borrower shall consult with the Department on any required contract or bid document language to ensure that appropriate federal “Davis Bacon Act” material is included in the documentation.

d. Title I – Employment of the American with Disabilities Act of 1990

When applicable, the Borrower shall comply with Title I-Employment of the Americans with Disabilities Act of 1990 (P.L. 101-336) and in accordance with Title I of that Act, shall not discriminate against a qualified individual with a disability because of the disability of such individual in regard to job application procedures, the hiring, advancement, or discharge of employees, employee compensation, job training, and other terms, conditions, and privileges of employment.
e. Title II—Public Services of the Americans with Disabilities Act of 1990

When applicable, the Borrower shall comply with Title II—Public Services of the Americans with Disabilities Act of 1990 (P.L. 101-336) and in accordance with Title II of the Act, no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by any such entity.

f. Title II, Part 35, Section 35.151 of the Americans with Disabilities Act “New Construction and Alterations”

When applicable, the Borrower shall comply with Title II, Part 35, Section 35.151 of the Americans with Disabilities Act “New Construction and Alterations.”

i. Design and construction: Each facility or part of a facility constructed by, on behalf of, or for the use of a public entity shall be designed and constructed in such manner that the facility or part of the facility is readily accessible to and usable by individuals with disabilities, if the construction was commenced after January 26, 1992.

ii. Alteration: Each facility or part of a facility altered by, on behalf of, or for the use of a public entity in a manner that affects or could affect the usability of the facility or part of the facility shall, to the maximum extent feasible, be altered in such manner that the altered portion of the facility is readily accessible to and usable by individuals with disabilities, if the alteration was commenced after January 26, 1992.

iii. Accessibility standards: Design, construction or alteration of facilities in conformance with the Uniform Federal Accessibility Standards (UFAS) (Appendix A to 41 CRF part 101-19.6) or with the Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities (ADAAG) (Appendix A to 28 CFR Part 36) shall be deemed to comply with the requirements of this section with respect to those facilities, except that the elevator exemption contained at section 4.1.3(5) and section 4.1.5(1)(j) of ADAAG shall not apply.

g. Title III, Part 36, Section 36.401 of the American with Disabilities Act “New Construction”

When applicable, the Borrower shall comply with Title III, Part 36, Section 36.401 of the Americans with Disabilities Act “New Construction.” Except as provided in paragraph (b) and (c) of the Act, discrimination for purposes of this part includes a failure to design and construct facilities for first occupancy after January 26, 1993, that are readily accessible to and usable by individuals with disabilities.

h. Title III, Part 36, Section 36.402 of the Americans with Disabilities Act “Alternations”
When applicable, the Borrower shall comply with Title III, Part 36, Section 36.402 of the Americans with Disabilities Act “Alterations.”

i. General: Any alteration to a place of public accommodation or a commercial facility, after January 26, 1992, shall be made so as to ensure that, to the maximum extent feasible, the altered portions of the facility are readily accessible to and usable by individuals with disabilities, including individuals who use wheelchairs.

ii. Alteration: An alteration is a change to a place of public accommodation or a commercial facility that affects or could affect the usability of the building or facility or any part thereof.

i. 2 CFR Part 180, Responsibilities of Participants Regarding Transactions

The Borrower shall fully comply with Subpart C of 2 CFR Part 180, entitled “Responsibilities of Participants Regarding Transactions.” The Borrower is responsible for ensuring that any lower tier covered transaction, as described in Subpart B of 2 CFR Part 180, entitled “Covered Transactions,” includes a term or condition requiring compliance with Subpart C. The Borrower is responsible for further requiring the inclusion of a similar term or condition in any subsequent lower tier covered transactions. The Borrower acknowledges that failing to disclose the information required under 2 CFR Part 180 may result in the delay or negation of this assistance Agreement, or pursuance of legal remedies, including suspension and debarment.

j. American Iron and Steel

Per the “America’s Water Infrastructure Act of 2018,” none of the funds made available to the Borrower through this Agreement shall be used for a project for the construction, alteration, maintenance, or repair of a public water system or treatment works unless all of the iron and steel products used in the project are produced in the United States, unless the Department approved engineering plans and specifications prior to December 16, 2014.

The Borrower may request a waiver to this requirement if:

i. It is inconsistent with the public interest;

ii. Iron and steel products that are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or

iii. Inclusion of iron and steel products produced in the United States that will increase the cost of the overall Project by more than 25 percent.

Waiver requests shall be submitted to the Department by the Borrower; the Department will then forward the request to the Environmental Protection Agency (EPA) for consideration. EPA will make a copy of the request, and information available to the Administrator concerning the request, available to the
public on an EPA website for at least fifteen days for informal public input prior to making a finding.

2.15 Project Completion

a. Upon completion of the Project, the Borrower shall provide a statement to the Department of the project final costs by category of expenditure, including but not limited to costs for administration, design, construction engineering, construction and equipment.

b. Prior to initiation of operations, the Borrower shall submit to the Department the following:
   i. Criteria for project performance.
   ii. An adopted water use ordinance and a user charge.

c. Upon substantial completion of the Project, the Borrower shall initiate operation of the Project Facility and immediately notify the Department in writing of initiation of operation. If construction is complete except for minor items, and the facility is operating, but the Borrower has not sent a notice of initiation of operation, the Department will, in its discretion, assign an initiation of operations date.

d. For any Project that requires an Approval to Construct from the Department, the Borrower must obtain a Final Approval to Operate.

e. Upon initiation of operation, the Borrower shall certify that the Project Facility is and will be operated by sufficient qualified operating personnel certified by the State of Alaska.

f. Within one year of the initiation of operation, the Borrower shall
   i. Be subject to a final inspection by the Department;
   ii. Submit to the Department a manual for operations and maintenance of the Project Facility for Department approval;
   iii. Submit to the Department a certification that the facility is performing up to design standards.

g. Nothing contained in this Agreement shall be construed as an obligation or pledge of the Borrower to appropriate or expend general funds and general revenues of the Borrower to operate or maintain the Project Facility.
2.16 Amendments and Modifications

This Agreement may only be modified or amended in writing and executed by the authorized representatives of all parties to this Agreement.

2.17 Disputes

The Borrower shall raise any concerns or issues it may have regarding the Project with the Department promptly and prior to project completion. If those concerns or issues are not satisfactorily resolved, the Borrower shall promptly give written notice to the Department with a detailed description of the continuing concerns or issues. Jurisdiction and venue for any legal dispute shall be in the Superior Court for the State of Alaska, Third Judicial District at Anchorage, and in no other court or location. In the event of a legal dispute, both parties knowingly and voluntarily waive their right to trial by jury (including any advisory jury) and elect to have the dispute tried only to a judge. In the event of litigation, the prevailing party shall be entitled to an award of its reasonable, actual attorney’s fees and costs of litigation. Each party has had an opportunity to review this Agreement with legal counsel of its choosing (or waived such opportunity), therefore this Agreement shall not be interpreted in favor of either party. This Agreement shall be governed by the laws of the State of Alaska.

2.18 Termination

The Department may cancel all or any part of this Agreement if:

a. Any representation or other statement made by the Borrower to the Department in connection with its application for a loan from the Alaska Drinking Water Fund is incorrect or incomplete in any material respect;

b. The Borrower has violated commitments made in the Approved Application and supporting documents, has not adhered to the regulations of the Alaska Drinking Water Fund (18 AAC 76), has violated any of the terms of this Agreement; or

c. The financial position of the Borrower has, in the opinion of the Department, suffered a materially adverse change.

2.19 Indemnification

The Borrower shall defend with counsel of the Department’s choosing, indemnify, and hold harmless the Department and the State of Alaska, and their agents, servants, contractors, and employees, from and against any and all claims, demands, causes of action, actions, and liabilities arising out of, or in any way connected with this funding or the Project for which the funding is made, howsoever caused, except to the extent that such claims, demands, causes of action, actions or liabilities are the proximate result of the sole negligence or willful misconduct of employees or agents of the Department or the State of Alaska.
Article 3. Definitions

Except where the context clearly indicates otherwise, terms used in this Agreement will have the meaning ascribed to them in this section.

a. “Approved Application” means the application submitted to the Department on November 30, 2021, together with all attachments and supporting documentation, as approved by the Department.

b. “Finance Charge” means 1.5 percent per annum.

c. “Agreement Period” means the time period commencing on the date this Agreement is signed by the Department’s Finance Officer and terminating on the date the Borrower repays the loan in full.

d. “Subsidy” means principal forgiveness awarded under this Agreement.

e. “Eligible Project Costs” include the following costs disbursed from the Alaska Drinking Water Fund, estimated to not exceed $277,090 for demolition, construction, engineering, machinery, furnishings, equipment, surveys, plans, estimates, specifications, necessary insurance, financial and environmental investigations, laboratory testing, resident engineering and inspection fees, force account, legal expenses, and any other necessary miscellaneous expenditures, minus the amount of any grant applicable foregoing costs.

f. “Initiation of Operation” means the date of which the Project or Project Facility begins operating for the purposes for which it was planned, designed, or built.

g. “Iron and Steel Products” means the following products are primarily of iron and steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps, and restraints, vales, structural steel, reinforced precast concrete, construction materials.

h. “Net Operating Revenues” means revenues of Borrower’s system after payment of operation and maintenance costs of the system.

i. “Project” means the activities or documents described in Article 1.02.

j. “Project Facility” means the water treatment plant, distribution system, or related facilities in which Project activities are occurring.

k. “Project Site” means the location at which the Project activities are occurring.
Article 4. Signatures

This Agreement is binding upon the parties specified below, and to any person, office, or board succeeding either of the parties. This Agreement may not be assigned by the Borrower without written consent of the Department.

Nothing in this Agreement, whether or not accepted, may be deemed to constitute a contractual obligation on the part of the Department until the Agreement is signed by all parties.

Alaska Department of Environmental Conservation

By:  
Heidi Thomerson, Acting Finance Officer  
Division of Administrative Services

ACKNOWLEDGEMENT  
STATE OF ALASKA  
First Judicial District

The foregoing instrument was acknowledged before me this 23 day of March, 2022

[Stamp: STATE OF ALASKA NOTARY PUBLIC  
Donna Howe  
My Commission Expires with office]

Alaska Department of Environmental Conservation

By:  
Randy Bates, Director  
Division of Water

ACKNOWLEDGEMENT  
STATE OF ALASKA  
First Judicial District

The foregoing instrument was acknowledged before me this 24th day of March, 2022

[Stamp: Kaitlin Lafavoure  
My Commission Expires with office]
City of Homer

By: __________________________
    Robert Duchoumel
    City of Homer

ACKNOWLEDGEMENT
STATE OF ALASKA
Third Judicial District

The foregoing instrument was acknowledged before me this ________ day of __________, 2022

__________________________
Notary Public, State of Alaska
My commission expires: __________
Exhibit “A” – List of Federal Laws and Authorities
(FEDERAL CROSS-CUTTING AUTHORITIES)

Environmental and Cultural Authorities:
- Archeological Resources Protection Act, Public Law 96-95 as amended
- Bald and Golden Eagle Protection Act, 16 U.S.C. 668-668c
- Clean Air Act, Public Law 95-95, as amended
- Clean Water Act, Public Law 92-50, as amended
- Coastal Barriers Resources Act, Public Law 97-348
- Coastal Zone Management Act of 1972, Public Law 92-583, as amended
- Consultation and Coordination with Indian Tribal Governments, Executive Order 13175
- Endangered Species Act, Public Law 93-205 as amended
- Environmental Justice, Executive Order 12898
- Essential Fish Habitat Consultation Process under the Magnuson-Stevens Fishery Conservation and Management Act, Public Law 94-265, as amended
- Farmland Protection Policy Act, Public Law 97-98
- Fish and Wildlife Coordination Act, Public Law 85-624, as amended
- Floodplain Management, Executive Order 11988, as amended by Executive Order 12148
- Marine Mammal Protection Act, 16 U.S.C. 1361
- Migratory Bird Treaty Act, 16 U.S.C. 703
- National Historic Preservation Act of 1966, Public Law 89-665
- Native American Graves Protection and Repatriation Act, Public Law 101-601
- Protection and Enhancement of the Cultural Environment, Executive Order 11593
- Protection of Wetlands, Executive Order 11990, as amended by Executive Order 12608
- Rivers and Harbors Act, 33 U.S.C. 403
- Safe Drinking Water Act, Public Law 93-523, as amended
- Wild and Scenic Rivers Act, Public Law 90-542

Social Policy Authorities:
- Age Discrimination Act of 1975, Public Law 94-135
- Title VI of the Civil Rights Act of 1964, Public Law 88-352
- Section 13 of the Federal Water Pollution Control Act Amendments of 1972, Public Law 92-500 (the Clean Water Act)
- Section 504 of the Rehabilitation Act of 1973, Public Law 93-112
- Equal Employment Opportunity, Executive Order 11246
- Disadvantage Business Enterprise Provisions
  o Promoting the Use of Small, Minority, and Women-owned Businesses, Executive Orders 11625, 12138, and 12432
  o Section 129 of the Small Business Administration Reauthorization and Amendment Act of 1988, Public Law 100-590
  o Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies appropriations Act of 1993, Public Law 102-389
Economic Authorities:

- Procurement Prohibitions Under Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, included Executive Order 11738, Administration of the Clean Water Act with Respect to Federal Contracts, Grants, or Loans
- Demonstration Cities and Metropolitan Development Act of 1996, Public Law 89-754 as amended

Miscellaneous Authority:

- Debarment and Suspension, Executive Order 12549
- Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Public Law 91-646 as amended
- Preservation of Open Competition and Government Neutrality Towards Government contractors' Labor Relations on Federally Funded Constructed Projects, Executive Order 13202, as amended by Executive Order 13208
- Prohibition Against Sex Discrimination Under the Federal Water Pollution Control Act, Section 13 of Public Law 92-500
- 40 CFR Part 34, New Restrictions on Lobbying
ORDINANCE REFERENCE SHEET
2022 ORDINANCE
ORDINANCE 22-16

An Ordinance of the City Council of Homer, Alaska Amending the FY22 Capital Budget by Appropriating $30,000 from the Fishing Lagoon Capital Asset Repair and Maintenance Allowance (CARMA) Fund for the Purpose of Funding the Development of an Engineered Concept and Cost Estimate for an Accessible Fishing Platform at the Nick Dudiak Fishing Lagoon.

Sponsor: City Manager/Public Works Director

1. City Council Regular Meeting March 29, 2022 Introduction

   Memorandum 22-047 as backup.

2. City Council Regular Meeting April 11, 2022 Public Hearing and Second Reading
ORDINANCE 22-16

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
APPROPRIATING $30,000 FROM THE FISHING LAGOON CAPITAL
ASSET REPAIR AND MAINTENANCE ALLOWANCE (CARMA) FUND
FOR THE PURPOSE OF FUNDING THE DEVELOPMENT OF AN
ENGINEERED CONCEPT AND COST ESTIMATE FOR AN
ACCESSIBLE FISHING PLATFORM AT THE NICK DUDIAK FISHING
LAGOON. CITY MANAGER/PUBLIC WORKS DIRECTOR.

WHEREAS, The ADA platform at the Nick Dudiak Fishing Lagoon has deteriorated and
no longer serves its purpose of providing ADA access to the fishing waters; and

WHEREAS, Funds are available in the Fishing Lagoon CARMA Account; and

WHEREAS, The likelihood of securing a grant for construction of a new access platform
would be greater if we had an engineered concept and reasonable cost estimate.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby amends the FY22 Capital Budget by
appropriating $30,000 from Fishing Lagoon CARMA Account for the purpose of funding the
development of an engineered concept and reasonable cost estimate for an ADA accessible
fishing platform at the Nick Dudiak Fishing Lagoon as follows:

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>156-0397</td>
<td>Fishing Lagoon CARMA</td>
<td>$30,000</td>
</tr>
</tbody>
</table>

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 _____ day of ________, 2022.

CITY OF HOMER

_________________________
KEN CASTNER, MAYOR
ATTEST:

______________________________
MELISSA JACOBSEN, MMC, CITY CLERK

YES
NO:
ABSTAIN:
ABSENT:

First Reading:
Public Reading:
Second Reading:
Effective Date:
Memorandum 22-047

TO: Mayor Castner and Homer City Council

THROUGH: Robert Dumouchel, City Manager

FROM: Janette Keiser, PE, Director of Public Works

DATE: 3/18/2022

SUBJECT: ADA Access for Nick Dudiak Fishing Lagoon

Issue: We need funds authorized from the Fishing Lagoon CARMA to pay for engineering for ADA access for the Nick Dudiak Fishing Lagoon.

Background: The ADA platform at the Nick Dudiak Fishing Lagoon has deteriorated and no longer serves its purpose of providing ADA access to the fishing waters. Parts of it have detached from the main body and are a safety hazard. The problem with the existing platform is that it is subject to damage from tidal action and gravel build-up. A new access platform is needed that will better resist these forces. Such a solution will not be quick, cheap or easy. It will, in all likelihood, require grant funding to construct a new access platform.

The probability of securing a grant would be greater if we had an engineered concept and reasonable cost estimate. There is $110,165 in the Fishing Lagoon CARMA Account available to fund this work. Fishing Lagoon CARMA is one of three specific CARMA “buckets” that was not part of the CARMA consolidation associated with Ordinance 21-30(S). The funds in the Fishing Lagoon CARMA are set aside to care for the specific infrastructure and support future dredging maintenance projects.

Recommendation:

That the City Council appropriate $30,000 from the Fishing Lagoon CARMA Account to fund the development of an engineered concept and reasonable cost estimate for an ADA accessible fishing platform at the Nick Dudiak Fishing Lagoon.
### PROJECT NAME
ADA Access for Nick Dudiak Fishing Lagoon

### DEPARTMENT
Public Works

### REQUESTED AMOUNT
$30,000

### DATE
03/24/2022

### SPONSOR
City Manager/PW Director

### DESCRIPTION
The ADA platform at the Nick Dudiak Fishing Lagoon has deteriorated and no longer serves its purpose of providing ADA access to the fishing waters. Parts of it have detached from the main body and are a safety hazard. The problem with the existing platform is that it is subject to damage from tidal action and gravel build-up. A new access platform is needed that will better resist these forces. Such a solution will not be quick, cheap or easy. It will, in all likelihood, require grant funding to construct a new access platform. The probability of securing a grant would be greater if we had an engineered concept and reasonable cost estimate.

### FUNDING SOURCE(S)

<table>
<thead>
<tr>
<th>OPERATING</th>
<th>GF CARMA</th>
<th>GF FLEET CARMA</th>
<th>PORT RESERVES</th>
<th>WATER CARMA</th>
</tr>
</thead>
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<tr>
<td>0%</td>
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<table>
<thead>
<tr>
<th>HAWSP</th>
<th>HART-ROADS</th>
<th>HART-TRAILS</th>
<th>PORT FLEET RESERVES</th>
<th>SEWER CARMA</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>0%</td>
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<td>0%</td>
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### FUNDING SOURCE 1: Fishing Lagoon CARMA

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<tr>
<th>Current Balance</th>
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<th>Requested Amount</th>
<th>Other Items on Current Agenda</th>
<th>Remaining Balance</th>
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<tr>
<td>$110,165</td>
<td>$0</td>
<td>$30,000</td>
<td>$0</td>
<td>$80,165</td>
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### FUNDING SOURCE 2:

### FUNDING SOURCE 3:

### FUNDING SOURCE 4:

### FUNDING SOURCE 5:

### FUNDING SOURCE 6:
CITY OF HOMER
HOMER, ALASKA

City Manager/
Public Works Director

ORDINANCE 22-18(S)

AN ORDINANCE OF THE CITY COUNCIL OF HOMER ALASKA
AMENDING THE FY22 CAPITAL BUDGET BY Appropriating
$461,446 FROM THE HOMER ACCELERATED WATER AND SEWER
PROJECT (HAWSP) FUND TO FUND THE CITY’S PORTION OF
COSTS FOR THE BUNNELL AVE/CHARLES WAY WATER AND SEWER
SPECIAL ASSESSMENT DISTRICT.

WHEREAS, The Bunnell Ave/Charles Way Water and Sewer Special Assessment District
(SAD) was created with Resolution 22-023; and

WHEREAS, The City is responsible for 25% of the cost of the improvement pursuant to
Resolution 01-21; and

WHEREAS, The City is a property owner in the Bunnell Ave/Charles Way Water and
Sewer SAD and is responsible for their 75% portion of the property owners assessment.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby amends the FY22 Capital Budget by
appropriating $461,446 from the HAWSP Fund to fund the City’s portions of the Bunnell
Ave/Charles Way Water and Sewer SAD as follows:

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>205-xxx</td>
<td>City’s 25% of Total</td>
<td>$74,987 (water)</td>
</tr>
<tr>
<td></td>
<td>Estimated Project Cost</td>
<td>$104,555 (sewer)</td>
</tr>
<tr>
<td>205-xxx</td>
<td>City’s 75% Estimated Property</td>
<td>$116,644 (water)</td>
</tr>
<tr>
<td></td>
<td>Owner Assessment Share</td>
<td>$165,260 (sewer)</td>
</tr>
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<td></td>
<td>Total</td>
<td>$461,446</td>
</tr>
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</table>

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 28th day of March, 2022.
CITY OF HOMER

_________________________
KEN CASTNER, MAYOR

ATTEST:

______________________________
MELISSA JACOBSEN, MMC, CITY CLERK

YES:
NO:
ABSTAIN:
ABSENT:

First Reading:
Public Reading:
Second Reading:
Effective Date:
An Ordinance of the City Council of Homer, Alaska Amending the FY22 Capital Budget by Appropriating $943,858 from the Homer Accelerated Water and Sewer Program (HAWSP) Fund to Finance the Cost of the Bunnell Ave/Charles Way Water and Sewer Special Assessment Districts.

Sponsor: City Manager/Public Works Director

1. City Council Regular Meeting March 29, 2022 Introduction
   Memorandum 22-049 from Public Works Director as backup.

Ordinance 22-18(S), An Ordinance of the City Council of Homer, Alaska Amending the FY22 Capital Budget by Appropriating $461,446 from the Homer Accelerated Water and Sewer Program (HAWSP) Fund to Fund the City’s Portion of Costs for Bunnell Ave/Charles Way Water and Sewer Special Assessment Districts Introduced on April 11, 2022.

2. City Council Regular Meeting April 11, 2022 Public Hearing and Second Reading
   Memorandum 22-064 from Public Works Director as backup.
Memorandum 22-064

TO: Mayor Castner and Homer City Council

THROUGH: Rob Dumouchel, City Manager

FROM: Jan Keiser, Public Works Director

DATE: April 7, 2022

SUBJECT: Appropriation for Charles Street/Bunnell Ave Water & Sewer Special Assessment Districts for City’s Share of Costs

I. **Issue:** The purpose of this Memorandum is to request funding for the Charles Street/Bunnell Avenue Water & Sewer Special Assessment Districts for the City’s share of the total project costs.

II. **Background**

The City Council created the Charles Way/Bunnell Avenue Water and Sewer Special Assessment Districts (SAD) with the passage of Resolution 22-023 on March 29, 2022. The estimated costs of the work are:

<table>
<thead>
<tr>
<th>District</th>
<th>Cost</th>
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<tbody>
<tr>
<td>Water SAD</td>
<td>$525,637</td>
</tr>
<tr>
<td>Sewer SAD</td>
<td>$418,221</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$943,858</strong></td>
</tr>
</tbody>
</table>

The City’s portion of costs are:

a. City’s 25% of Total Estimated Project Costs:
   - Water $74,987
   - Sewer $104,555
   - **Subtotal** $179,542

b. City’s 75% Estimated Property Owner Assessment Share:
   - Water $116,644
   - Sewer $165,260
   - **Subtotal** $281,904

   **Grand Total** $461,446
The finances for these SADs are complex. First, the City will receive a Principal Forgiveness Subsidy from the AK Department of Conservation for the water project in the amount of $225,690. Next, the City will pay cash from the HAWSP Fund, for its 25% contribution as well as a share of the assessments as a property owner. All these factors will be reconciled in the Final Assessment Rolls, which will be computed and submitted for public comment and City Council consideration, probably in early 2023. In the meantime, the City must first pay the total expenses of the improvement projects and a total appropriation of $943,858 will be needed from the HAWSP Fund for this purpose.

As of the last report, dated July 21, 2021, there was expected to be an ending balance FY22 ending balance of $3,211,857 in the HAWSP Account, which took into account the City’s obligations for the Alder Lane Water and Tasmania Court Water/Sewer Special Assessment Districts.

III. Recommendation

That the City Council appropriate $461,446 from the HAWSP Fund for the City’s portion of the Bunnell Avenue/Charles Way Water and Sewer Special Assessment Districts. An additional appropriation of $482,412 to make up the balance of the $943,858 in total costs, will be needed soon.
The City Council created the Charles Way/Bunnell Avenue Water and Sewer Special Assessment Districts (SAD) with the passage of Resolution 22-017(A). The City’s portion of the SAD are as follows:

- **City’s 25% of Total:** $74,087 (water)
- **Estimated Project Cost:** $104,555 (sewer)
- **City’s 75% Estimated Property:** $118,644 (water)
- **Owner Assessment Share:** $105,356 (sewer)
- **Total:** $461,446

### FUNDING SOURCE(S)

<table>
<thead>
<tr>
<th>OPERATING</th>
<th>GF CARMA</th>
<th>GF FLEET CARMA</th>
<th>PORT RESERVES</th>
<th>WATER CARMA</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

### FUNDING SOURCE 1: HAWSP

- **Current Balance:** $3,786,344
- **Encumbered:** $1,252,370
- **Requested Amount:** $461,446
- **Other Items on Current Agenda:** $0
- **Remaining Balance:** $2,072,528

### FUNDING SOURCE 2:

- **Current Balance:**
- **Encumbered:**
- **Requested Amount:**
- **Other Items on Current Agenda:**
- **Remaining Balance:**

### FUNDING SOURCE 3:

- **Current Balance:**
- **Encumbered:**
- **Requested Amount:**
- **Other Items on Current Agenda:**
- **Remaining Balance:**

### FUNDING SOURCE 4:

- **Current Balance:**
- **Encumbered:**
- **Requested Amount:**
- **Remaining Balance:**

### FUNDING SOURCE 5:

- **Current Balance:**
- **Encumbered:**
- **Requested Amount:**
- **Remaining Balance:**

### FUNDING SOURCE 6:

- **Current Balance:**
- **Encumbered:**
- **Requested Amount:**
- **Remaining Balance:**
An Ordinance of the City Council of Homer, Alaska, Amending the FY22 Capital Budget by Appropriating Funds in the Amount of $56,450 from the Port Reserves Fund for the Purpose of Engaging R&M Consultants’ Grant Assistance and Engineering Support Teams to Develop and Submit a 2022 Port Infrastructure Development Program Grant Application for Homer Harbor’s Float Replacement Project.

Sponsor: Erickson/Port

1. City Council Regular Meeting March 29, 2022 Introduction
   Memorandum 22-050 as backup.

2. City Council Regular Meeting April 11, 2022 Public Hearing and Second Reading
CITY OF HOMER
HOMER, ALASKA

ORDINANCE 22-19

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
AMENDING THE FY22 CAPITAL BUDGET BY APPROPRIATING
FUNDS IN THE AMOUNT OF $56,450. FROM THE PORT RESERVES
FUND FOR THE PURPOSE OF ENGAGING R&M CONSULTANTS’
GRANT ASSISTANCE AND ENGINEERING SUPPORT TEAMS TO
DEVELOP AND SUBMIT A 2022 PORT INFRASTRUCTURE
DEVELOPMENT PROGRAM GRANT APPLICATION FOR HOMER
HARBOR’S FLOAT REPLACEMENT PROJECT.

WHEREAS, The State of Alaska sold Homer harbor to the City in 1999 and it was
recognized that much of the vessel mooring systems were due to be replaced at that time; and

WHEREAS, It’s an accepted industry standard that vessel float systems have a 30 year
engineered life expectancy and at this time 71% of our vessel mooring floats are older than 30
years and some are nearly 60 years old; and

WHEREAS, The Department of Transportation Port infrastructure Development Grant
Program (PIDP) supports projects that improve facilities directly related to operations of
intermodal connections to coastal seaports, river ports, and Great Lake ports; and

WHEREAS, Many federal grants offer a standard 50% local/50% federal match. These
Federal Transportation Development dollars have a 20% local/80% federal match requirement
which creates a great fiscal opportunity for Homer to modernize our vessel mooring systems
in the harbor; and

WHEREAS, To capitalize on this opportunity the City reached out to R&M Consultants,
Inc. who is one of our city contracted engineering firms, for pricing to engage them for grant
submission development assistance and engineering support, with the end goal being a 2022
grant submission to PIDP and/or any other grant opportunities that they believe that Homer
would qualify for; and

WHEREAS, The City has received a quote from R&M Consultants, Inc. in the amount of
$56,450 for engineering support, project benefit cost analysis, and PIDP grant assistance,
development and submission for the homer harbor float replacement project; and

WHEREAS, The benefit cost analysis, float replacement cost analysis, and engineering
support components needed for the PIDP grant submission will also be required elements for
any other grant opportunities that may be open to us in the future, and R&M’s work can be re-utilized for such opportunities; and

WHEREAS, Homer harbor maintenance staff have done an excellent job of maintaining our float facilities over the years, but for a majority of these systems time is running out and as the owners and stewards of this valuable public resource that our community relies on we must work to develop a plan for re-capitalization that takes advantage of grant funding and local share dollars.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1: The FY22 Capital budget is hereby amended by appropriating funds in the amount of $56,450 from the Port Reserve Fund for the purpose of engaging R&M Consultants’ grant assistance and engineering support teams to develop and submit a 2022 Port Infrastructure Development Program Grant Application for Homer harbor’s float replacement project, as follows:

<table>
<thead>
<tr>
<th>Account No.</th>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>456-0380</td>
<td>R&amp;M Consulting Grant Services-</td>
<td>$56,450</td>
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<tr>
<td></td>
<td>Float Replacement</td>
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</tr>
</tbody>
</table>

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 ___ day of ____________, 2022.

CITY OF HOMER

________________________________________
KEN CASTNER, MAYOR

ATTEST:

________________________________________
MELISSA JACOBSEN, MMC, CITY CLERK

YES:
NO:
ABSTAIN:
ABSENT:
First Reading:
Public Hearing:
Second Reading:
Effective Date:
TO: MAYOR CASTNER AND HOMER CITY COUNCIL
THRU: ROB DUMOUCHEL, CITY MANAGER
FROM: BRYAN HAWKINS, PORT DIRECTOR/HARBORMASTER
DATE: MARCH 23, 2022
SUBJECT: ORDINANCE 22-19 - FLOAT REPLACEMENT AND HOW THE PORT INFRASTRUCTURE DEVELOPMENT GRANT PROGRAM (PIDP) CAN HELP

Attached is a Homer harbor float facilities assessment that my staff and I created to help us get a big picture view of facility wide float conditions. I hope that this conversation will allow us to justify using our resources to apply for any Federal and or State grant money that may be available to us to replace our harbor mooring systems that have aged out. As the float facilities asset sheet shows, you can see that at this time 71.6% of the float systems are at or past their engineered life span.

- 42,197 sq ft. of the Harbor’s floats are at the end of their engineered life span this year
- 46,390 sq ft. of the harbor’s floats are 6 years past their engineered life span
- 26,854 sq ft. of the harbor’s floats are 28 years past their engineered life span
Up until 1999, the State owned the harbor and the city managed it as an Enterprise for them. In 1999 the State sold the harbor to the city for a dollar “as is” as it was in the state’s interest to divest its self from the responsibility of maintaining the infrastructure. We received 3 million dollars in the TORA to be used to replace some of the floats but we have a very large harbor and those dollars were really only a fair start on the actual need.

**PIDP**

DOT’s Maritime Port infrastructure Development grant program (PIDP) supports projects that improve facilities within, or directly related to operations of coastal seaports, river ports and Great Lake ports. Replacement of the Homer Port’s aging floats definitely fits within this category. PIDP is a 20% local/80% federal cost share match which makes it a highly appealing option when considering the large dollar amounts of a project of this scale. It’s also a competitive option with $450 million dollars funded into the program and available for grant allocation this Fiscal year (2022). And on an even more positive note is that some of this money has been set aside specifically for small harbors.

**R&M**

Although $450,000,000.00 is a healthy pool of available grant funds, PIDP is a national grant program, which means that Ports from all 50 states will be applying and competing for the funding. The grant application also has required components including a Cost to Benefit Ratio of the proposed project and a Cost projection scope which are numbers that we don’t yet have. Due to the strength of the opportunity and the 80% cost share that is picked up by the grant, we would like to pursue this avenue with a goal of pulling together a competitive grant proposal. To that end we’ve spoken with one of our contract engineers, R&M, who have both a grant writing department and the engineering capability to perform the work needed for the Cost to Benefit analysis and detailed project scope. Their proposal for this is included. It is our recommendation that we move forward with this as soon as possible, to capitalize on this opportunity, with a goal of submitting an application by the May 16 2022 deadline. Much of their work developing the project scope will also be extremely useful for other grant opportunities and can be utilized again as new opportunities arrive for the same float replacement end goal.

On March 16 this idea was presented and incorporated into discussion at the City Council’s visioning session as part of the wider picture and planning effort to develop the funding we know we need to repair, replace and keep this valuable public resource. Staff believe that utilizing R&M’s skilled team to develop a competitive grant application to submit to PIDP that may allow us to acquire federal dollars to address the ever aging float systems in the harbor that the community and commerce depend on.

**RECOMMENDATION**

Approval of Ordinance 22-19 amending the FY22 Capital budget by appropriating funds in the amount of $56,450 from the Port Reserve Fund for the purpose of engaging R&M Consultants’ grant assistance and engineering support teams to develop and submit a 2022 Port infrastructure development program grant application for Homer harbor’s float replacement project.

Attached: Port of Homer Asset sheet for float systems R&M proposal for PIDP grant development and submission management on Homer’s behalf
HARBOR FLOATS- ASSET LIST

Harbor Floats- Years past Engineered Life Expectancy

- 28% Has not expired
- 26% This year 2022
- 29% 6 years past
- 17% 28 years past
## Port of Homer Property Schedule

**Float System/Measurements**

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<th>System 1</th>
<th>Qty.</th>
<th>Length*</th>
<th>Width*</th>
<th>Sq. Ft.</th>
<th>Totals</th>
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<td>1,816</td>
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<td>Pilings (per)</td>
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<td>800</td>
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<td>16&quot;</td>
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<td>On-Float Power (lf)</td>
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<td>2,800</td>
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<tr>
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<td>18</td>
<td>65</td>
<td>16&quot;</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>On-Float Power (lf)</td>
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<td>2,900</td>
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<td>2,800</td>
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<td>65</td>
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<tr>
<td>Pilings (per)</td>
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<td>290</td>
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### System 1

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<th>Year Built</th>
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<th>Engineered Life Expectancy ***</th>
<th>YEARS OF LIFE REMAINING</th>
<th>NEEDS TO BE REPLACED IN THIS YEAR</th>
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<th>YEARS OF LIFE REMAINING</th>
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Notes: Sections of Floats A, AAA, and System 5 West Extension were replaced more recently but not the whole float
A (E-S) 2015
AAA (HH-JJ) 2015
System 5 W Ext. 2002
February 18, 2022

Bryan Hawkins
Harbormaster
City of Homer
491 E Pioneer Ave
Homer, Alaska 99603

RE: On-Call Engineering Services Contract New Task Order: PIDP Grant Assistance

Dear Mr. Hawkins,

We are pleased to submit this fee proposal to the City of Homer (City) under our On-Call Engineering Services contract for Port Infrastructure Development Program (PIDP) Grant Assistance.

We understand that you would like assistance completing a PIDP grant application, under the United States Maritime Administration (MARAD), including the required Benefit-Cost Analysis.

Our scope includes the following tasks:
- Grant application narrative
- Supporting graphics
- Benefit-Cost Analysis by Northern Economics
- Engineering support including a drawing of the proposed harbor renovations
- A project cost estimate

A project task fee estimate for the services described above is enclosed with a Not-to-Exceed (NTE) amount. We are available to begin work immediately.

Please let us know if you have any comments or questions.

Sincerely,

R&M CONSULTANTS, INC.

John Daley, P.E.
Waterfront Engineering Group Manager

Enclosure: Project Fee Estimate
<table>
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<tr>
<th>Task</th>
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<th>Labor</th>
<th>Expenses &amp; Subs</th>
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Totals: $32,250 $24,200 $56,450
COST ESTIMATE PER TASK

FIRM: R&M Consultants, Inc.  PROJECT TITLE: City of Homer PIDP 2022 Grant Assistance  DATE: 2/18/2022

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<td>Benefit Cost Analysis (BCA) Coord &amp; Review</td>
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TOTAL LABOR HOURS
- Project Mgr./Sr. Waterfront Engr.: 7
- Planning Manager: 11
- Grant Writer/Staff Planner: 71
- Grant Writer/Staff Planner: 71
- Staff Graphics Support: 28
- Environmental Manager: 4

^ LABOR RATES ($/HR)
- Project Mgr./Sr. Waterfront Engr.: $218.50
- Planning Manager: $189.75
- Grant Writer/Staff Planner: $120.75
- Grant Writer/Staff Planner: $123.63
- Staff Graphics Support: $115.00
- Environmental Manager: $175.38

LABOR COSTS ($)
- Project Mgr./Sr. Waterfront Engr.: $1,530
- Planning Manager: $2,087
- Grant Writer/Staff Planner: $8,573
- Grant Writer/Staff Planner: $8,778
- Staff Graphics Support: $3,220
- Environmental Manager: $702

SUB-TASKS

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FIRM'S LABOR: $24,890

TOTAL EXPENSES: $0

FIRM'S TOTAL EXPENSES Plus 5% Mark-Up: $0

SUB-CONTRACTORS: Firm Initials and Price Per Task

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FIRM: Nor Econ (BCA)

AMOUNT: $22,000

TOTAL: $49,090

COMMENTS:
1. Estimate based on 2022 rates
2. Estimate based on Time and Expenses
3. Assumes collaborative effort with City of Homer staff for data, grant narrative etc.
### COST ESTIMATE PER TASK

**FIRM:** R&M Consultants, Inc.  
**PROJECT TITLE:** City of Homer PIDP 2022 Grant Assistance

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#### SUB-TASK NO.

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- a Meetings  
- b Drawings  
- c Cost Estimate

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| TOTAL LABOR HOURS | 16 | 32 |
| * LABOR RATES ($/HR) | $218.50 | $120.75 |
| LABOR COSTS ($) | $3,496 | $3,864 |

**COMMENTS:**

**FIRM'S LABOR:** $7,360  
**TOTAL EXPENSES:** $0  
**FIRM'S TOTAL EXPENSES Plus 5% Mark-Up:** $0

**SUB-CONTRACTORS:** Firm Initials and Price Per Task  
**TOTAL SUBCONTRACTOR Plus 10% Mark-Up:** $0

**FIRM:**  
**AMOUNT:** $0  
**TOTAL:** $7,360
Memorandum 22-051

TO: MAYOR CASTNER & HOMER CITY COUNCIL

THROUGH: ROB DUMOUCHEL, CITY MANAGER
RACHEL TUSSEY, CMC, DEPUTY CITY CLERK II

FROM: PORT & HARBOR ADVISORY COMMISSION

DATE: MARCH 24, 2022

SUBJECT: SUPPORT TO HIRE R&M FOR PORT INFRASTRUCTURE DEVELOPMENT GRANT PROGRAM (PIDP) GRANT DEVELOPMENT FOR HARBOR FLOAT REPLACEMENT

At their March 23rd regular meeting, the Port and Harbor Advisory Commission reviewed and voiced their full support for staff’s proposal to apply for grant funding for much-needed harbor float replacement. This proposal includes hiring R&M to develop a competitive grant application to submit to the Port Infrastructure Development Grant Program (PIDP).

An excerpt of the meeting minutes follows:

C. Port Infrastructure Development Grant Program (PIDP) for Float Replacement
   i. Port of Homer Asset Sheet for Float Systems
   ii. R&M Proposal for PIDP Grant Development & Submission Management

Chair Matthews introduced the item by reading the title and deferred to Port Director Hawkins.

Mr. Hawkins explained the results from the harbor float asset assessment. While they have been talking about a replacement plan for years they’re still a ways away from making those repairs possible due to the floats getting worse faster than the Harbor Enterprise is able to save up the replacement costs in reserves. Chair Matthews spoke to the work harbor staff accomplished to get the grant and R&M hiring proposal together that was currently in front of the commission and City Council. She explained the time restrictions that they need to meet to make the grant and budget cycles/deadlines and what action would be needed from the commission at this time.

SHAVELSON/ULMER MOVED TO RECOMMEND TO CITY COUNCIL THAT R&M BE HIRED FOR PORT INFRASTRUCTURE DEVELOPMENT GRANT PROGRAM GRANT DEVELOPMENT AND SUBMISSION MANAGEMENT ON HOMER’S BEHALF.

Commissioner Shavelson commented on how vital it is that we stay ahead of the float replacement improvements, and how this proposal sounds like an opportunity to do so.
Discussion ensued between commissioners and Mr. Hawkins on the following:

- How it is a great funding opportunity that has not been offered by other grant programs.
- The grant application process itself and if they get the grant what that would mean for funding repairs.
- Importance of all the photos; when commissioners talk to public it’s good to have visual references to show how bad the floats have gotten.
- The need to take care of our existing infrastructure, especially in the face of all this planning to build an expanded harbor.
- What the float replacement priorities are if they receive the funding and if it included other floats like the Fish Dock; there are no limitations to the funding source but the focus would be on the float and mooring systems since they’re the most foundational of the harbor.
- How much funding the Enterprise has now and how other kinds of funds (i.e. federal, state, other grants) can be used for matching.

VOTE: YES: SIEKANIEC, MATTHEWS, ZEISET, SHAVELSON, PITZMAN, ULMER

Motion carried.

Chair Matthews commented on how this grant proposal will be before City Council at their March 29th regular meeting, and encouraged the commissioners to attend and voice their support.

**RECOMMENDATION**

Adopt Ordinance 22-19
## CITY OF HOMER
### FINANCIAL SUPPLEMENT

<table>
<thead>
<tr>
<th>PROJECT NAME</th>
<th>R&amp;M Engagement - Grant Application Harbor Float Replacement</th>
<th>DATE</th>
<th>03/24/2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEPARTMENT</td>
<td>Port and Harbor</td>
<td>SPONSOR</td>
<td>Erickson/Harbormaster</td>
</tr>
<tr>
<td>REQUESTED AMOUNT</td>
<td>$ 56,450</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**DESCRIPTION**

Engineering support, project benefit cost analysis, and PIDP grant assistance, development and submission for the homer harbor float replacement project.

<table>
<thead>
<tr>
<th>FUNDING SOURCE(S)</th>
<th>OPERATING</th>
<th>GF CARMA</th>
<th>GF FLEET CARMA</th>
<th>PORT RESERVES</th>
<th>WATER CARMA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>HAWSP</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

### FUNDING SOURCE 1: Port Reserves

<table>
<thead>
<tr>
<th>Current Balance</th>
<th>$ 2,014,610</th>
<th>Requested Amount</th>
<th>$ 56,450</th>
</tr>
</thead>
<tbody>
<tr>
<td>Encumbered</td>
<td>$ 1,255,132</td>
<td>Other Items on Current Agenda</td>
<td>$ 0</td>
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<tr>
<td>Remaining Balance</td>
<td>$ 703,028</td>
<td>Remaining Balance</td>
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### FUNDING SOURCE 2: SEWER CARMA

<table>
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<tr>
<th>Current Balance</th>
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<th>Requested Amount</th>
<th>Remaining Balance</th>
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</thead>
</table>

### FUNDING SOURCE 3:Other Items on Current Agenda

<table>
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<th>Current Balance</th>
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<th>Requested Amount</th>
<th>Remaining Balance</th>
</tr>
</thead>
</table>

### FUNDING SOURCE 4:Remaining Balance

<table>
<thead>
<tr>
<th>Current Balance</th>
<th>Encumbered</th>
<th>Requested Amount</th>
<th>Remaining Balance</th>
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</thead>
</table>

### FUNDING SOURCE 5:Other Items on Current Agenda

<table>
<thead>
<tr>
<th>Current Balance</th>
<th>Encumbered</th>
<th>Requested Amount</th>
<th>Remaining Balance</th>
</tr>
</thead>
</table>

### FUNDING SOURCE 6:Remaining Balance

<table>
<thead>
<tr>
<th>Current Balance</th>
<th>Encumbered</th>
<th>Requested Amount</th>
<th>Remaining Balance</th>
</tr>
</thead>
</table>
ORDINANCE REFERENCE SHEET
2022 ORDINANCE
ORDINANCE 22-20

An Ordinance of the City Council of Homer, Alaska Amending the FY22/23 Operating Budget to Provide for Necessary Mid-Biennium Budget Amendments.

Sponsor: City Manager

1. City Council Regular Meeting March 29, 2022 Introduction
   Memorandum 22-052 from City Manager as backup.

2. City Council Regular Meeting April 11, 2022 Public Hearing and Second Reading
   Memorandum 22-065 from City Manager as backup.
CITY OF HOMER
HOMER, ALASKA

ORDINANCE 21-20

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
AMENDING THE FY22/23 OPERATING BUDGET TO PROVIDE FOR
NECESSARY MID-BIENNIAUM BUDGET ADJUSTMENTS.

THE CITY OF HOMER ORDAINS:

Section 1. The FY22 Operating Budget for the General, Water, Sewer, and Port and
Harbor funds are hereby amended to provide funding for the period of July 1, 2021 to June 30,
2022 in the amount listed below:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$14,782,507</td>
</tr>
<tr>
<td>Water Fund</td>
<td>$2,014,420</td>
</tr>
<tr>
<td>Sewer Fund</td>
<td>$1,762,264</td>
</tr>
<tr>
<td>Port/Harbor Fund</td>
<td>$5,105,259</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$23,664,450</td>
</tr>
<tr>
<td>Internal Service Funds</td>
<td>$2,501,394</td>
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</tbody>
</table>

Section 2. The FY23 Operating Budget for the General, Water, Sewer, and Port and
Harbor funds are hereby amended to provide funding for the period of July 1, 2022 to June 30,
2023 in the amount listed below:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$15,245,750</td>
</tr>
<tr>
<td>Water Fund</td>
<td>$2,013,406</td>
</tr>
<tr>
<td>Sewer Fund</td>
<td>$1,754,682</td>
</tr>
<tr>
<td>Port/Harbor Fund</td>
<td>$5,251,279</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$24,265,117</td>
</tr>
<tr>
<td>Internal Service Funds</td>
<td>$2,718,945</td>
</tr>
</tbody>
</table>

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 ___ day of ________, 2022.
ORDINANCE 22-20
CITY OF HOMER

____________________
KEN CASTNER, MAYOR

____________________________
MELISSA JACOBSEN, MMC, CITY CLERK

AYES:
NOES:
ABSTAIN:
ABSENT:

First Reading:
Public Hearing:
Second Reading:
Effective Date:
Memorandum 22-065

TO: Mayor Castner and Homer City Council
FROM: Rob Dumouchel, City Manager
DATE: April 6, 2022
SUBJECT: FY 22/23 Midbiennium Adjustment Supplemental Memo

I received a few questions after the introduction of Ordinance 22-20. This memo is intended to provide more context and clarity on a number of items.

The combined proposals create the following changes:

<table>
<thead>
<tr>
<th>Fund</th>
<th>FY22 Adopted</th>
<th>FY22 Amended</th>
<th>FY22 Difference</th>
<th>FY23 Adopted</th>
<th>FY23 Amended</th>
<th>FY23 Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>$13,376,115</td>
<td>$14,782,587</td>
<td>$1,406,392</td>
<td>$13,702,641</td>
<td>$15,245,750</td>
<td>$1,543,109</td>
</tr>
<tr>
<td>Utility</td>
<td>$3,806,225</td>
<td>$3,776,684</td>
<td>($29,541)</td>
<td>$3,930,779</td>
<td>$3,768,088</td>
<td>($162,691)</td>
</tr>
<tr>
<td>Enterprise</td>
<td>$5,105,259</td>
<td>$5,105,259</td>
<td>$0</td>
<td>$5,251,279</td>
<td>$5,251,279</td>
<td>$0</td>
</tr>
</tbody>
</table>

Notes: The decreases for the Utility Fund (Water (FY22/23) and Sewer (FY23)) are due to the fact that there were budgeted deficits for each which are no longer in place. The Enterprise Fund shows no difference between years because the budgeted amount remains the same while the amount sent to the Port Reserves increases.

The following pages provide both pie charts and tables to provide a basic overview of what is happening within the proposed midbiennium adjustments at the General Fund level. The pie charts visualize how the additional sales tax funds would be spent in FY22 and FY23. Note that FY23 shows a small slice for a “deficit fix.” In the original FY23 budget, we had a small deficit that would have drawn on General Fund unassigned fund balance. The midbiennium proposal removes that transfer as it is now unnecessary. The tables provide a more holistic overview that includes information relevant to the Utility and Enterprise Funds.
### FY22 Proposed Modifications

<table>
<thead>
<tr>
<th>Modification</th>
<th>Impact</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Tax Reforecast</td>
<td>Increases total sales tax revenue by $3,811,419</td>
<td>General Fund: $2,448,144 HART Roads: $511,228 HART Trails: $56,803 HAWSP: $568,031 Police Station: $272,213</td>
</tr>
<tr>
<td>7% COLA</td>
<td>$0</td>
<td>Doesn’t apply to FY22</td>
</tr>
<tr>
<td>3 Positions</td>
<td>Increases personnel spend by $98,914</td>
<td>Unlikely to actually spend that amount when the time to recruit is factored into the equation</td>
</tr>
<tr>
<td>Departmental Adjustments (excludes COLA)</td>
<td>Increases operational expenditures by $503,058</td>
<td>General Fund: $455,188 (3.4% increase) Utility Fund: $13,793 (.4% increase) Enterprise Fund: $34,077 (.7% increase)</td>
</tr>
<tr>
<td>Admin Fee Relief</td>
<td>Removes $1,041,752 from General Fund revenues</td>
<td>Utility Fund: $588,359 Enterprise Fund: $453,392</td>
</tr>
<tr>
<td>Surplus</td>
<td>$852,290 remains for General Fund Fund Balance</td>
<td></td>
</tr>
</tbody>
</table>
### FY23 Proposed Modifications

<table>
<thead>
<tr>
<th>Modification</th>
<th>Impact</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Tax Reforecast</td>
<td>Increases total sales tax revenue by $4,156,611</td>
<td>General Fund: $2,665,224</td>
</tr>
<tr>
<td></td>
<td></td>
<td>HART Roads: $559,270</td>
</tr>
<tr>
<td></td>
<td></td>
<td>HART Trails: $62,141</td>
</tr>
<tr>
<td></td>
<td></td>
<td>HAWSP: $621,412</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Police Station: $248,565</td>
</tr>
<tr>
<td>7% COLA</td>
<td>Increases personnel spend by $664,973 (this amount would decrease $21,957 if the new positions are not approved)</td>
<td>General Fund: $477,254</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Utility Fund: $88,043</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Enterprise Fund: $99,676</td>
</tr>
<tr>
<td>3 Positions</td>
<td>Increases personnel spend by $415,663 ($437,620 with the COLA)</td>
<td></td>
</tr>
<tr>
<td>Departmental Adjustments (excludes COLA)</td>
<td>Increases operational expenditures by $513,139</td>
<td>General Fund: $485,547 (3.5% increase)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Utility Fund: $14,015 (.4% increase)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Enterprise Fund: $13,577 (.3% increase)</td>
</tr>
<tr>
<td>Admin Fee Relief</td>
<td>Removes $1,071,057 from General Fund revenues</td>
<td>Utility Fund: $605,719</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Enterprise Fund: $465,339</td>
</tr>
</tbody>
</table>
Special Project Coordinator Positions

The intent behind the special project coordinator positions is to allow me to recruit for some employees to assist with the large number of projects underway or on deck for the City. These employees would potentially help with projects like the volunteer action plan, building code adoption and implementation, transportation planning, assisting on the comprehensive plan rewrite, assisting with zoning code updates, implementing software products for various departments, managing projects, writing grants, assisting with the FY24/25 budget’s outreach and development, etc. Special project coordinators are also the folks up first to take care of unexpected problems like COVID.

I’m hoping to find either 2 full-time, or one full-time and two part-time employees that can work interdepartmentally to make significant progress on our many initiatives. Depending on the talent available, I am open to both in-person and remote workers to fill these positions. For ease of explaining my interests in each position, I stated that I’d like to find one with strong municipal finance skills and one with strong planning skills. These target skill sets match the two items from the visioning that had the most support and work to achieve: updating and improving fiscal policies and fast forwarding the Comprehensive plan. That said, I’m not looking to hire a financial analyst or a planner, I’m looking for dynamic professionals that can do much more. We have staff that is very skilled and capable to handle the day-to-day operational work of the City, however, we face significant challenges in meeting the staffing required to handle significant projects. How the positions are filled will be highly dependent upon the talent available and interested in working in local government.

Our human resource needs will fluctuate over time, but I am confident that Homer has enough work to keep a pair of special projects coordinators busy for quite some time. If we hit a point where the special project work slows down and we have a stronger need on the operational-side of things, redesigning those positions into operational gigs is always an option. Beyond these proposed positions, I expect that I will also be supplementing some projects with contractors as opposed to employees.

Admin Fee Relief

The proposed budget drops admin fees for the Utility Fund and Enterprise Fund for FY22 and FY23. This change to the FY22/23 budget allows the Utility Fund and Enterprise Fund to put the funds they would have otherwise paid to the General Fund into their respective reserve accounts. This action doesn’t preclude Council from using admin fees in the future. That remains a decision for Council to make. I expect we will program a number of admin fee discussions into the FY24/25 budget cycle (which starts in July of this year for staff). With the amount of time I’ve built into the schedule to work on the FY24/25 budget, staff and Council should have a sufficient amount of time to develop many creative solutions to choose from regarding how we balance the relationships between our different funds.

**Staff Recommendation:** Adopt Ordinance 22-20
**FY22 GENERAL FUND AMENDED BUDGET (PROPOSED)**

**WHERE THE MONEY COMES FROM - TOTAL OPERATING REVENUE**

- **Operating Transfers (Admin Fee, HART)**: 864,165, 6%
- **Jail Contract**: 440,066, 3%
- **Sales Tax**: 8,492,772, 57%
- **Property Taxes**: 3,794,794, 26%

**WHERE THE MONEY GOES - TOTAL OPERATING EXPENDITURES**

- **Personnel**: 210,285
- **Non-Departmental**: 948,340, 6%
- **Airport Revenues**: 3,740,143, 26%
- **Property Taxes**: 3,794,794, 26%
- **Sales Tax**: 6,044,628, 45%

**FY22 Budget General Fund Expenditures $14,782,507**

**FY22 GENERAL FUND ADOPTED BUDGET**

**WHERE THE MONEY COMES FROM - TOTAL OPERATING REVENUE**

- **Operating Transfers (Admin Fee, HART)**: 1,305,916, 14%
- **Jail Contract**: 440,066, 3%
- **Sales Tax**: 6,044,628, 45%
- **Property Taxes**: 3,794,794, 28%

**WHERE THE MONEY GOES - TOTAL OPERATING EXPENDITURES**

- **Personnel**: 210,285
- **Non-Departmental**: 587,531, 4%
- **Airport Revenues**: 3,838,143, 26%
- **Property Taxes**: 3,794,794, 26%
- **Sales Tax**: 6,044,628, 45%

**FY22 Budget General Fund Expenditures $13,376,115**

*Non-Departmental: Includes Pratt Museum, Homer Foundation, and Surplus (transfer to General Fund Unassigned Fund)*
**FY23 GENERAL FUND AMENDED BUDGET (PROPOSED)**

**WHERE THE MONEY COMES FROM - TOTAL OPERATING REVENUE**

- Jail Contract, 440,066, 3%
- Operating Transfers (Admin Fee, HART), 2,029,921, 15%
- Property Taxes, 3,883,898, 28%
- Sales Tax, 8,907,049, 58%

**WHERE THE MONEY GOES - TOTAL OPERATING EXPENDITURES**

- Police Department (Including Haven House & Animal Shelter), 4,103,076, 27%
- Mayor/Council (Including Transfers), 573,516, 4%
- Fire Department, 1,619,444, 11%
- Library, 1,033,449, 7%
- Finance, 950,283, 6%
- Interest Income, 1,915,009, 13%

**FY23 Budget General Fund Revenue $15,245,750**

**FY23 Budget General Fund Expenditures $15,245,750**

---

**FY23 GENERAL FUND ADOPTED BUDGET**

**WHERE THE MONEY COMES FROM - TOTAL OPERATING REVENUE**

- Jail Contract, 440,066, 3%
- Operating Transfers (Admin Fee, HART), 2,029,921, 15%
- Property Taxes, 3,883,898, 28%
- Sales Tax, 6,241,825, 46%

**WHERE THE MONEY GOES - TOTAL OPERATING EXPENDITURES**

- Police Department (Including Haven House & Animal Shelter), 3,873,077, 28%
- Public Works, 3,442,209, 23%
- Library, 1,033,449, 7%
- Library, 988,377, 7%
- Finance, 909,526, 7%
- City Clerk, 452,418, 3%

**FY23 Budget General Fund Revenue $13,702,641**

**FY23 Budget General Fund Expenditures $13,702,641**

---

*Non-Departmental: Includes Pratt Museum, Homer Foundation, and Surplus [transfer to General Fund Unassigned]*
FY22 PORT AND HARBOR BUDGET COMPARISON

FY22 ADOPTED BUDGET

- Salaries and Benefits, 1,983,783, 39%
- Maintenance and Operations, 1,529,949, 30%
- Transfers to Reserves, 701,090, 14%
- Leave Cash Out, 66,243, 1%
- GF Admin Fees, 453,392, 9%
- Other Transfers, 170,802, 7%

FY22 AMENDED BUDGET (PROPOSED)

- Salaries and Benefits, 1,984,860, 39%
- Maintenance and Operations, 1,562,949, 31%
- Transfers to Reserves, 1,120,405, 22%
- Leave Cash Out, ...
- GF Admin Fees, ...
- Other Transfers, 370,802, 7%
- Other Transfers, 367,536, 7%

FY23 PORT AND HARBOR BUDGET COMPARISON

FY23 ADOPTED BUDGET

- Salaries and Benefits, 2,152,322, 41%
- Maintenance and Operations, 1,529,949, 30%
- Transfers to Reserves, 701,090, 14%
- Leave Cash Out, 66,243, 1%
- GF Admin Fees, 453,392, 9%
- Other Transfers, 170,802, 7%

FY23 AMENDED BUDGET (PROPOSED)

- Salaries and Benefits, 2,152,322, 41%
- Maintenance and Operations, 1,616,536, 31%
- Transfers to Reserves, 1,052,860, 20%
- Leave Cash Out, 62,025, 1%
- GF Admin Fees, ...
- Other Transfers, 367,536, 7%
FY22 UTILITY FUND BUDGET COMPARISON

**FY22 ADOPTED BUDGET**

- Salaries and Benefits, 1,757,221, 46%
- Maintenance and Operations, 1,365,589, 36%
- Salaries and Benefits, 1,757,221, 46%
- Maintenance and Operations, 1,365,589, 36%
- Leave Cash Out, 72,026, 2%
- GF Admin Fees, 588,309, 15%
- Other Transfers, 23,030, 1%

**FY22 AMENDED BUDGET (PROPOSED)**

- Salaries and Benefits, 1,823,671, 46%
- Maintenance and Operations, 1,401,571, 36%
- Leave Cash Out, 76,755, 2%
- GF Admin Fees, 605,719, 15%
- Other Transfers, 23,030, 1%

FY23 UTILITY FUND BUDGET COMPARISON

**FY23 ADOPTED BUDGET**

- Salaries and Benefits, 1,911,714, 51%
- Maintenance and Operations, 1,415,586, 37%
- Leave Cash Out, 76,755, 2%

**FY23 AMENDED BUDGET (PROPOSED)**

- Salaries and Benefits, 1,912,714, 51%
- Maintenance and Operations, 1,415,586, 37%
### DEPT 0100 - MAYOR/COUNCIL

<table>
<thead>
<tr>
<th>A/C NUMBER</th>
<th>EXPENSE DESCRIPTION</th>
<th>FY22 ADOPTED BUDGET</th>
<th>FY22 AMENDED BUDGET</th>
<th>FY23 PROPOSED AMENDMENTS $</th>
<th>FY23 PROPOSED AMENDED BUDGET $</th>
<th>FY23 PROPOSED AMENDED BUDGET %</th>
<th>NOTES</th>
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<tbody>
<tr>
<td>5236</td>
<td>Transportation</td>
<td>4,000</td>
<td>5,500</td>
<td>1,500</td>
<td>38%</td>
<td>4,000</td>
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<tr>
<td>5237</td>
<td>Subsistence</td>
<td>3,500</td>
<td>5,000</td>
<td>1,500</td>
<td>43%</td>
<td>3,500</td>
<td>6,200</td>
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<tr>
<td>5603</td>
<td>Employee Training</td>
<td>2,500</td>
<td>3,000</td>
<td>500</td>
<td>20%</td>
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### DEPT 0101 - CITY CLERK

<table>
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<tr>
<th>A/C NUMBER</th>
<th>EXPENSE DESCRIPTION</th>
<th>FY22 ADOPTED BUDGET</th>
<th>FY22 AMENDED BUDGET</th>
<th>FY23 PROPOSED AMENDMENTS $</th>
<th>FY23 PROPOSED AMENDED BUDGET $</th>
<th>FY23 PROPOSED AMENDED BUDGET %</th>
<th>NOTES</th>
</tr>
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<tbody>
<tr>
<td>5105</td>
<td>Overtime</td>
<td>10,000</td>
<td>13,000</td>
<td>3,000</td>
<td>30%</td>
<td>10,000</td>
<td>13,000</td>
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<tr>
<td>5210</td>
<td>Professional Services</td>
<td>12,500</td>
<td>12,500</td>
<td>-</td>
<td>0%</td>
<td>12,500</td>
<td>17,000</td>
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<tr>
<td>5237</td>
<td>Subsistence</td>
<td>3,000</td>
<td>3,500</td>
<td>500</td>
<td>17%</td>
<td>3,000</td>
<td>3,500</td>
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<tr>
<td>5603</td>
<td>Employee Training</td>
<td>3,750</td>
<td>3,750</td>
<td>-</td>
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<td>3,750</td>
<td>5,000</td>
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### DEPT 0110 - CITY MANAGER

<table>
<thead>
<tr>
<th>A/C NUMBER</th>
<th>EXPENSE DESCRIPTION</th>
<th>FY22 ADOPTED BUDGET</th>
<th>FY22 AMENDED BUDGET</th>
<th>FY23 PROPOSED AMENDMENTS $</th>
<th>FY23 PROPOSED AMENDED BUDGET $</th>
<th>FY23 PROPOSED AMENDED BUDGET %</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>5101</td>
<td>Salary and Wages</td>
<td>285,206</td>
<td>279,206</td>
<td>11,000</td>
<td>4%</td>
<td>273,798</td>
<td>284,798</td>
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<tr>
<td>5201</td>
<td>Office Supplies</td>
<td>1,200</td>
<td>3,200</td>
<td>2,000</td>
<td>167%</td>
<td>1,200</td>
<td>1,200</td>
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<tr>
<td>5227</td>
<td>Advertising</td>
<td>10,250</td>
<td>12,000</td>
<td>1,750</td>
<td>37%</td>
<td>10,250</td>
<td>12,000</td>
</tr>
<tr>
<td>5236</td>
<td>Transportation</td>
<td>5,000</td>
<td>6,000</td>
<td>1,000</td>
<td>20%</td>
<td>5,000</td>
<td>6,000</td>
</tr>
<tr>
<td>5237</td>
<td>Subsistence</td>
<td>2,700</td>
<td>4,000</td>
<td>1,300</td>
<td>48%</td>
<td>2,700</td>
<td>4,000</td>
</tr>
</tbody>
</table>

### DEPT 0122 - INFORMATION SYSTEM

<table>
<thead>
<tr>
<th>A/C NUMBER</th>
<th>EXPENSE DESCRIPTION</th>
<th>FY22 ADOPTED BUDGET</th>
<th>FY22 AMENDED BUDGET</th>
<th>FY23 PROPOSED AMENDMENTS $</th>
<th>FY23 PROPOSED AMENDED BUDGET $</th>
<th>FY23 PROPOSED AMENDED BUDGET %</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>5105</td>
<td>Overtime</td>
<td>1,000</td>
<td>4,500</td>
<td>3,500</td>
<td>123%</td>
<td>2,000</td>
<td>4,500</td>
</tr>
<tr>
<td>5201</td>
<td>Office Supplies</td>
<td>250</td>
<td>1,750</td>
<td>1,500</td>
<td>600%</td>
<td>250</td>
<td>1,750</td>
</tr>
<tr>
<td>5216</td>
<td>Freight and Postage</td>
<td>120</td>
<td>1,000</td>
<td>800</td>
<td>400%</td>
<td>120</td>
<td>1,000</td>
</tr>
<tr>
<td>5231</td>
<td>Tools and Equipment</td>
<td>1,500</td>
<td>4,500</td>
<td>3,000</td>
<td>267%</td>
<td>1,500</td>
<td>4,500</td>
</tr>
<tr>
<td>5603</td>
<td>Employee Training</td>
<td>250</td>
<td>1,250</td>
<td>1,000</td>
<td>600%</td>
<td>250</td>
<td>1,250</td>
</tr>
</tbody>
</table>

### DEPT 0130 - FINANCE

<table>
<thead>
<tr>
<th>A/C NUMBER</th>
<th>EXPENSE DESCRIPTION</th>
<th>FY22 ADOPTED BUDGET</th>
<th>FY22 AMENDED BUDGET</th>
<th>FY23 PROPOSED AMENDMENTS $</th>
<th>FY23 PROPOSED AMENDED BUDGET $</th>
<th>FY23 PROPOSED AMENDED BUDGET %</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>5105</td>
<td>Overtime</td>
<td>12,220</td>
<td>15,000</td>
<td>2,780</td>
<td>23%</td>
<td>12,220</td>
<td>12,220</td>
</tr>
<tr>
<td>5201</td>
<td>Office Supplies</td>
<td>6,000</td>
<td>7,000</td>
<td>1,000</td>
<td>17%</td>
<td>6,000</td>
<td>6,000</td>
</tr>
<tr>
<td>5231</td>
<td>Tools and Equipment</td>
<td>2,500</td>
<td>2,500</td>
<td>3,000</td>
<td>120%</td>
<td>2,500</td>
<td>2,500</td>
</tr>
<tr>
<td>5233</td>
<td>Computer Related Items</td>
<td>-</td>
<td>8,500</td>
<td>8,500</td>
<td>100%</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### DEPT 0130 - PLANNING

<table>
<thead>
<tr>
<th>A/C NUMBER</th>
<th>EXPENSE DESCRIPTION</th>
<th>FY22 ADOPTED BUDGET</th>
<th>FY22 AMENDED BUDGET</th>
<th>FY23 PROPOSED AMENDMENTS $</th>
<th>FY23 PROPOSED AMENDED BUDGET $</th>
<th>FY23 PROPOSED AMENDED BUDGET %</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>5603</td>
<td>Employee Training</td>
<td>2,500</td>
<td>2,500</td>
<td>-</td>
<td>0%</td>
<td>2,500</td>
<td>5,000</td>
</tr>
</tbody>
</table>

**FUND 100 - GENERAL FUND**
Increased demand for employee training courses. Wireless hotspots have seen enormous demand already. The hotspot service is grant-funded through the rest of FY22 and the first three months of FY23. Communication costs thereafter depend on whether we continue the program and how many hotspots we keep in service, as well as whether we secure more grant funding.

### DEPT 0145 - LIBRARY

<table>
<thead>
<tr>
<th>A/C NUMBER</th>
<th>DESCRIPTION</th>
<th>FY22 AMENDED</th>
<th>FY22 PROPOSED</th>
<th>FY22 PROPOSED</th>
<th>FY22 PROPOSED</th>
<th>FY23 PROPOSED</th>
<th>FY23 PROPOSED</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>5210</td>
<td>Professional Services</td>
<td>8,900</td>
<td>9,400</td>
<td>500 6%</td>
<td>8,900</td>
<td>9,400</td>
<td>500 6%</td>
<td>Budget is generally adequate but prices are rising due to inflation.</td>
</tr>
<tr>
<td>5215</td>
<td>Communications</td>
<td>29,000</td>
<td>29,000</td>
<td>- 0%</td>
<td>29,000</td>
<td>33,500</td>
<td>4,500 16%</td>
<td>Rise in interlibrary loans and putting on more traveling exhibits, with added postage costs.</td>
</tr>
<tr>
<td>5226</td>
<td>Freight and Postage</td>
<td>2,500</td>
<td>3,000</td>
<td>500 20%</td>
<td>2,500</td>
<td>3,000</td>
<td>500 20%</td>
<td>Increased demand for employee training courses.</td>
</tr>
<tr>
<td>5244</td>
<td>Snow Removal</td>
<td>8,200</td>
<td>10,500</td>
<td>2,000 24%</td>
<td>8,200</td>
<td>10,200</td>
<td>2,000 24%</td>
<td>This year has unusually heavy snowfall, but snow-clearance costs exceeded projections in FY20 and FY21 as well.</td>
</tr>
</tbody>
</table>

### DEPT 0150 - FIRE ADMINISTRATION

<table>
<thead>
<tr>
<th>A/C NUMBER</th>
<th>DESCRIPTION</th>
<th>FY22 AMENDED</th>
<th>FY22 PROPOSED</th>
<th>FY22 PROPOSED</th>
<th>FY22 PROPOSED</th>
<th>FY23 PROPOSED</th>
<th>FY23 PROPOSED</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>5105</td>
<td>Overtime</td>
<td>11,070</td>
<td>14,070</td>
<td>3,000 27%</td>
<td>11,070</td>
<td>14,070</td>
<td>3,000 27%</td>
<td>Increased costs</td>
</tr>
<tr>
<td>5201</td>
<td>Office Supplies</td>
<td>3,000</td>
<td>3,500</td>
<td>500 17%</td>
<td>3,000</td>
<td>3,500</td>
<td>500 17%</td>
<td>Increased costs</td>
</tr>
<tr>
<td>5215</td>
<td>Communications</td>
<td>20,000</td>
<td>25,000</td>
<td>5,000 20%</td>
<td>15,000</td>
<td>20,000</td>
<td>5,000 33%</td>
<td>Increased costs</td>
</tr>
</tbody>
</table>

### DEPT 0151 - FIRE SERVICES

<table>
<thead>
<tr>
<th>A/C NUMBER</th>
<th>DESCRIPTION</th>
<th>FY22 AMENDED</th>
<th>FY22 PROPOSED</th>
<th>FY22 PROPOSED</th>
<th>FY22 PROPOSED</th>
<th>FY23 PROPOSED</th>
<th>FY23 PROPOSED</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>5103</td>
<td>Part-time Wages</td>
<td>25,344</td>
<td>37,344</td>
<td>12,000 47%</td>
<td>25,546</td>
<td>61,546</td>
<td>36,000 141%</td>
<td>More part time help to meet the increases in run volume and the decrease of volunteer support.</td>
</tr>
<tr>
<td>5104</td>
<td>Part-time Benefits</td>
<td>2,933</td>
<td>4,423</td>
<td>1,500 51%</td>
<td>2,947</td>
<td>8,397</td>
<td>5,450 185%</td>
<td>More part time help to meet the increases in run volume and the decrease of volunteer support.</td>
</tr>
<tr>
<td>5105</td>
<td>Overtime</td>
<td>7,447</td>
<td>10,447</td>
<td>3,000 40%</td>
<td>7,447</td>
<td>14,447</td>
<td>7,000 94%</td>
<td>Increased costs</td>
</tr>
<tr>
<td>5107</td>
<td>Part-time Overtime</td>
<td>1,350</td>
<td>1,850</td>
<td>500 37%</td>
<td>1,350</td>
<td>1,850</td>
<td>500 37%</td>
<td>Age of the fleet is making cost of repairs/maintenance more expensive.</td>
</tr>
</tbody>
</table>

### DEPT 0152 - MEDICAL SERVICES

<table>
<thead>
<tr>
<th>A/C NUMBER</th>
<th>DESCRIPTION</th>
<th>FY22 AMENDED</th>
<th>FY22 PROPOSED</th>
<th>FY22 PROPOSED</th>
<th>FY22 PROPOSED</th>
<th>FY23 PROPOSED</th>
<th>FY23 PROPOSED</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>5103</td>
<td>Part-time Wages</td>
<td>25,344</td>
<td>37,344</td>
<td>12,000 47%</td>
<td>25,546</td>
<td>61,546</td>
<td>36,000 141%</td>
<td>More part time help to meet the increases in run volume and the decrease of volunteer support.</td>
</tr>
<tr>
<td>5104</td>
<td>Part-time Benefits</td>
<td>2,933</td>
<td>4,423</td>
<td>1,500 51%</td>
<td>2,947</td>
<td>8,397</td>
<td>5,450 185%</td>
<td>More part time help to meet the increases in run volume and the decrease of volunteer support.</td>
</tr>
<tr>
<td>5105</td>
<td>Overtime</td>
<td>7,447</td>
<td>10,447</td>
<td>3,000 40%</td>
<td>7,447</td>
<td>14,447</td>
<td>7,000 94%</td>
<td>Increased costs</td>
</tr>
<tr>
<td>5107</td>
<td>Part-time Overtime</td>
<td>1,350</td>
<td>1,850</td>
<td>500 37%</td>
<td>1,350</td>
<td>1,850</td>
<td>500 37%</td>
<td>Increased costs</td>
</tr>
</tbody>
</table>

### DEPT 0160 - POLICE ADMINISTRATION

<table>
<thead>
<tr>
<th>A/C NUMBER</th>
<th>DESCRIPTION</th>
<th>FY22 AMENDED</th>
<th>FY22 PROPOSED</th>
<th>FY22 PROPOSED</th>
<th>FY22 PROPOSED</th>
<th>FY23 PROPOSED</th>
<th>FY23 PROPOSED</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>5215</td>
<td>Communications</td>
<td>38,000</td>
<td>38,000</td>
<td>- 0%</td>
<td>39,000</td>
<td>43,000</td>
<td>4,000 10%</td>
<td>Telecommunications costs have been steadily increasing due to inflation and increased maintenance and repair costs associated with a larger dispatch system and more equipment.</td>
</tr>
<tr>
<td>5244</td>
<td>Snow Removal</td>
<td>8,000</td>
<td>12,000</td>
<td>4,000 50%</td>
<td>8,000</td>
<td>12,000</td>
<td>4,000 50%</td>
<td>The new police department has three different lots requiring plowing and sanding. They are also larger than those at our station resulting in higher costs.</td>
</tr>
<tr>
<td>5625</td>
<td>Impound Costs</td>
<td>3,000</td>
<td>5,500</td>
<td>2,500 83%</td>
<td>3,500</td>
<td>6,000</td>
<td>2,500 71%</td>
<td>Impounds have been steadily rising every year and the towing firms have been increasing the charges resulting in higher impound costs.</td>
</tr>
</tbody>
</table>

### DEPT 0161 - DISPATCH

<table>
<thead>
<tr>
<th>A/C NUMBER</th>
<th>DESCRIPTION</th>
<th>FY22 AMENDED</th>
<th>FY22 PROPOSED</th>
<th>FY22 PROPOSED</th>
<th>FY22 PROPOSED</th>
<th>FY23 PROPOSED</th>
<th>FY23 PROPOSED</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>5105</td>
<td>Overtime</td>
<td>38,446</td>
<td>42,446</td>
<td>4,000 10%</td>
<td>38,446</td>
<td>42,446</td>
<td>4,000 10%</td>
<td>Staffing shortages and COVID related issues; expect continuation of staffing shortages and disruptions in FY23.</td>
</tr>
</tbody>
</table>

### DEPT 0163 - PATROL

<table>
<thead>
<tr>
<th>A/C NUMBER</th>
<th>DESCRIPTION</th>
<th>FY22 AMENDED</th>
<th>FY22 PROPOSED</th>
<th>FY22 PROPOSED</th>
<th>FY22 PROPOSED</th>
<th>FY23 PROPOSED</th>
<th>FY23 PROPOSED</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>5105</td>
<td>Overtime</td>
<td>108,901</td>
<td>183,901</td>
<td>75,000 69%</td>
<td>109,880</td>
<td>154,880</td>
<td>45,000 41%</td>
<td>Staffing shortages and COVID related issues; expect continuation of staffing shortages and disruptions in FY23.</td>
</tr>
</tbody>
</table>
### DEPT 0164 - JAIL

<table>
<thead>
<tr>
<th>A/C NUMBER</th>
<th>EXPENSE DESCRIPTION</th>
<th>FY22 ADOPTED BUDGET</th>
<th>FY22 AMENDED BUDGET</th>
<th>PROPOSED AMENDMENTS $</th>
<th>%</th>
<th>FY23 ADOPTED BUDGET</th>
<th>FY23 AMENDED BUDGET</th>
<th>PROPOSED AMENDMENTS $</th>
<th>%</th>
<th>FY24 ADOPTED BUDGET</th>
<th>FY24 AMENDED BUDGET</th>
<th>PROPOSED AMENDMENTS $</th>
<th>%</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>105</td>
<td>Overtime</td>
<td>39,931</td>
<td>47,431</td>
<td>7,500</td>
<td>19%</td>
<td>39,931</td>
<td>47,431</td>
<td>8,000</td>
<td>20%</td>
<td>Staffing shortages and COVID related issues; expect continuation of staffing shortages and disruptions in FY23</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### DEPT 0165 - ANIMAL CONTROL

<table>
<thead>
<tr>
<th>A/C NUMBER</th>
<th>EXPENSE DESCRIPTION</th>
<th>FY22 ADOPTED BUDGET</th>
<th>FY22 AMENDED BUDGET</th>
<th>PROPOSED AMENDMENTS $</th>
<th>%</th>
<th>FY23 ADOPTED BUDGET</th>
<th>FY23 AMENDED BUDGET</th>
<th>PROPOSED AMENDMENTS $</th>
<th>%</th>
<th>FY24 ADOPTED BUDGET</th>
<th>FY24 AMENDED BUDGET</th>
<th>PROPOSED AMENDMENTS $</th>
<th>%</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>110</td>
<td>Professional Services</td>
<td>195,707</td>
<td>209,707</td>
<td>5,000</td>
<td>3%</td>
<td>195,707</td>
<td>208,707</td>
<td>13,000</td>
<td>7%</td>
<td>Reso 21-088, increase calendar year 2022 contract 5% and calendar year 2023 contract 3%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### DEPT 0170 - PUBLIC WORKS ADMINISTRATION

#### DEPT 0171 - GENERAL MAINTENANCE

<table>
<thead>
<tr>
<th>A/C NUMBER</th>
<th>EXPENSE DESCRIPTION</th>
<th>FY22 ADOPTED BUDGET</th>
<th>FY22 AMENDED BUDGET</th>
<th>PROPOSED AMENDMENTS $</th>
<th>%</th>
<th>FY23 ADOPTED BUDGET</th>
<th>FY23 AMENDED BUDGET</th>
<th>PROPOSED AMENDMENTS $</th>
<th>%</th>
<th>FY24 ADOPTED BUDGET</th>
<th>FY24 AMENDED BUDGET</th>
<th>PROPOSED AMENDMENTS $</th>
<th>%</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>209</td>
<td>Building &amp; Grounds Maintenance</td>
<td>14,500</td>
<td>20,316</td>
<td>5,816</td>
<td>40%</td>
<td>14,500</td>
<td>20,607</td>
<td>6,107</td>
<td>42%</td>
<td>Inflation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>215</td>
<td>Communications</td>
<td>-</td>
<td>1,560</td>
<td>1,560</td>
<td>100%</td>
<td>-</td>
<td>1,620</td>
<td>1,620</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>225</td>
<td>City Hall Building Maintenance</td>
<td>10,000</td>
<td>39,000</td>
<td>20,000</td>
<td>200%</td>
<td>10,000</td>
<td>10,000</td>
<td>-</td>
<td>0%</td>
<td>Replace glycol and pumps at City Hall</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>291</td>
<td>Animal Control Building Maintenance</td>
<td>2,500</td>
<td>3,500</td>
<td>1,000</td>
<td>40%</td>
<td>2,500</td>
<td>2,500</td>
<td>-</td>
<td>0%</td>
<td>Replace hot water tank</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>303</td>
<td>Employees Training</td>
<td>3,000</td>
<td>5,000</td>
<td>2,000</td>
<td>67%</td>
<td>6,000</td>
<td>8,000</td>
<td>2,000</td>
<td>33%</td>
<td>Training for two employees (backflow in FY22 and boiler certification in FY23)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### DEPT 0172 - GRAVEL ROADS

<table>
<thead>
<tr>
<th>A/C NUMBER</th>
<th>EXPENSE DESCRIPTION</th>
<th>FY22 ADOPTED BUDGET</th>
<th>FY22 AMENDED BUDGET</th>
<th>PROPOSED AMENDMENTS $</th>
<th>%</th>
<th>FY23 ADOPTED BUDGET</th>
<th>FY23 AMENDED BUDGET</th>
<th>PROPOSED AMENDMENTS $</th>
<th>%</th>
<th>FY24 ADOPTED BUDGET</th>
<th>FY24 AMENDED BUDGET</th>
<th>PROPOSED AMENDMENTS $</th>
<th>%</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>103</td>
<td>Part-time Wages</td>
<td>-</td>
<td>5,000</td>
<td>5,000</td>
<td>100%</td>
<td>-</td>
<td>5,000</td>
<td>5,000</td>
<td>100%</td>
<td>Temporary laborer for seasonal season to help out while operator is working as construction inspector. Operator's time will be charged to relevant project(s)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>107</td>
<td>Part-time Overtime</td>
<td>-</td>
<td>750</td>
<td>750</td>
<td>100%</td>
<td>-</td>
<td>750</td>
<td>750</td>
<td>100%</td>
<td>Temporary laborer for seasonal season to help out while operator is working as construction inspector. Operator's time will be charged to relevant project(s)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>204</td>
<td>Chemicals</td>
<td>57,150</td>
<td>82,150</td>
<td>25,000</td>
<td>44%</td>
<td>61,700</td>
<td>94,200</td>
<td>32,500</td>
<td>53%</td>
<td>Chemicals have a 30% price increase</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>210</td>
<td>Professional Services</td>
<td>3,500</td>
<td>6,500</td>
<td>3,000</td>
<td>86%</td>
<td>3,500</td>
<td>6,500</td>
<td>3,000</td>
<td>86%</td>
<td>New city phones for key staff; FY22 increases include initial purchase and monthly service charge; FY23 includes new ongoing monthly service charge</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>215</td>
<td>Communications</td>
<td>-</td>
<td>3,120</td>
<td>3,120</td>
<td>100%</td>
<td>-</td>
<td>3,240</td>
<td>3,240</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>303</td>
<td>Employees Training</td>
<td>-</td>
<td>1,500</td>
<td>1,500</td>
<td>100%</td>
<td>-</td>
<td>1,500</td>
<td>1,500</td>
<td>100%</td>
<td>CDL training for employee</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### DEPT 0173 - PAVED ROADS

<table>
<thead>
<tr>
<th>A/C NUMBER</th>
<th>EXPENSE DESCRIPTION</th>
<th>FY22 ADOPTED BUDGET</th>
<th>FY22 AMENDED BUDGET</th>
<th>PROPOSED AMENDMENTS $</th>
<th>%</th>
<th>FY23 ADOPTED BUDGET</th>
<th>FY23 AMENDED BUDGET</th>
<th>PROPOSED AMENDMENTS $</th>
<th>%</th>
<th>FY24 ADOPTED BUDGET</th>
<th>FY24 AMENDED BUDGET</th>
<th>PROPOSED AMENDMENTS $</th>
<th>%</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>103</td>
<td>Part-time Wages</td>
<td>-</td>
<td>5,000</td>
<td>5,000</td>
<td>100%</td>
<td>-</td>
<td>5,000</td>
<td>5,000</td>
<td>100%</td>
<td>Temporary laborer for seasonal season to help out while operator is working as construction inspector. Operator's time will be charged to relevant project(s)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>107</td>
<td>Part-time Overtime</td>
<td>-</td>
<td>750</td>
<td>750</td>
<td>100%</td>
<td>-</td>
<td>750</td>
<td>750</td>
<td>100%</td>
<td>Temporary laborer for seasonal season to help out while operator is working as construction inspector. Operator's time will be charged to relevant project(s)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>204</td>
<td>Chemicals</td>
<td>56,400</td>
<td>81,400</td>
<td>25,000</td>
<td>44%</td>
<td>60,900</td>
<td>93,400</td>
<td>32,500</td>
<td>53%</td>
<td>Chemicals 30% increase in cost.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>214</td>
<td>Rents &amp; Leases</td>
<td>15,000</td>
<td>35,000</td>
<td>20,000</td>
<td>133%</td>
<td>15,000</td>
<td>50,000</td>
<td>35,000</td>
<td>233%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### DEPT 0174 - WINTER ROADS

<table>
<thead>
<tr>
<th>A/C NUMBER</th>
<th>EXPENSE DESCRIPTION</th>
<th>FY22 ADOPTED BUDGET</th>
<th>FY22 AMENDED BUDGET</th>
<th>PROPOSED AMENDMENTS $</th>
<th>%</th>
<th>FY23 ADOPTED BUDGET</th>
<th>FY23 AMENDED BUDGET</th>
<th>PROPOSED AMENDMENTS $</th>
<th>%</th>
<th>FY24 ADOPTED BUDGET</th>
<th>FY24 AMENDED BUDGET</th>
<th>PROPOSED AMENDMENTS $</th>
<th>%</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>105</td>
<td>Overtime</td>
<td>18,175</td>
<td>39,175</td>
<td>20,000</td>
<td>110%</td>
<td>18,175</td>
<td>23,175</td>
<td>5,000</td>
<td>28%</td>
<td>FY22 - Winter storms; unforeseen plowing and sanding; FY23 - matching FY22 budget</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>204</td>
<td>Chemicals</td>
<td>56,400</td>
<td>81,400</td>
<td>25,000</td>
<td>44%</td>
<td>60,900</td>
<td>93,400</td>
<td>32,500</td>
<td>53%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>214</td>
<td>Rents &amp; Leases</td>
<td>15,000</td>
<td>35,000</td>
<td>20,000</td>
<td>133%</td>
<td>15,000</td>
<td>50,000</td>
<td>35,000</td>
<td>233%</td>
<td>FY22 - Grader rental and snow haulers; FY23 - Snow haulers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A/C NUMBER</td>
<td>EXPENSE DESCRIPTION</td>
<td>FY22 ADOPTED BUDGET</td>
<td>FY22 AMENDED BUDGET</td>
<td>PROPOSED AMENDMENTS $</td>
<td>PROPOSED AMENDMENTS %</td>
<td>FY23 ADOPTED BUDGET</td>
<td>FY23 AMENDED BUDGET</td>
<td>PROPOSED AMENDMENTS $</td>
<td>PROPOSED AMENDMENTS %</td>
<td>NOTES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------</td>
<td>---------------------</td>
<td>---------------------</td>
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<td>------------------------</td>
<td>-----------------------</td>
<td>------</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5202</td>
<td>Operating Supplies</td>
<td>32,000</td>
<td>40,000</td>
<td>8,000</td>
<td>25%</td>
<td>32,000</td>
<td>40,000</td>
<td>8,000</td>
<td>25%</td>
<td>inflation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5210</td>
<td>Professional Services</td>
<td>90,000</td>
<td>170,000</td>
<td>80,000</td>
<td>89%</td>
<td>90,000</td>
<td>170,000</td>
<td>80,000</td>
<td>89%</td>
<td>Unexpected increases in contractor snow removal. Additional needs of contracting for restroom custodial services.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5215</td>
<td>Communications</td>
<td>3,500</td>
<td>8,500</td>
<td>5,000</td>
<td>143%</td>
<td>3,500</td>
<td>8,500</td>
<td>5,000</td>
<td>143%</td>
<td>We need a modest budget for conceptual engineering &amp; other technical information gathering to ascertain the viability of projects before committing full scale resources to the ideas.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5233</td>
<td>Computer Related Items</td>
<td>3,000</td>
<td>5,194</td>
<td>2,194</td>
<td>73%</td>
<td>3,000</td>
<td>3,000</td>
<td>-</td>
<td>0%</td>
<td>Purchase cameras and laptops to allow more people to participate in Zoom meetings as well as work remotely.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total Proposed Amendments**

<table>
<thead>
<tr>
<th>FY22</th>
<th>FY23</th>
</tr>
</thead>
<tbody>
<tr>
<td>$455,168</td>
<td>$485,547</td>
</tr>
</tbody>
</table>

DEPT 0176 - MOTOR POOL

<table>
<thead>
<tr>
<th>A/C NUMBER</th>
<th>EXPENSE DESCRIPTION</th>
<th>FY22 ADOPTED BUDGET</th>
<th>FY22 AMENDED BUDGET</th>
<th>PROPOSED AMENDMENTS $</th>
<th>PROPOSED AMENDMENTS %</th>
<th>FY23 ADOPTED BUDGET</th>
<th>FY23 AMENDED BUDGET</th>
<th>PROPOSED AMENDMENTS $</th>
<th>PROPOSED AMENDMENTS %</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>5105</td>
<td>Overtime</td>
<td>2,794</td>
<td>600</td>
<td>2,338</td>
<td>27%</td>
<td>2,838</td>
<td>500</td>
<td>0%</td>
<td>21%</td>
<td>Mechanics support equipment operators when there is a call out after hours.</td>
</tr>
<tr>
<td>5215</td>
<td>Communications</td>
<td>1,360</td>
<td>1,560</td>
<td>-</td>
<td>100%</td>
<td>1,620</td>
<td>1,620</td>
<td>100%</td>
<td>CDL training for employee</td>
<td></td>
</tr>
<tr>
<td>5903</td>
<td>Employee Training</td>
<td>6,000</td>
<td>1,300</td>
<td>4,500</td>
<td>73%</td>
<td>3,500</td>
<td>3,500</td>
<td>0%</td>
<td>new ongoing, monthly service charge</td>
<td></td>
</tr>
</tbody>
</table>

DEPT 0177 - ENGINEERING INSPECTION

<table>
<thead>
<tr>
<th>A/C NUMBER</th>
<th>EXPENSE DESCRIPTION</th>
<th>FY22 ADOPTED BUDGET</th>
<th>FY22 AMENDED BUDGET</th>
<th>PROPOSED AMENDMENTS $</th>
<th>PROPOSED AMENDMENTS %</th>
<th>FY23 ADOPTED BUDGET</th>
<th>FY23 AMENDED BUDGET</th>
<th>PROPOSED AMENDMENTS $</th>
<th>PROPOSED AMENDMENTS %</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>5210</td>
<td>Professional Services</td>
<td>3,500</td>
<td>8,500</td>
<td>5,000</td>
<td>143%</td>
<td>3,500</td>
<td>8,500</td>
<td>5,000</td>
<td>143%</td>
<td>New city phones for key staff; FY22 increases include initial purchase and monthly service charge; FY23 includes new ongoing monthly service charge</td>
</tr>
<tr>
<td>5215</td>
<td>Communications</td>
<td>1,040</td>
<td>1,040</td>
<td>-</td>
<td>100%</td>
<td>1,080</td>
<td>1,080</td>
<td>100%</td>
<td>new ongoing, monthly service charge</td>
<td></td>
</tr>
</tbody>
</table>

230
<table>
<thead>
<tr>
<th>A/C NUMBER</th>
<th>EXPENSE DESCRIPTION</th>
<th>FY22 ADOPTED BUDGET</th>
<th>FY22 AMENDED BUDGET</th>
<th>FY22 PROPOSED AMENDMENTS $</th>
<th>FY22 PROPOSED AMENDMENTS %</th>
<th>FY23 ADOPTED BUDGET</th>
<th>FY23 AMENDED BUDGET</th>
<th>FY23 PROPOSED AMENDMENTS $</th>
<th>FY23 PROPOSED AMENDMENTS %</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>5202</td>
<td>Operating Supplies</td>
<td>5,900</td>
<td>6,608</td>
<td>708</td>
<td>12%</td>
<td>6,600</td>
<td>7,300</td>
<td>600</td>
<td>12%</td>
<td>Vendor price increases</td>
</tr>
<tr>
<td>5208</td>
<td>Equipment Maintenance</td>
<td>4,200</td>
<td>4,500</td>
<td>500</td>
<td>13%</td>
<td>5,000</td>
<td>5,050</td>
<td>550</td>
<td>12%</td>
<td>Vendor price increases</td>
</tr>
<tr>
<td>5204</td>
<td>Chemicals</td>
<td>55,000</td>
<td>66,000</td>
<td>11,000</td>
<td>20%</td>
<td>66,000</td>
<td>66,000</td>
<td>11,000</td>
<td>20%</td>
<td>Vendor price increases</td>
</tr>
<tr>
<td>5224</td>
<td>Record and Permits</td>
<td>8,075</td>
<td>9,000</td>
<td>925</td>
<td>11%</td>
<td>9,000</td>
<td>9,000</td>
<td>925</td>
<td>11%</td>
<td>Vendor price increases</td>
</tr>
</tbody>
</table>

**Total Proposed Amendments**

<table>
<thead>
<tr>
<th>FY22</th>
<th>FY23</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 13,793</td>
<td>$ 14,015</td>
</tr>
<tr>
<td>A/C NUMBER</td>
<td>EXPENSE DESCRIPTION</td>
</tr>
<tr>
<td>------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>5213</td>
<td>Survey and Appraisal</td>
</tr>
<tr>
<td>5627</td>
<td>Port Security</td>
</tr>
<tr>
<td>5254</td>
<td>Membership Dues</td>
</tr>
<tr>
<td>5105</td>
<td>Overtime</td>
</tr>
</tbody>
</table>
Memorandum 22-052

TO: Mayor Castner and Homer City Council
FROM: Rob Dumouchel, City Manager
DATE: March 24, 2022
SUBJECT: FY22/23 Midbiennium Operating Budget Adjustment

When the FY22/23 Operating Budget was approved, it was very conservative in its approach. We were just coming out of the pandemic, and experiencing a time of great uncertainty. While staff and Council both believed that we were on track for a very strong recovery from the pandemic, it was difficult to forecast that optimism in a reasonable way. Now that we are approximately three quarters into the biennium, the revenue picture is much clearer. Using current trends, we have reforecast sales tax revenues and this midbiennium adjustment proposes using a portion of those additional funds to move forward with the following:

1. Implement a 7% cost of living adjustment (COLA) for FY23
2. Add three new staff positions (IT Network Administrator, Two Special Projects Coordinators)
3. Make adjustments to specific line items for the Departments
4. Provide admin fee relief to the Enterprise and Utility funds
5. Remaining surplus to go to unassigned General Fund Fund Balance

The proposed adjustments are aggressive but realistic. They are also necessary to retain skilled employees to carry out the Council's goals and directions.

Sales Tax Forecast

Sales tax is the biggest driver of Homer's annual revenues. In past years, we have used a linear regression model to forecast future sales tax revenue. For the FY22/23 Operating Budget, we used a modified linear regression model that minimized the impact of 2020 and the pandemic. With the strength of post-pandemic sales tax revenues, matched with the big dip in 2020, it has become very difficult to get a realistic forecast using traditional methods. For the midbiennium adjustment, we are using data for the fiscal year to date, matched with real data from truncated FY21 to make a composite forecast of FY22. We included a 5% escalation for FY23. The hope is that by the time we’re adopting the FY24/25 operating budget, we can start to shift back to more traditional forecasting models.

With the updated methodology, we are seeing significant increases in the sales tax forecast. The impact to the General Fund is $2.4M in FY22 and $2.6M in FY23. The table below shows the impacts to all types of sales tax revenues.
FY22 Sales Tax Revenue Impacts:

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>FY22 Adopted</th>
<th>FY22 Amended</th>
<th>Difference ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>5,837,403</td>
<td>8,285,547</td>
<td>2,448,144</td>
</tr>
<tr>
<td>HART-Roads</td>
<td>1,322,458</td>
<td>1,833,687</td>
<td>511,228</td>
</tr>
<tr>
<td>HART-Trails</td>
<td>146,940</td>
<td>203,743</td>
<td>56,803</td>
</tr>
<tr>
<td>HAWSP</td>
<td>1,469,398</td>
<td>2,037,430</td>
<td>568,031</td>
</tr>
<tr>
<td>Police Station</td>
<td>587,759</td>
<td>814,972</td>
<td>227,213</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$9,363,958</td>
<td>$13,175,377</td>
<td>$3,811,419</td>
</tr>
</tbody>
</table>

FY23 Sales Tax Revenue Impacts:

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>FY23 Adopted</th>
<th>FY23 Amended</th>
<th>Difference ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>6,034,600</td>
<td>8,699,824</td>
<td>2,665,224</td>
</tr>
<tr>
<td>HART-Roads</td>
<td>1,366,100</td>
<td>1,925,371</td>
<td>559,270</td>
</tr>
<tr>
<td>HART-Trails</td>
<td>151,789</td>
<td>213,930</td>
<td>62,141</td>
</tr>
<tr>
<td>HAWSP</td>
<td>1,517,889</td>
<td>2,139,301</td>
<td>621,412</td>
</tr>
<tr>
<td>Police Station</td>
<td>607,156</td>
<td>855,720</td>
<td>248,565</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$9,677,535</td>
<td>$13,834,146</td>
<td>$4,156,611</td>
</tr>
</tbody>
</table>

FY23 COLA

I am proposing a 7% COLA for all staff\(^1\) in FY23. This replaces the budgeted 0.8% COLA scheduled for FY23. The proposed 7% increase roughly splits the difference between the 7.9% rate of inflation declared by the Bureau of Labor Statistics and the 5.9% COLA implemented by Social Security in 2022.

Estimated Financial Impact of COLA for FY23:

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Impact ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$477,254</td>
</tr>
<tr>
<td>Utility Fund</td>
<td>$88,043</td>
</tr>
<tr>
<td>Port &amp; Harbor Fund</td>
<td>$99,676</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$664,973</strong></td>
</tr>
</tbody>
</table>

\(^1\) This COLA excludes the City Manager. Per my contract, I do not receive staff COLAs.
This COLA request is in line with organizational goal 1.3 presented to Council at the recent visioning session: Provide fair, competitive, and equitable wages for all staff members. We are experiencing a time of high inflation which is negatively impacting our employees and their general purchasing power. Providing a reasonable COLA will help them maintain their households here in Homer and assist with retention of staff throughout the organization.

**New Positions**

I am requesting three additional staff positions in the midbiennium operating budget adjustment. The City is growing and Council has an ambitious vision for the future. To effectively carry out that vision, I will need to expand the team with a mix of staff positions and project-specific professional services contracts. The creation of these positions is in line with organizational goal 1.2: Recruit and retain sufficient staff to meet organizational needs and Council goals.

The positions requested are as follows:

**IT Network Administrator:** We have had extensive discussions at Council about the importance of IT to organizational success and how critically understaffed the IT division has been for many years. I have made organization design changes that have relieved some of the pressure on IT (i.e., teaming IT with the Library), but we still need to grow our IT team to meet the needs of the organization. The choice of a Network Administrator position was driven by months of discussion between the City Manager and Library Director around different ways we could most effectively and economically expand and improve IT services.

**Special Projects Coordinator (x2):** As Homer grows, we will see an increased need for highly skilled Special Projects Coordinators that can work collaboratively across departments to achieve high level goals and objectives set by Council. My intent is to attempt to recruit two Special Projects Coordinators with skill sets complementary to the existing team and the many special projects I anticipate we will be pursuing in the next few years. I expect these individuals to be involved in work related to fiscal policy, planning, preparation for adoption and implementation of a building code, volunteer program improvements, general project management, grant support, software migration and implementation, integration of the capital budget and various city plans, etc.

Estimated Financial Impact for FY22: $98,914

Estimated Financial Impact for FY23: $437,620 (includes COLA)

**Departmental Adjustments**

The proposed budget amendment includes a number of increases requested by the departments to keep pace with changes on the ground. These changes equate to an approximately 3.5% increase overall. We saw a lot of increases related to inflation, supply chain challenges, an abnormally snowy winter, and ongoing COVID impacts on staffing and overtime. There are also some small changes to account for things like an expanded Council travel budget for training and lobbying, training to support individuals promoted into advanced positions, increased advertising to support a strategic shift in methods of marketing and public outreach, etc. The specific line item requests are listed in an attachment to this memo.

<table>
<thead>
<tr>
<th></th>
<th>FY22 Adjustments ($)</th>
<th>FY22 Adjustments (%)</th>
<th>FY23 Adjustments ($)</th>
<th>FY23 Adjustments (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>455,188</td>
<td>3.4%</td>
<td>485,547</td>
<td>3.5%</td>
</tr>
</tbody>
</table>

235
Admin Fee Relief

The proposed budget amendment increases the sales tax revenue to a point that we can accomplish a COLA, add positions, and take care of departmental adjustments while having sufficient funds available to waive the admin fees for the Enterprise and Utility Funds. Enterprise admin fees will instead flow into Harbor Reserves. Utility Fund admin fees will be redirected into the Utility CARMA fund.

Admin Fees budgeted for FY22/23:

<table>
<thead>
<tr>
<th></th>
<th>Utility Fund</th>
<th>Enterprise Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY22</td>
<td>$588,359</td>
<td>$453,392</td>
</tr>
<tr>
<td>FY23</td>
<td>$605,719</td>
<td>$465,339</td>
</tr>
</tbody>
</table>

Surplus

In the past, any surplus funds were programmed into the various CARMA funds to balance the budget. For this budget adjustment, I am proposing that surplus funds be directed to the Unassigned General Fund Fund Balance. Council can decide at a future time where they would like to direct those funds.

Overall Picture

**General Fund:** In FY22 the General Fund, with all proposals contained in this memo, is forecasted to run a surplus of $852,290. In FY23, the surplus is projected to be $164,646.

**Utility Fund:** In FY22 the Utility Fund will eliminate a draw on fund balance (the original FY22 budget had a small deficit balanced by a draw from utility fund balance). With the removal of admin fees, it will also see a growth in the Utility CARMA fund balance of $545,026. In FY23 we have a similar situation. The draw on fund balance is eliminated and $340,970 will be directed to Utility CARMA.

**Enterprise Fund:** In FY22 the Enterprise will see a $419,315 increase in transfers to reserves. In FY23, the increase will be $352,085.

**Staff Recommendation:** Introduce and adopt Ordinance 22-20 amending the FY22/23 Operating Budget
Memorandum

TO: Mayor Castner and Homer City Council
FROM: Rob Dumouchel, City Manager
DATE: April 7, 2022
SUBJECT: City Manager’s Report for April 11, 2022 Council Meeting

Barge Redoubt
On March 31st the barge Redoubt broke free from its moorings and drifted ashore in Mud Bay. This triggered calls from the public to the Harbormaster’s office. The Harbormaster kept Coast Guard Sector Anchorage, Homer Dispatch, and my office updated as the situation unfolded. The tug Bob Franko and support vessel Allan G were able to work together to get the Redoubt moved back to deeper waters.

Food Truck Follow Up
Immediately after the passage of Ordinance 22-15(S)(A), staff began the transition of mobile food service (food truck) licensing from the Police Department to the Planning and Economic Development offices. We have compiled contact information for food trucks that have been licensed in Homer in the past few years and will be proactively reaching out with information on the updated code and fees. For the few food trucks that registered before the code change, I have staff offering refunds of the difference between the old and new license fees to ensure a fair starting point for the trucks doing business in Homer this year.

Short Term Rentals and Sales Tax
My office and the Finance Director have been collaborating on a public education flyer that will be mailed to all utility customers regarding sales tax for rentals. Short term rentals are subject to sales tax on a per-unit, per-night basis. The taxes collected must be remitted to the Kenai Peninsula Borough. We are in the process of sharing a draft with KPB sales tax division staff to ensure that it is accurate and does not conflict with any information provided by the Borough. If all parties agree on content, expect to see it in mailboxes with
water/sewer bills at the end of April. Regarding the larger discussion about short term rentals and the impacts they create on the City, I am working with Planning and Economic Development on the topic and intend to come to Council with a proposed pathway for addressing this issue in a comprehensive manner at a future meeting.

**Kachemak Way Sewer Repair**
Update from the Public Works Director regarding the recent road closure and sewer repair project on Kachemak Way: *It pays to have a Plan B when you go out of town! This is the lesson a homeowner on Kachemak Way learned recently.* The fellow who was looking after the house noticed sewage starting to back up in the house. He called Public Works, who after investigating the situation, concluded the service line was broken, in the road way, making it the City’s responsibility. The operators mobilized traffic control to close the road to through traffic and a large excavator to dig up the service line. The water/sewer crew found two separate cracks in the service line, repaired them, and turned the site back to the operators who filled in the hole, cleaned up the site and got traffic moving again the same day. The homeowner came back to a happy and healthy house.

**Main Street Sidewalk – It’s Time!**
The design for the Main Street Sidewalk is complete and we’re advertising the project for bid. Bids will be due May 2, 2022, and brought to the City Council for contract award on May 9. We’re projecting construction will start in early June and be complete by October 31\(^{st}\). The project will install an asphalt sidewalk on the west side of Main Street from the Homer Theatre to Dehl Avenue, by Bayview Park. The project will include ADA ramps at all intersections, ADA access to Bayview Park and storm drain upgrades.

**Coast Guard City Planning**
The City’s relationship to the Coast Guard is very important and there is a strong desire to strengthen that relationship over the coming years. At the visioning session in March, pursuit of a Coast Guard City designation was identified as a future project. Christine Drais, Assistant to the City Manager, and Councilmember Venuti met April 1st to start talking about the process of become a Coast Guard City and ways the City and other local stakeholders can work together to make Homer a great homeport for those stationed here.

**Burn Regulations**
Fire Chief Kirko and I met with Councilmembers Venuti and Aderhold to discuss issues connected to burning within city limits. We are evaluating existing code and permit conditions to see how they can be modernized to better serve the community. I anticipate an extended public engagement process that may be integrated into the building code and code enforcement discussions that were a high priority for Council at the visioning in March.

**State Approval of Homer as Official Early Voting Site**
Update from the City Clerk: *In past State elections, Homer City Hall has served as an Absentee in Person polling site for the two weeks prior to each election. What this means is voters come in and complete an absentee in person affidavit envelope, are issued a ballot, the voted ballot is sealed its envelope, and batches of envelopes with voted ballots are mailed daily to Juneau. Once in Juneau the envelopes are reviewed, voter registration is verified, cross checks are completed to ensure the absentee voter didn’t vote on election day, and then those ballots are counted and included in the final count that gets certified. Over the last several years the number of absentee in person voters has increased significantly in Homer and our Region 1 Director requested that Homer be added as an Early Voting Site. What this change means is that when voters come in during the two weeks prior to election day, they will check in with the election official who will pull up their information and print an affidavit form for the voter to sign affirming that they are a registered voter and that their information is correct. The voter*
will then be issued a ballot that will be counted by the optical scan unit that’s on site, just like on election day. Those counts will then be transmitted to Juneau and be included in the election day results. If a voter comes to vote early and their voter registration information is incorrect, then they will be asked to use the absentee in person voting method, and their absentee in person affidavit envelope will be used to update their voter registration through the State system. The Clerk’s office is very excited about this change! Please feel free to call us at 907-235-3130 with questions, and if we don’t have the answer, we’ll help you find it. The deadline to update your voter registration for the June 11th State Special Election is May 15th. Voter registration is available at the City Clerk’s Office, the Homer Public Library, and online at elections.alaska.gov. You will also find a helpful video at that web address that explains Ranked Choice Voting. If you’re interested in serving as an election official in the 2022 elections please contact the Clerk’s office.

Grant Symposium and Lobbying Efforts
Senator Murkowski’s office is hosting a federal grants symposium in Anchorage April 11th and 12th. The City’s grant specialist, Special Project Coordinator Jenny Carroll, and Harbormaster Bryan Hawkins will be attending the symposium to gather valuable information for the City. They are also tentatively scheduled to make a brief trip to Juneau to reconnect with some legislators regarding City priorities.
April 1, 2022

City of Homer
491 E. Pioneer Ave
Homer, AK 99603

Dear Mayor Castner, City Council, and City Staff,

This letter serves as our quarterly report for the period January 1st to March 31st, 2022. The Homer Business Advisor, Robert Green, has been busy this quarter working with clients gearing up for what should be a record-setting summer. Entrepreneurs in Homer have really appreciated having a business advisor on site, who is an expert in the community. In the absence of a Homer Business Advisor in 2019, the Alaska SBDC provided 156.5 advising hours to Homer clients, but surpassed that total in this quarter alone. Here is a summary of deliverables to the Homer community during the quarter:

Advising Hours: 184.7
Total Clients Advised: 57
New Businesses Started or Bought: 5
Jobs Supported: 237
Capital Infusion: $183,500
Client Satisfaction Surveys: 91% positive

The contract rate for a business advisor is $55 per hour, which includes salary, benefits, fixed, and administrative expenses. In addition to local expertise, the Alaska SBDC provides IBISWorld industry reports, retailing for $925 each, and ProfitCents financial analyses, valued at $2,750 each, to clients free of charge. Here is a summary of value provided to the Homer community during the quarter:

Business Advisor: $27,335
IBISWorld Industry Reports: $9,250
ProfitCents Financial Analyses: $16,500
Total: $53,085

We would like to thank the City of Homer for their support of the Homer Business Advisor position. Robert has been doing a great job with our clients in the Homer area and we feel this will be a beneficial partnership for years to come. Please do not hesitate to contact us if you have any questions.

Sincerely,

Jon Bittner
Executive Director
Alaska SBDC