



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

City of Homer Agenda

**City Council Regular Meeting
Monday, July 26, 2021 at 6:00 PM
In Person at City Hall Cowles Council Chambers
By Zoom Webinar**

<https://cityofhomer.zoom.us/j/205093973?pwd=UmhJWEZ3ZVdvdDkxZ3Ntbld1NINXQT09>

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Webinar ID: 205 093 973 Passcode: 610853

CALL TO ORDER, PLEDGE OF ALLEGIANCE

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

MAYORAL PROCLAMATIONS AND RECOGNITIONS

PUBLIC COMMENT ON MATTERS ALREADY ON THE AGENDA

RECONSIDERATION

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

- a.** Homer City Council Unapproved Regular Meeting Minutes for June 28, 2021. City Clerk. Recommend adoption.
- b.** Memorandum 21-119 from Deputy City Clerk Re: Councilmember Evensen Letter of Resignation and Declaration of Candidacy. Recommend approval.
- c.** Memorandum 21-120 from City Clerk Re: Letter from Mayor Castner in Response to Proposed changes to the Alaska Regional Contingency Plan. Recommend approval.
- d.** Ordinance 21-44, An Ordinance of the City Council of Homer, Alaska Amending Homer City Code 21.91 Planning Commission and Board of Adjustment to Remove the Board of Adjustment and 21.93 Administrative Appeals Establishing that Administrative Appeals from certain final City Planning Decisions shall be filed before a Hearing Officer and Supplementing Notice Requirements. City Clerk. Recommended dates Introduction July 26, 2021, Public Hearing and Second Reading August 9, 2021.

- e. Ordinance 21-45, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a State of Alaska Public Library Assistance Grant for FY 2022 in the Amount of \$7,000 for Books and Library Materials and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Library Director. Recommended dates Introduction July 26, 2021, Public Hearing and Second Reading August 9, 2021.

Memorandum 21-123 from Library Director as backup.

- f. Ordinance 21-46, An Emergency Ordinance of the City Council of Homer, Alaska Temporarily Suspending the Restrictions on Teleconference Participation for City Council and Advisory Bodies. City Clerk. Recommend adoption.

- g. Resolution 21-051, A Resolution of the City Council of Homer, Alaska Awarding the Small Works Road Repair Indefinite Duration, Indefinite Quantity Contract to East Road Services, Inc. of Homer, Alaska in the Amount of \$125,000 and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager/Public Works Director. Recommend adoption.

Memorandum 21-126 from Public Works Director as backup.

- h. Resolution 21-052, A Resolution of the City Council of Homer, Alaska Formally Authorizing the City Manager to Submit a Harbor Facility Grant Application to the State of Alaska Department of Transportation and Public Facilities in an Amount up to \$732,000 for the Homer Cathodic Protection Project. City Manager/Port Director. Recommend adoption.

Memorandum 21-127 from Port Director as backup.

- i. Resolution 21-053, A Resolution of the City Council of Homer, Alaska Amending and Updating the City of Homer Beach Policy and Renaming it the City of Homer Beach Policy and Management Plan. City Clerk/Parks Art Recreation and Culture Advisory Commission. Recommend adoption.

Memorandum 21-128 from Deputy City Clerk as backup.

VISITORS

- a. 2021 Homer Steps Up Walking Challenge Results and Awards - Derotha Ferraro, South Peninsula Hospital Director of Public Relations & Marketing (5 minutes)
- b. COVID-19 Agency Update - Derotha Ferraro, South Peninsula Hospital Director of Public Relations & Marketing and Lorne Carroll, State of Alaska Public Health Nurse III
- c. Prince William Sound Regional Citizen Advisory Council Report - Robert Archibald (10 minutes)

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

- a. Worksession Report
- b. Committee of the Whole Report
- c. Mayor's Report
- d. Borough Report
- e. Americans with Disabilities Act Compliance Committee
- f. Public Works Campus Task Force

PUBLIC HEARING(S)

- a. Ordinance 21-26, An Ordinance of the City Council of Homer, Alaska Amending Homer City Code 10.08.210 Vessel Speed Limits, Renaming the Section, Extending the No Wake Zone throughout City Tidelands, and Closing Louie’s Lagoon and the Entrance to Beluga Slough to Motorized Vessels and Amending the FY21 Operating Budget to Authorize Expenditure of up to \$2,000 for Motorized Vessel Regulation Changes. Lord. Introduction April 26, 2021 Public Hearing and Second Reading May 10 **June 28**, 2021

Ordinance 21-26(S), An Ordinance of the City Council of Homer, Alaska Amending Homer City Code 10.08.210 Vessel Speed Limits, Renaming the Section, Extending the No Wake Zone throughout City Tidelands, and Closing ~~Louie’s Lagoon and the Entrance to Beluga Slough~~ **Specific City Tidelands** to Motorized Vessels and Amending the FY21 Operating Budget to Authorize Expenditure of up to \$2,000 for Motorized Vessel Regulation Changes. Lord.

Memorandums from Commissions as backup
 Memorandum 21-070 from Councilmember Lord as backup

- b. Ordinance 21-36(S), An Ordinance of the City Council of Homer, Alaska Adopting the Fiscal Years 2022 and 2023 Capital Budget. City Manager. Introduction June 14, 2021 Public Hearing and Second Reading June 28, 2021, Postponed to July 26, 2021.

Ordinance 21-36(S-2), An Ordinance of the City Council of Homer, Alaska Adopting the Fiscal Years 2022 and 2023 Capital Budget. City Manager.

Memorandum 21-122 from City Manager as backup
 Memorandum 21-101 from City Manager as backup

- c. Ordinance 21-37, An Ordinance of the City Council of Homer, Alaska Accepting and Appropriating a State of Alaska Department of Public Safety Coronavirus Emergency Supplemental Funding Program Grant in the Amount of \$28,584.31 for Reimbursement for the Purchase of Respirators, and Cleaning and Sanitizing Equipment. City Manager/Police Chief. Introduction June 28, 2021 Public Hearing and Second Reading July 26, 2021.

Memorandum 21-106 from Police Chief as backup

- d. Ordinance 21-38, An Ordinance of the City Council of Homer, Alaska Amending the FY2021 Capital Budget by Appropriating \$150,000 from the Homer Accelerated Roads and Trails (HART) Fund for the Implementation of the Iris Court Drainage Improvement Project. City Manager/Public Works Director. Recommended dates Introduction June 28, 2021 Public Hearing and Second Reading July 26, 2021.

Ordinance 21-38(S), An Ordinance of the City Council of Homer, Alaska Amending the FY2021 Capital Budget by Appropriating \$150,000 from the Homer Accelerated Roads and Trails (HART) Fund for the Implementation of the Iris Court Drainage Improvement Project. City Manager/Public Works Director.

Memorandum 21-129 from Public Works Director as backup.
Memorandum 21-107 from Public Works Director as backup.

- e. Ordinance 21-39, An Ordinance of the City Council of Homer, Alaska Amending the FY 2021 Capital Budget by Appropriating an Additional \$180,657 from the Homer Accelerated Roads and Trails (HART) Fund for the Design of Phase 1 of the Mt. Augustine Road Drainage Improvement Project. City Manager/Public Works Director. Introduction June 28, 2021 Public Hearing and Second Reading July 26, 2021.

Memorandum 21-108 from as Public Works Director as backup.

- f. Ordinance 21-40, An Ordinance of the City Council of Homer, Alaska Amending Homer City Code 2.08.120 Teleconference-Limitations. City Clerk. Introduction June 28, 2021 Public Hearing July 26, 2021.

Memorandum 21-109 from City Clerk as backup

- g. Ordinance 21-42, An Ordinance of the City Council of Homer, Alaska Authorizing the City Manager to Expand a Non-Exclusive Public Utility Easement on the Homer Spit and Authorizing the City Manager to Negotiate and Enter into an Agreement with Alaska Communications Internet, LLC (ACS) for Payment to the City in the amount of Seventy Five Thousand (\$75,000) as Compensation for the City's Efforts in Expanding the Easement and for past use of the Property without Authorization by ACS. City Manager/Port Director. Introduction June 28, 2021 Public Hearing and Second Reading July 26, 2021.

Memorandum 21-111 from Port Director as backup.

- h. Ordinance 21-43, An Ordinance of the City Council of Homer, Alaska Submitting a Ballot Question of Limitation of Terms for the Mayor and City Council Members at the October 5, 2021 Regular Municipal Election. Evensen/Mayor. Introduction June 28, 2021 Public Hearing and Second Reading.

Memorandum 21-112 from City Clerk as backup

ORDINANCE(S)

- a. Ordinance 21-47, An Ordinance of the City Council of Homer, Alaska Amending the FY 2022 and FY 2023 Operating Budgets to Maintain A Balanced Budget in Response to Mayoral Line Item Reductions. City Manager. Introduction July 26, 2021 Public Hearing and Second Reading August 9, 2021.

Memorandum 21-124 from Mayor as backup.

Memorandum 21-125 from City Manager as backup.

CITY MANAGER'S REPORT

- a. City Manager's Report

PENDING BUSINESS

- a. Ordinance 21-41, An Ordinance of the City Council of Homer, Alaska Amending Homer City Code 21.18.020, Central Business District, 21.24.020 General Commercial 1, 21.26.020 General Commercial 2, 21.27.020 East End Mixed Use, 21.62.020 Marijuana Cultivation, Manufacturing, Testing, and Retail Facilities to Include a Consumption Endorsement as Defined by State Law. Planning Commission. Introduction June 28, 2021, Postponed to Introduction July 26, 2021 Public Hearing and Second August 9, 2021

Memorandum 21-110 from City Planner as backup.

- b. Resolution 20-077(S), A Resolution of the City Council of Homer, Alaska Adopting a Reserve Fund Policy for the Collection and Use of Water and Sewer Depreciation Reserve Funds **Capital Asset Repair And Maintenance Allowance Fund** . Lord/Aderhold. (Postponed from June 28, 2021)

Memorandum 21-114 from Public Works Director as backup

Memorandum 21-074 from Public Works Director as backup

Memorandum 21-042 from Public Works Director as backup

Memorandum 20-205 from Public Works Director as backup

Memorandum 20-165 from Finance Director as backup

NEW BUSINESS

- a. Memorandum 21-121 from City Clerk Re: Letter from Mayor Castner regarding Kenai Peninsula Borough Planning Commission Appointments.
- b. Memorandum 21-124 from Mayor Castner Re: Ordinance 21-32(S)-Line Item Reductions.

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, August 9, 2021 at 6:00 p.m., Worksession at 4:00 p.m. Committee of the Whole at 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

Session 21-16 a Regular Meeting of the Homer City Council was called to order on June 28, 2021 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, VENUTI, EVENSEN, LORD, SMITH, HANSEN-CAVASOS

STAFF: CITY MANAGER DUMOUCHEL
CITY CLERK JACOBSEN
FINANCE DIRECTOR WALTON
PUBLIC WORKS DIRECTOR KEISER
PERSONNEL DIRECTOR BROWNING
PORT DIRECTOR HAWKINS
CITY PLANNER ABBOD
FIRE CHIEF KIRKO
SPECIAL PROJECTS & COMMUNICATIONS COORDINATOR CARROLL
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 supplemental items – Public Hearings: Ordinance 21-36 and 21-36(S), An Ordinance of the City Council of Homer, Alaska Adopting the Fiscal Years 2022 and 2023 Capital Budget. City Manager. Memorandum 21-117 from City Manager as backup. Ordinances: Ordinance 21-41, An Ordinance of the City Council of Homer, Alaska Amending Homer City Code 21.18.020, Central Business District, 21.24.020 General Commercial 1, 21.26.020 General Commercial 2, 21.27.020 East End Mixed Use, 21.62.020 Marijuana Cultivation, Manufacturing, Testing, and Retail Facilities to Include a Consumption Endorsement as Defined by State Law. Planning Commission. June 2, 2021 Planning Commission minutes excerpt as backup; Ordinance 21-43, An Ordinance of the City Council of Homer, Alaska Submitting a Ballot Question of Limitation of Terms for the Mayor and City Council Members at the October 5, 2021 Regular Municipal Election. Evensen/Mayor. Term limit article provided by Councilmember Evensen as backup. Pending Business: Ordinance 21-26, An Ordinance of the City Council of Homer, Alaska Amending Homer City Code 10.08.210 Vessel Speed Limits, Renaming the Section, Extending the No Wake Zone throughout City Tidelands, and Closing Louie's Lagoon and the Entrance to Beluga Slough to Motorized Vessels and Amending the FY21 Operating Budget to Authorize Expenditure of up to \$2,000 for Motorized Vessel Regulation Changes. Lord. Written public comments.

LORD/VENUTI MOVED TO APPROVE THE AGENDA AS AMENDED.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

MAYORAL PROCLAMATIONS AND RECOGNITIONS

Mayor Castner announced the 4th of July parade is happening this year and the Chamber of Commerce is sponsoring the Homer Peony Celebration which will include garden tours. He encouraged everyone to go watch the activities at the fish cleaning stations, kite surfers on the beach, and visit a peony garden while in Homer.

PUBLIC COMMENT ON MATTERS ALREADY ON THE AGENDA

Chris Logan, City resident and marijuana business owner, voiced her support for Ordinance 21-41 regarding onsite marijuana consumption. She explained how there are no legal places in Homer for tourists to smoke and the restrictive state requirements to allow onsite consumption. She spoke to her prior conversations with the Planning Commission and how at their last meeting they brought up concerns regarding onsite consumption, all of which are addressed by state regulations. If Council were to pass the ordinance, it would then move forward for public hearing and a six months or more process through the Alcohol Marijuana Control Office (AMCO), with no guarantee that an applicant would be approved at that level. Ms. Logan thanked the Mayor and Council and said she'd be available for any questions.

Mark Turner, voiced his support for Ordinance 21-41 and considered its approval to be a safety issue. He reiterated Ms. Logan's comments on there being no place in Homer for tourists to smoke legally and opined the proximity of the business to Bishop's Beach is no different than the proximity of bars and restaurants that allow drinking. Mr. Turner encouraged Council to approve the ordinance primarily for safety, and if not, then for some economic boom to the tourist industry.

Pat Irwin, City resident, voiced his support for Ordinance 21-26 extending the no-wake zone. He shared how he is a partially disabled kayaker and is all for extending the no-wake zone closer to shore where he paddles his special kayak.

Chris Long, co-owner of Cosmic Cannabis Company, voiced his support for Ordinance 21-41 for onsite consumption. He explained how it would provide a safe place to consume as well as help the City financially through added revenue and taxes. He reiterated his support for the ordinance and hopes the City can move forward with it.

Jay Marley, City resident, wanted to speak to Ordinance 21-34 and was instructed by Mayor Castner to wait until Public Hearings.

RECONSIDERATION

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

- a. Homer City Council Unapproved Special and Regular Meeting Minutes for June 14, 2021. City Clerk. Recommend Adoption.

- b. Memorandum 21-104 from Mayor Castner re: Reappointment of Roberta Highland and Scott Smith to the Planning Commission. Recommend approval.
- c. Memorandum 21-105 from City Clerk re: Liquor License Renewal for American Legion Post #16 and Boardwalk Fish and Chips. Recommend approval.
- d. Ordinance 21-37, An Ordinance of the City Council of Homer, Alaska Accepting and Appropriating a State of Alaska Department of Public Safety Coronavirus Emergency Supplemental Funding Program Grant in the Amount of \$28,584.31 for Reimbursement for the Purchase of Respirators, and Cleaning and Sanitizing Equipment. City Manager/Police Chief. Recommended dates Introduction June 28, 2021 Public Hearing and Second Reading July 26, 2021.

Memorandum 21-106 from Police Chief as backup.

- e. Ordinance 21-38, An Ordinance of the City Council of Homer, Alaska Amending the FY2021 Capital Budget by Appropriating \$150,000 from the Homer Accelerated Roads and Trails (HART) Fund for the Implementation of the Iris Court Drainage Improvement Project. City Manager/Public Works Director. Recommended dates Introduction June 28, 2021 Public Hearing and Second Reading July 26, 2021.

Memorandum 21-107 from Public Works Director as backup.

- f. Ordinance 21-39, An Ordinance of the City Council of Homer, Alaska Amending the FY 2021 Capital Budget by Appropriating an Additional \$180,657 from the Homer Accelerated Roads and Trails (HART) Fund for the Design of Phase 1 of the Mt. Augustine Road Drainage Improvement Project. City Manager/Public Works Director. Recommended dates Introduction June 28, 2021 Public Hearing and Second Reading July 26, 2021.

Memorandum 21-108 from as Public Works Director as backup.

- g. Ordinance 21-40, An Ordinance of the City Council of Homer, Alaska Amending Homer City Code 2.08.120 Teleconference-Limitations. City Clerk. Recommended dates Introduction June 28, 2021 Public Hearing and Second Reading July 26, 2021.

Memorandum 21-109 from City Clerk as backup.

- h. Ordinance 21-42, An Ordinance of the City Council of Homer, Alaska Authorizing the City Manager to Expand a Non-Exclusive Public Utility Easement on the Homer Spit and Authorizing the City Manager to Negotiate and Enter into an Agreement with Alaska Communications Internet, LLC (ACS) for Payment to the City in the amount of Seventy Five Thousand Dollars (\$75,000) as Compensation for the City's Efforts in Expanding the Easement and for Past use of the Property without Authorization by ACS. City Manager/Port Director. Recommended dates Introduction June 28, 2021 Public Hearing and Second Reading July 26, 2021.

Memorandum 21-111 from Port Director as backup.

- i. Resolution 21-046, A Resolution of the City Council of Homer, Alaska (hereinafter Municipality) Accepting Coronavirus State and Local Recovery Funds Award to Non-Entitlement Units of Local Government (NEUs) from the Alaska Department of Commerce, Community and Economic Development (hereinafter Department). City Manager. Recommend adoption.

Memorandum 21-118 from City Manager as backup.

- j. Resolution 21-047, A Resolution of the City Council of Homer, Alaska Awarding the Contract for the Homer Harbor Commercial Barge Ramp Repair Project and Spit ADA Parking Pads Project to Dutch Boy Landscaping and Paving of Homer, Alaska in the Amount of \$49,100 and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager/Public Works Director. Recommend Adoption.

Memorandum 21-115 from Public Works Director as backup.

- k. Resolution 21-048, A Resolution of the City Council of Homer, Alaska Awarding the Contract for the Woodard Creek Culvert Project to Qayaq Construction LLC of Wasilla, Alaska in the amount of \$324,997 and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager/ Public Works Director. Recommend adoption.

Memorandum 21-116 from Public Works Director as backup.

- l. Resolution 21-049, A Resolution of the City Council of Homer, Alaska Adopting Joint Resolution 2101-001 of the Assembly of the Kenai Peninsula Borough and Councils of the Cities of Homer, Kenai, Seldovia, Seward, and Soldotna for the Purpose of Intergovernmental Administration of Borough and City Elections. City Clerk. Recommend adoption.

- m. Resolution 21-050, A Resolution of the City Council of Homer, Alaska Amending the Port and Harbor Advisory Commission Bylaws Article V-Meetings to amend Section 1 Meeting Schedule and Removing Sections 2 and 3 Related to Task Scheduling. City Clerk. Recommend adoption.

City Clerk Jacobsen read the consent agenda its recommendations.

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

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

VISITORS

- a. Unified Command Report (20 minutes)

Fire Chief Mark Kirko provided an introduction to Unified Command's report and recapped the City's response to COVID-19, given the emergency declaration expires June 29th.

In a joint presentation, Chief Kirko, Special Projects and Communications Coordinator Jenny Carroll, Public Health Nurse (PHN) Lorne Carroll, and Derotha Ferraro with South Peninsula Hospital (SPH) spoke to each aspect of our community's response.

- Chief Kirko and Ms. Carroll defined what a unified command is, how the community partners play a role, and the specific duties of the unified command center members.
- PHN Carroll spoke to their coordinated resource distribution, and the importance of team communications and emergency pre-planning between these partners.
- Chief Kirko spoke to the team's success, but also the lessons learned; there is a need for more practice in responding to emergencies before another incident happens.
- PHN Carroll spoke to messaging efforts, combating misinformation, the communication channels used, taking community feedback and redirecting that up the chain of command.
- Ms. Carroll commented on other components of the response, such as the massive effort to create, collect, and distribute masks. Lessons learned is that even national/global distribution disruptions affected us locally.
- Ms. Ferraro spoke to the medical response aspect, including expanding medical capacity, providing COVID healthcare without disrupting other healthcare needs, testing efforts, vaccination roll-outs and logistics as large Point of Dispensing (POD) events and then later as smaller pop-up events. She said the biggest lessons learned surrounded around the ever-changing information that came from the state and federal government. She spoke to SPH's internal unified command and their anticipated final meeting, and later moving towards the after-action meetings.
- Ms. Carroll spoke to the key of our local success was our community. Having the outpouring of mask making, answering phones, bringing food in, putting up posters, delivering goods. Everyone stepped up.
- PHN Carroll spoke to the assessment process for health, and moving forward we have a lot to learn. He thanked our partners.

Chief Kirko commented, in closing, that he is thankful for the team he worked with. He thanked Council for being supportive and making good decisions that helped us get through it. He thanked our extended partners and our immediate partners in Homer's Unified Command.

In response to Mayor Castner's question about the 75% vaccination rate reported in the newspaper, PHN Carroll explained what that data meant and how it may need updating by the State.

Mayor Castner thanked Unified Command for an excellent wrap-up. He requested that he and councilmembers be included in the final "lessons learned" meetings so they could provide information from the elected officials' standpoint.

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

- a. Committee of the Whole Report

Councilmember Lord reported that at Committee of the Whole they discussed Ordinance 21-39 regarding the Mt. Augustine Road Drainage Improvement Project amount, Memorandum 21-104 about commission appointments, Resolution 21-048 for the Woodard Creek Culvert Project contract and how projects are managed and contingency amounts are handled, Ordinance 21-42 disposition of City property in regards to a utility easement and where funds go for that, scope of City permitting, and on the capital budget which is included in the supplemental packet and will be discussed further at this meeting.

b. Mayor's Report

Mayor Castner reported on the finances of the City and how it will be the primary focus of this meeting. He spoke to the change to a 2-year budget cycle, the 2021 truncated budget and how that audit will be unlike any other we've had given it's just half a year, and the large amount of work that went into writing a budget that talks to the Council on a regular basis to provide a better management of cash flow.

c. Borough Report

Assembly Member Lane Chesley reported on a previous question made by Mayor Castner regarding reducing the borough's planning commission seats. He explained how there will be an upcoming July 7th meeting concerning governmental powers that will include area City Managers and other elected officials. Mayor Castner voiced his concerns regarding the reduction and it not reflecting the needs of our city; if we were to go without a seat for any period of time it would be crippling for planning and zoning needs.

d. Planning Commission

i. Planning Commission Report

Planning Commissioner Roberta Highland commented on her reappointment and the discussion held at Committee of the Whole regarding pros/cons of serving on a commission long-term. She reported on the recent activity by the commission. They will soon be entering into mitigation planning, which would make the City eligible for hazard mitigation grant funds. The commission approved a CUP to add multiple structures for office space dwellings and guestrooms at 1308 Lakeshore Drive, and reviewed an ordinance amending the administrative appeals process for City Planning decisions under City Code.

e. Parks Art Recreation and Culture Advisory Commission

Parks Art Recreation and Culture Advisory Commissioner Ingrid Harrald reported that Community Rec is now able to use the high school for programs, in addition to the HERC building, and are implementing the new Kenai Peninsula Borough School District's mitigation plan. She noted the Spit Run was a success, parks' camping numbers are comparable to last year, increase of bike rentals on the Spit, progress on the Duffy memorial benches, upcoming tournaments and events, installation of new skate park equipment, a mural project proposal at the airport, the work done on the beach policy, and the commission's selections for the City Capital Improvement Plan.

- f. Port and Harbor Advisory Commission
- g. Public Works Campus Task Force

Councilmember Venuti reported the task force has been discussing the criteria for evaluating their strategies and the criteria scoresheet, and reviewed the draft report that the task force will be presenting to City Council.

PUBLIC HEARING(S)

- a. Ordinance 21-32, An Ordinance of the Homer City Council Appropriating Funds for the Fiscal Years 2022 and 2023 for the General Fund, the Water Fund, the Sewer Fund, the Port/Harbor Fund, and Internal Service Funds. City Manager. Introduction May 24, 2021, Public Hearing June 14 and 28, Second Reading June 28, 2021.

Ordinance 21-32(S), An Ordinance of the Homer City Council Appropriating Funds for the Fiscal Years 2022 and 2023 for the General Fund, the Water Fund, the Sewer Fund, the Port/Harbor Fund, and Internal Service Funds. City Manager.

Memorandum 21-087 from City Manager as backup.

Mayor Castner opened the public hearing. There were no requests for public comment and the public hearing was closed.

LORD/VENUTI MOVED TO ADOPT ORDINANCE 21-32 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

LORD/VENUTI MOVED TO SUBSTITUTE ORDINANCE 21-32(S) FOR 21-32.

Councilmember Aderhold requested clarification on the various professional services line items that are in the different department budgets. City Manager Dumouchel described the various uses of that line item, which are largely for smaller purchases that are within the City's Procurement Policy allowances. He noted there is typically a note below the line item that defines its use.

Mayor Castner commented that it's not the \$1,000 to \$2,000 purchases, but the larger six figure amounts that may be swept into the budget without Council discussion. One purchase in particular that bothered him was not being able to discuss the audit parameters and contract with VBO.

Councilmember Lord voiced her appreciation for City staff's work on putting this budget together. It is a budget that she can support, but her biggest caveats and concerns are with the lack of transfers to reserves, which dovetails into her concerns regarding the capital budget and reserve policy in general.

Councilmember Smith voiced his surprise the little amount of public comments they've been receiving on what is a very large budget. He thanked the administration and City staff for the large amount of

effort that went into creating this budget. He shared the same concerns as Councilmember Lord for the low returns and small reserve transfers. He too hopes for healthier returns later in the year from post-COVID improvements and federal relief funds.

Mayor Castner voiced his optimism for income improvements and revenue coming in over the next budget cycle. He noted that they have some serious budget and accounting items they will need to straighten out before they cry poverty.

VOTE (substitution): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

VOTE (main motion): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

Councilmember Smith's inquired on when would be the appropriate time to call for reconsideration. Mayor Castner welcomed a motion for reconsideration. He explained how the request is procedural to ensure the budget passes and is not reconsidered in the next 48 hours, preventing its implementation at the beginning of the next fiscal year in two days.

SMITH/LORD MOVED TO RECONSIDER ORDINANCE 21-32.

In response to questions from Councilmember Smith and Aderhold, Mayor Castner explained how the request is procedural to ensure the budget passes and a "no" vote means the ordinance cannot be reconsidered in the next 48 hours, preventing its implementation at the beginning of the next fiscal year in two days.

Councilmember Smith clarified that this is not for the capital budget.

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

Motion failed.

- b. Ordinance 21-36, An Ordinance of the City Council of Homer, Alaska Adopting the Fiscal Years 2022 and 2023 Capital Budget. City Manager. Introduction June 14, 2021 Public Hearing and Second Reading June 28, 2021.

Ordinance 21-36(S), An Ordinance of the City Council of Homer, Alaska Adopting the Fiscal Years 2022 and 2023 Capital Budget. City Manager.

Memorandum 21-101 from City Manager as backup.

Mayor Castner opened the public hearing. There were no requests for public comment and the public hearing was closed.

LORD/VENUTI MOVED TO ADOPT ORDINANCE 21-36 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

LORD/VENUTI MOVED TO SUBSTITUTE ORDINANCE 21-36(S) FOR 21-36.

Councilmember Lord requested a briefing of what changed. City Manager Dumouchel noted the City funded grant funds, which was removed from the list, and some projects were broken out into a separate ordinance, such as the Mt. Augustine project.

VOTE (substitution): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

Councilmember Lord reiterated the discussion held at Committee of the Whole about postponing the capital budget specifically for one more meeting to be able to have more time for discussion, more public input, and to make amendments.

Councilmember Smith requested clarification on if that was a motion to postpone until the next meeting. Mayor Castner and Councilmember Lord clarified they were currently holding discussion to see if there were any amendments to make at this time, and they would then take final action at a second meeting.

Mayor Castner voiced his concerns with the capital budget and the direction of the Capital Asset Repair and Maintenance Allowance (CARMA) fund. He would like to see the amortization plan for equipment replacement expanded out a little further so that they're not just looking at things the City is going to spend \$2 million on in two years, when some of the items span out over a five or seven year period. He commented on the failures they have seen with job cost accounting, and how some kind of methodology or software program should be implemented and used by Public Works or the Port and Harbor to determine project costs.

Councilmember Aderhold responded to Mayor Castner's comments about the CARMA fund. Council has discussed vehicle replacement schedules, how the City went a long period of time where we weren't replacing equipment, and now we are having to do a lot of replacement all at once. She put that into context with previous documents Council has seen in the past, and how it would be helpful to have some information in the current budget that shows how that expenditure complies with the replacement schedule we have. She noted that the document doesn't show what those expenses do to our reserve accounts at the end so they can see what monies are left over and be able to determine if we're spending our money wisely.

Councilmember Smith voiced his capital budget concerns, whether lightly seasoned vehicles really need to be replaced, and the City's commitment to overpriced engineering costs for projects. He appreciates the opportunity to have more time on this matter. He recognized the other points made by Mayor Castner and Councilmember Aderhold on how something else could come from this two year budget window that is more important to spend the money on at year three or four.

Mayor Castner requested that each councilmember schedule some time with City Manager Dumouchel to meet individually with him and learn more about the capital budget so they could come to the next meeting with a plan. There was brief discussion on what the Mayor was asking of the Council. City Manager Dumouchel noted that the main concern with meeting separately would be causing a serial meeting and violating the Open Meetings Act. He said he'd be happy to meet with councilmembers, but suggested a worksession may be more appropriate.

Councilmember Lord echoed similar comments made regarding fleet replacement and responsible management of reserves. She pointed out the supplemental packet items in reference to Councilmember Smith's comments regarding multi-year plan for roads, and voiced her support for the larger fund expenditures.

Councilmember Evensen concurred with Councilmember Lord's comments. He commented on the Main Street sidewalk project and that he does feel from a public safety risk perspective that it would be worth the large expense.

Councilmember Smith noted that we do have a fleet replacement schedule, he just doesn't want the City to automatically replace those vehicles as they come up if they don't need to be replaced. He opined there needs to be an assessment of each of those vehicles to determine replacement.

LORD/ADERHOLD MOVED TO POSTPONE ORDINANCE 21-36(S) TO THE JULY 26TH MEETING AND TO HOLD IT AS A PUBLIC HEARING.

Councilmember Lord suggested that it be held as another public hearing. City Clerk Jacobsen clarified the next City Council meeting date is July 26th, not July 27th.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

Mayor Castner called for a 10 minute recess at 7:40 p.m. He reconvened the meeting at 7:50 p.m.

- c. Resolution 21-038(S), A Resolution of the City Council of Homer, Alaska Amending the Homer Fee Schedule Under **Administration Fees**, City Clerk Fees and Planning and Zoning Fees. City Clerk. Follows Ordinance 21-32.

Memorandum 21-095 from City Clerk as backup.

Memorandum 21-083 from City Clerk as backup.

Mayor Castner opened the public hearing. There were no requests for public comment and the public hearing was closed.

LORD/VENUTI MOVED TO ADOPT RESOLUTION 21-38(S) BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

- d. Resolution 21-039(S), A Resolution of the City Council of Homer, Alaska Amending the Homer Tariff No. 1 under **Rule 12- Parking** Rule 26-Fish Dock Rates, Rule 35-Upland Storage, and Rule 35-Fish Disposal/Grinding and Fees. Follows Ordinance 21-32.

Memorandum 21-096 from City Clerk as backup.

Memorandum 21-084 from City Clerk as backup.

Mayor Castner opened the public hearing. There were no requests for public comment and the public hearing was closed.

LORD/VENUTI MOVED TO ADOPT RESOLUTION 21-39(S) BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

There was no discussion

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

- e. Ordinance 21-33, An Ordinance of the City Council of Homer, Alaska Amending Homer City Code Chapter 7.20 Snowmachines to include All-Purpose Vehicles. Aderhold. Recommended dates Introduction June 14, 2021 Public Hearing and Second Reading June 28, 2021.

Memorandum 21-091 from City Manager as backup.

Mayor Castner opened the public hearing. There were no requests for public comment and the public hearing was closed.

LORD/ADERHOLD MOVED TO ADOPT ORDINANCE 21-33 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

Councilmember Evensen requested that Councilmember Aderhold give a brief explanation of the ordinance as its sponsor.

Councilmember Aderhold explained that this ordinance is in response to Governor Dunleavy's state law that allows snowmachines and utility vehicles (ATVs) to operate on roads less than 45 mph. The rule is targeted towards small, rural communities that use these types of vehicles as a mode of transportation, and is proposing that municipalities may opt out of the rule. She felt that Homer would not want ATV's

or snowmachines operating at 45 mph along our roadsides and has consulted with Chief Robl on this matter.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

- f. Ordinance 21-34, An Ordinance of the City Council of Homer, Alaska Amending the 2021 Capital Budget and Authorizing the Expenditure of \$287,692 from the Homer Accelerated Water and Sewer Program to Complete the Tasmania Court Sewer Improvement Project. City Manager/Public Works Director. Introduction June 14, 2021 Public Hearing and Second Reading June 28, 2021.

Memorandum 21-092 from Public Works Director as backup.

Mayor Castner opened the public hearing.

Jay Marley, City resident, thanked the Council for working on this project. He noted that with the change in the Special Assessment District (SAD) rules requiring sewer if you request water, there was some objection from the property owners who felt the sewer improvements were being forced on them. He opined that the City seems set on moving forward with the water improvement, which is fine, but strongly requested that the water and sewer improvements be kept separate.

Mayor Castner closed the public hearing.

LORD/ADERHOLD MOVED TO ADOPT ORDINANCE 21-34 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

Councilmember Lord thanked Mr. Marley for commenting. She clarified that at the last City Council meeting they did approve the creation of the Tasmania Court Sewer Improvement SAD, and that this ordinance is appropriating the funds to move forward with that project.

Public Works Director Keiser provided a status update on the water and sewer improvement project for Tasmania Court and responded to questions from Mayor Castner.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

- g. Ordinance 21-35, An Ordinance of the City Council of Homer, Alaska Amending Homer City Code 4.10.030 Review of Candidate Qualifications, 4.35.040 Certification of Election, 4.45 Election Recount, and 4.50 Election Contest. Aderhold/Smith/Hansen-Cavasos. Introduction June 14, 2021 Public Hearing and Second Reading June 28, 2021.

Memorandum 21-113 from City Clerk as backup.

Memorandum 21-093 from Councilmembers as backup.

Mayor Castner opened the public hearing. There were no requests for public comment and the public hearing was closed.

LORD/ADERHOLD MOVED TO ADOPT ORDINANCE 21-35 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

ORDINANCE(S)

- a. Ordinance 21-41, An Ordinance of the City Council of Homer, Alaska Amending Homer City Code 21.18.020, Central Business District, 21.24.020 General Commercial 1, 21.26.020 General Commercial 2, 21.27.020 East End Mixed Use, 21.62.020 Marijuana Cultivation, Manufacturing, Testing, and Retail Facilities to Include a Consumption Endorsement as Defined by State Law. Planning Commission. Introduction June 28, 2021 Public Hearing and Second Reading July 26, 2021.

Memorandum 21-110 from City Planner as backup.

LORD/ADERHOLD MOVED TO INTRODUCE ORDINANCE 21-41 BY READING OF TITLE ONLY.

Councilmember Smith voiced his support for the introduction of Ordinance 21-41 but would likely not support the final passing of it. He shared his concerns regarding personal use in public, both for alcohol and marijuana.

Councilmember Evensen also voiced his support for the introduction of Ordinance 21-41 and commented on the points brought up at the Planning Commission. He opined that the commission's comments regarding smells traveling on the wind did not seem to take into account the higher winds near the beach, and how a facility located a ways off from the beach would be away from anything that's happening on the beach. He asked that when members look at this specific issue in the future that they consider the greater effect that the atmosphere is a large tank of air.

Councilmember Lord voiced her support for the introduction of Ordinance 21-41 and inquired with City Clerk Jacobsen if it should be sponsored by an interested councilmember since the Planning Commission, who is currently sponsoring the ordinance, did not recommend adopting it. She also noted in the public testimony earlier that the Planning Commission may not have had adequate time to assess the State regulations. She commented that the regulations set a high bar, with neighboring properties' concerns being significant, and it primarily lands on the local area on whether the use should be permitted.

City Clerk Jacobsen noted that staff is in the process of confirming if another sponsor is needed and will provide more information before the next meeting.

Councilmember Smith echoed Councilmember Lord's comments that it is troubling to support an ordinance sponsored by a commission that did not recommend to Council. He requested that they have someone from the Planning Commission attend the next meeting so that they can give some context to the notes and that we can have a better understanding of their discussion and findings.

Councilmember Lord considered whether it needed to be sent back to the Planning Commission. She referenced the public testimony received from community members very interested in the passing of this topic and the impression that the commission did not have enough time to thoroughly review it.

City Clerk Jacobsen suggested, as an option, postponing introduction until the July 26th meeting to allow time to get questions answered and determine the next step for Council. Mayor Castner confirmed with City Clerk Jacobsen that the Planning Commission meets July 21st.

Councilmember Smith agreed that it should be referred back to the Planning Commission in the interim to clarify whether it was intended to be introduced at all, and would give more time to determine if a new sponsor is needed.

LORD/VENUTI MOVED TO POSTPONE THE INTRODUCTION OF ORDINANCE 21-41 TO JULY 26TH MEETING AND REFER IT BACK TO THE PLANNING COMMISSION.

Councilmember Aderhold requested that the State regulations for onsite consumption be provided to the commission as it seems it would answer many of their questions and concerns.

Mayor Castner hoped for them to have a full commission seated at their next meeting; there was only a two-to-three vote due to not having a full panel present.

Councilmember Venuti requested that a report from Chief Robl on the topic also be included.

Councilmember Evensen commented on the added layer of bureaucracy by running it by the Planning Commission again after they already reviewed it.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

- b. Ordinance 21-43, An Ordinance of the City Council of Homer, Alaska Submitting a Ballot Question of Limitation of Terms for the Mayor and City Council Members at the October 5, 2021 Regular Municipal Election. Evensen/Mayor. Introduction June 28, 2021 Public Hearing and Second Reading July 26, 2021.

Memorandum 21-112 from City Clerk as backup.

LORD/EVENSEN MOVED TO INTRODUCE ORDINANCE 21-43 BY READING OF TITLE ONLY

Councilmember Evensen inquired with City Clerk Jacobsen as to why this was an ordinance and not a resolution.

City Clerk Jacobsen explained the process and different options available for establishing term limits, which has to go to the citizens for a vote. One option includes introducing a resolution for an advisory vote, which, if adopted, would come back to Council to draft an ordinance related to term limits. Once that is complete, it would go back to the voters a second time to adopt or to vote on the question as they are the ones who would ratify the ordinance for term limits. The reason this is not a resolution is because the ordinance drafted can take the question to the voters at this coming election for one vote, where everything is lined out in the ordinance before it goes to the voters.

Councilmember Evensen spoke to the supplemental packet item that speaks to the positive and negative effects of term limits. One of the leading issues relates to not being able to increase minimum wages. He noted a comment made by Councilmember Aderhold when she was running for re-election is that she did not have a big project she's pushing for, and that there may be citizens out there with burning issues that would want to come in. He also commented on diversity and how our Council is not very geographically diverse. He noted that with the last election there were more candidates than seats, which to him showed an interest.

Councilmember Smith shared his conversations with his father and Kelly Cooper regarding their time served on the Kenai Peninsula Borough assembly. He outlined Homer's history of voting on term limits, and what he learned from previous elected officials. He voiced his support for putting it on the ballot for the people to decide.

Councilmember Lord noted that it's a savvy requirement to have in State statutes. She commented on how councilmembers do not get compensated for the amount of work and hours they dedicate to the job. In her research into the subject, she has learned that not many citizens run for more than two or three terms, and that in smaller communities, such as Homer, you may run into issues of not allowing active members to run again. Once the ordinance is introduced she looks forward to more discussion.

Councilmember Aderhold commented that she is still in a position of thinking about setting term limits and is open to hearing more from people of the community on whether they want this topic on the ballot. She opined that if it was a pressing issue for the citizens that they would bring it forward as they did at the borough level. In response to Councilmember Evensen's comments, she clarified that at the last meeting she had said that Council hadn't been able to work on the things they had discussed at their last Council Retreat due to COVID and changes to the budget cycle.

Councilmember Venuti noted that she doesn't intend to vote for this but not because she doesn't want the voice to go to the people, but that if it was a concern of the people they would bring it up. She does not feel they should police one another, and that the people say it with their vote on who they want to serve on Council. She is concerned that if this is on the ballot that it will cloud up the election, where we should be focusing more on other issues. She emphasized that if the people want it to be on the ballot that they would ask for it.

Councilmember Smith responded that setting term limits should not be taken personally, that they as a body can decide to do things, and to not wrap it up around other feelings. This ordinance is just to decide to put the question before the voters.

Councilmember Evensen referenced back to the supplemental packet item he provided and wished councilmembers would have read it. He brought up how term limits can stop conflicts and the value of them for the sake of democracy. He is unimpressed with how few conflict of interest disclosures have been stated in his time on Council.

Councilmember Lord noted that she did read the article, but did not agree with the argument provided.

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

Motion carried.

CITY MANAGER'S REPORT

a. City Manager's Report

City Manager Dumouchel thanked City Council, Finance Director Walton, and City staff for all their efforts in getting the budget to where it's at. He spoke to his written report, highlighting harbor bond refunding efforts and provided a link to the Sleeves Up for Summer commercial showcasing Homer. He reported on Staff's recent activity and what is currently being working on that will be coming to Council. The final camera components for the Cowles Council Chamber renovations came in this week; IT is working on getting the final calibrations done so in-person meeting can happen soon.

Councilmember Venuti voiced her appreciation for the library grounds updates.

Councilmember Smith inquired on the status of including water/sewer rates on monthly bills to provide rate transparency to customers, and if there was anything they needed to do at the Council level. City Manager Dumouchel said he will check in with Finance on that.

Councilmember Evensen inquired on air traffic patterns and float planes violating basic FAA rules on Beluga Lake. Councilmember Smith responded, noting the City could file a complaint, but all of it is handled by FAA. He said he'd be interested in following up with that too. Councilmember Aderhold commented that past City Manager Katie Koester had spent a considerable amount of time trying to find a point of contact with the FAA to respond to this issue. She suggested that perhaps they could get a hold of that same person to do another site evaluation.

PENDING BUSINESS

- a. Ordinance 21-26, An Ordinance of the City Council of Homer, Alaska Amending Homer City Code 10.08.210 Vessel Speed Limits, Renaming the Section, Extending the No Wake Zone throughout City

Tidelands, and Closing Louie's Lagoon and the Entrance to Beluga Slough to Motorized Vessels and Amending the FY21 Operating Budget to Authorize Expenditure of up to \$2,000 for Motorized Vessel Regulation Changes. Lord. Introduction April 26, 2021 Public Hearing and Second Reading ~~May 10~~ **June 28, 2021**

Memorandums from Commissions as backup.

Memorandum 21-070 from Councilmember Lord as backup.

Councilmember Smith commented that he does not have a strong objection to the ordinance, but does have concerns with motorized vessels being treated differently than non-motorized hazards, such as kite surfers. He opined that they are reacting to something right now, and whatever goes on the books is enforceable.

Councilmember Lord voiced her appreciation for Councilmember Smith's comments. She pointed out that majority of the code already exists, and that the only portion being added to code is what is bold/underlined. All the ordinance is doing is including the edged of the Spit and in front of Bishop's Beach to the defined boundaries. In regards to the concerns of kite surfers being out there, that did not occur to her since usually the conditions that are good for kite surfers would not be conducive for skiff-riding, kayaking, or paddle-boarding.

Councilmember Smith reiterated that there are bad actors in all walks of life, and wanted to make sure that they're not passing laws that affect one user group.

Councilmember Evensen asked if there were any reasons as to why property owners in that area would be affected by limiting access. Councilmember Lord commented that could be an amendment he can provide. She noted that majority of the land in that area is zoned critical habitat tidelands and are either privately-owned or owned by Fish and Wildlife. In response to Councilmember Evensen's question, City Manager Dumouchel provided some background on other restrictions and enforcements made in the past.

Councilmember Lord agreed to draft an amendment to the ordinance that reflected those changes.

Councilmember Aderhold acknowledged the many good points brought up. She commented that these type of laws are for enforcement for those who are behaving badly. She also noted that adding the bay by Mariner Park per the Planning Commission's recommendation would be beneficial, but it would be difficult to add Mud Bay. She asked if Councilmember Lord could consider that when drafting an amendment. Councilmember Lord agreed to include that in her amendments. She concurred that delineating the boundaries of Mud Bay is a challenge.

Councilmember Evensen commented that, while not knowing the private property situation that area, maybe using the Alaska Department of Fish and Game (ADF&G) markers for commercial fishing could help delineate the Airport Beach and Mud Bay areas. He thanked Councilmember Lord for taking the lead on this matter and working on this ordinance.

Councilmember Hansen-Cavasos left the meeting at 9:04 p.m.

LORD/VENUTI MOVED TO POSTPONE ORDINANCE 21-26 TO JULY 26TH FOR PUBLIC HEARING AND SECOND READING.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

- b. Resolution 20-077(S), A Resolution of the City Council of Homer, Alaska Adopting a Reserve Fund Policy for the Collection and Use of Water and Sewer Depreciation Reserve Funds **Capital Asset Repair And Maintenance Allowance Fund**. Lord/Aderhold. (Postponed from April 26, 2021)

Memorandum 21-114 from Public Works Director as backup.

Memorandum 21-074 from Public Works Director as backup.

Memorandum 21-042 from Public Works Director as backup.

Memorandum 20-205 from Public Works Director as backup.

Memorandum 20-165 from Finance Director as backup.

Councilmember Hansen-Cavasos returned to the meeting at 9:08 p.m.

LORD/ADERHOLD MOVED TO POSTPONE RESOLUTION 20-077(S) TO JULY 26TH.

Councilmember Aderhold commented that while she hates to see the resolution postponed again, she feels the end result will be worth it based on conversations she has had with Public Works Director Keiser. They are going to come up with a better, more comprehensive outcome than originally envisioned when the project was started last year.

Mayor Castner commented on how the CARMA funds are in deficit, and they can't remain that way so he will have to make a reduction in order to remove the deficit. He doesn't want to see the water and sewer rates increase and explained how he sees this as an area of concern and deserves a lot more discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

NEW BUSINESS

RESOLUTIONS

COMMENTS OF THE AUDIENCE

COMMENTS OF THE CITY ATTORNEY

City Attorney Gatti had no comments.

COMMENTS OF THE CITY CLERK

City Clerk Jacobsen announced openings on the Library Advisory Board and the ADA Compliance Committee.

COMMENTS OF THE CITY MANAGER

City Manager Dumouchel announced City positions that are currently open, and where on the City website more information can be found.

COMMENTS OF THE MAYOR

Mayor Castner commented that in many parts of the world COVID is very far from being over, and he voiced his appreciation on how well Homer is doing. He spoke to how we've adopted a sense of normalcy and encouraged everyone to get vaccinated who are not already. He commented on the upcoming 4th of July parade and his involvement in it.

COMMENTS OF THE CITY COUNCIL

Councilmember Lord thanked all the constituents who reach out to her directly, through email, and over the phone. She confided that she hates the new budget cycle given it's in the middle of summer, and greatly appreciates staff and those who call in to the Council meetings.

Councilmember Smith wished everyone a happy 4th of July. He commented on Ordinance 21-29 being tied into a national trend of voter suppression, and how that surprised him given the ordinance is asking it to go to the voters to consider. He asked that the media would kindly reach out to the sponsors to learn more about the ordinance, and not let bias write the news.

Councilmember Hansen-Cavasos commented on the media's portrayal of Ordinance 21-29 and her positive discussion with the media during her march in the Pride Parade.

Councilmember Evensen voiced his disappointment in the radio station and newspaper for what he considered a breach in ethics.

Councilmember Venuti wished everyone a happy 4th of July. She appreciated the Sleeves Up for Summer commercial, and encouraged those who haven't already to get vaccinated. She shared her experiences being out on the Spit and how busy it was. She thanked everyone for a great meeting.

Councilmember Aderhold had no comments.

ADJOURN

There being no further business to come before the Council Mayor Castner adjourned the meeting at 9:22 p.m. The next Regular Meeting is Monday, July 26, 2021 at 6:00 p.m., Committee of the Whole at 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

Rachel Tussey, CMC, City Clerk

Approved: _____



City of Homer

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Office of the City Clerk

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Homer, Alaska 99603

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MEMORANDUM 21-119

TO: MAYOR CASTNER AND HOMER CITY COUNCIL

FROM: RENEE KRAUSE, MMC, DEPUTY CITY CLERK

DATE: JULY 26, 2021

SUBJECT: LETTER OF RESIGNATION AND DECLARATION OF VACANCY

Councilmember Evensen submitted his letter of resignation via email to the City Manager and Mayor on July 8, 2021. He then submitted a handwritten resignation to the City Clerk's office on July 9, 2021 (see attached).

In accordance with Homer City Code 2.08.040 (I) Vacancies. An elected municipal office is vacated under the following conditions and upon the declaration of vacancy by the Council. The Council shall declare an elective office vacant when the person elected:

1. Fails to qualify or take office within 30 days after his election or appointment;
2. Resigns and his resignation is accepted;
3. Is physically or mentally unable to perform the duties of the office as determined by two-thirds vote of the Council;
4. Is convicted of a felony or misdemeanor described in AS [15.56](#) and two-thirds of the members of the Council concur in expelling the person elected;
5. Misses three consecutive regular meetings unless excused;
6. Is convicted of a felony or of an offense involving a violation of the oath of office;
7. Is convicted of a violation of AS [15.13](#) concerning Alaska Public Offices Commission reporting requirements;
8. No longer physically resides in the municipality and the City Council by two-thirds vote declares the seat vacant; and
9. Is physically absent from the municipality for 90 consecutive days unless excused by the City Council.

Homer City Code 2.08.050 Filling a Vacancy addresses the requirements to fill that vacancy as follows:

- a. If a vacancy occurs in the City Council the remaining members shall, within 30 days, appoint a qualified person to fill the vacancy. If less than 30 days remain in a term, a vacancy may not be filled.
- b. Notwithstanding subsection (a) of this section, if the membership is reduced to fewer than the number required to constitute a quorum, the remaining members shall, within seven days, appoint a number of qualified persons to constitute a quorum.
- c. A simple majority, not a quorum, vote of the remaining Council members is required to select and appoint persons to fill Council vacancies.

- d. A person appointed under this section serves until the next regular election, when a successor shall be elected to serve the balance of the term.

Requested Action:

Formally accept Councilmember Evensen resignation and declare a vacancy on the Council.

July 9, 2021

Homer City Hall

Dear City Manager and Mayor,

Effective immediately, I am stepping down from my seat on the Homer City Council. Please refer to the previous email that was sent.

Sincerely,

Joseph E. Eversen

Joseph (Joey) Eversen
City Councilmember

From: [Robert Dumouchel](#)
To: [Renee Krause](#)
Subject: FW: Resigning seat
Date: Tuesday, July 13, 2021 4:30:12 PM

From: Joey Evensen <JoeyEvensen@ci.homer.ak.us>
Sent: Thursday, July 8, 2021 1:51 PM
To: Robert Dumouchel <RDumouchel@ci.homer.ak.us>; Ken Castner <kencastner@ci.homer.ak.us>
Cc: Melissa Jacobsen <MJacobsen@ci.homer.ak.us>
Subject: Resigning seat

Dear Mayor and City Manager,

Due to Council's consistent lack of productivity and the strongly unpleasant work environment I can no longer justify spending my time on the Homer City Council. Therefore I am stepping down from my seat.

Best wishes and I hope for a change in course soon,

Joey



City of Homer

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Memorandum 21-120

TO: HOMER CITY COUNCIL

FROM: MELISSA JACOBSEN, MMC, CITY CLERK

DATE: JULY 22, 2021

SUBJECT: LETTER FROM MAYOR CASTNER IN RESPONSE TO PROPOSED CHANGES TO THE ALASKA REGIONAL CONTINGENCY PLAN

Mayor Castner had prepared a letter at the request of Robert Archibald, the City of Homer Prince William Sound Regional Citizens Advisory Council representative.

RECOMMENDATION:

Approve the attached letter. *(Letter to be provided in supplemental packet on July 26th)*

Comments needed to protect local stakeholder integration into oil spill response

In Alaska, government oil spill response planning has long provided a clear mechanism for affected community representatives, Tribes, landowners, and interest groups to share their concerns and suggestions directly with those managing the response. **PWSRCAC is concerned that proposed changes to the Alaska Regional Contingency Plan, now open for public comment, could undermine this essential system.**

Currently, engagement with affected local stakeholders is accomplished through a structure, developed in Alaska, called the Regional Stakeholder Committee (RSC). Through this committee process, impacted groups can share with those running the response suggestions and knowledge, solve problems, contribute resources, and raise concerns.

Nationally, there is a structure called the Multiagency Coordination (MAC) Group, which is driven more by agencies and industry. MAC members take a more active role in supplying response resources, setting incident priorities, and directing response equipment. Neither RSC nor MAC eclipse a Local or Tribal On-Scene Coordinator or requirements for consultation between the U.S. and Tribes.

While the MAC concept has similarities to the RSC, on closer examination the two clearly serve different purposes. The RSC approach evolved in Alaska to provide more formal structure and a clear mechanism to engage affected stakeholders. In fact, it was originally determined by industry and the state to be a better fit for Alaska than the MAC.

A new proposed version of the Alaska Regional Contingency Plan, which provides guidance for government response planning in Alaska, has been released for public comment. Part of the proposed changes would allow for either a RSC or a MAC to be used in Alaska.

What is at risk? Alaskans need a clearly defined mechanism by which to communicate with decision-makers during a response, which the RSC provides. The RSC has a defined process for diverse groups to engage, already practiced in large spill response exercises with job aids and other support materials already in place. **If the proposed changes move forward, it could create confusion and inconsistency, or even reduce or eliminate input from affected Alaskans.**

PWSRCAC has long advocated that input from Tribes, fisheries associations, communities, and other groups should be directly integrated to the response. While the MAC may be appropriate for some responses, it serves a different function from the RSC. We encourage you to submit comments on the Alaska Regional Contingency Plan advocating that **the RSC remain the standalone approach in Alaska for engaging affected groups during a spill response.**

PWSRCAC comments are currently in development and can be shared once ready, though this will likely be close to the deadline for public comments.

The public comment period for this plan ends in [less than 2 weeks], on July 31, 2021.

More information on the Alaska Regional Contingency Plan Public Review:
<https://dec.alaska.gov/spar/ppr/contingency-plans/response-plans/public-review/>

Public comments can be submitted here:
<https://spar.alaskadec.commentinput.com/?id=QbcHs>

PWSRCAC has also developed online resources to help people understand the RSC and help those that might participate on it navigate the process:
<https://www.pwsrcac.org/rsc/more-about-rsc/>

ORDINANCE REFERENCE SHEET
2021 ORDINANCE
ORDINANCE 21-44

An Ordinance of the City Council of Homer, Alaska Amending Homer City Code 21.91 Planning Commission and Board of Adjustment to Remove the Board of Adjustment and 21.93 Administrative Appeals Establishing that Administrative Appeals from certain final City Planning Decisions shall be filed before a Hearing Officer and Supplementing Notice Requirements.

Sponsor: City Clerk

1. City Council Regular Meeting July 26, 2021 Introduction

43 21.91.020 Powers and functions.

44 In addition to the powers and functions assigned to the Planning Commission in Chapter 2.72
45 HCC, the Commission has all the powers and functions assigned to it in this title. [Ord. 08-29,
46 2008].

47

48 Article II. Board of Adjustment **Hearing officer.**

49

50 21.91.100 Board of Adjustment established. **Hearing officer appointment.**

51

52 There is established a Board of Adjustment comprised of the members of the Homer City
53 Council and the Mayor. The Mayor shall preside over the Board of Adjustment and participate
54 in the deliberations. The Mayor shall not vote except in the case of a tie. [Ord. 08-29, 2008].

55

56 **A hearing officer shall be appointed by the City Manager to hear and decide appeals**
57 **authorized by Chapter 21.93 HCC. A hearing officer appointed by the City Manager must**
58 **have at least five years' experience acting as an administrative law judge or**
59 **administrative hearing officer and must be licensed to practice law in the State of Alaska**
60 **and in good standing.**

61

62 21.91.110 Powers and functions.

63 a. ~~Either the Board of Adjustment or a hearing officer appointed by the City Manager shall~~
64 ~~hear and decide appeals authorized by Chapter 21.93 HCC. A decision appealed under~~
65 ~~Chapter 21.93 HCC shall be heard by a hearing officer unless the individual or entity~~
66 ~~appealing the decision selects the Board of Adjustment to hear the appeal in their notice of~~
67 ~~appeal. A **The** hearing officer appointed by the City Manager shall hear and decide appeals~~
68 ~~pursuant to the provisions of the zoning code.~~

69

70 b. A ~~The~~ hearing officer appointed by the City Manager to **shall** act as the decision maker in
71 appeals of decisions made by the **City Manager, City Planner, City Planner's designee, or**
72 **the** Planning Commission ~~must have at least five years' experience acting as an~~
73 ~~administrative law judge or administrative hearing officer and must be licensed to practice~~
74 ~~law in the State of Alaska and in good standing.~~

75

76 c. ~~The City Manager, the City Planner or the City Planner's designee, or any City of Homer~~
77 ~~official, agency, or unit shall appeal to a hearing officer and may not select to appeal to the~~
78 ~~Board of Adjustment. [Ord. 17-07(S-3)(A) § 2, 2017; Ord. 08-29, 2008].~~

79

80 21.91.120 Procedures.

81

82 Appeals heard by ~~the Board of Adjustment or a hearing officer~~ shall be conducted according
83 to applicable procedures specified in Chapter 21.93 HCC. [Ord. 17-07(S-3)(A) § 3, 2017; Ord.
84 08-29, 2008].

85 21.91.130 Appeals to Superior Court.

86

87 a. An appeal from a final decision of ~~the Board of Adjustment or~~ a hearing officer may be
88 taken directly to the Superior Court by a party who actively and substantively participated in
89 the proceedings before the Board of Adjustment or the hearing officer or by the City Manager
90 or City Planner or any governmental official, agency, or unit.

91

92 b. An appeal to the Superior Court shall be filed within 30 days of the date of distribution of
93 the final decision to the parties appearing before the ~~Board of Adjustment or~~ hearing officer.

94

95 c. An appeal from a final decision of the ~~Board of Adjustment or~~ hearing officer to the
96 Superior Court is governed by court rules. [Ord. 17-07(S-3)(A) § 4, 2017; Ord. 08-29, 2008].

97

98 Section 2. Homer City Code Chapter 21.93 shall be amended as follows:

99

100 Chapter 21.93

101 ADMINISTRATIVE APPEALS

102

103 Sections:

104 Article I. General Provisions

105 21.93.010 Appeals, general.

106 21.93.020 Decisions subject to appeal to Planning Commission **by a person with standing.**

107 ~~21.93.030 Decisions subject to appeal to the Board of Adjustment or a hearing officer.~~

108 21.93.040 Decisions not subject to appeal.

109 21.93.050 Standing — Appeal to Planning Commission.

110 ~~21.93.060 Standing — Appeal to hearing officer.~~

111 21.93.070 Time for appeal.

112 21.93.080 Notice of appeal.

113 21.93.090 ~~Authorized representative~~ **Representation.**

114 21.93.100 General appeals procedure.

115 21.93.110 Appeal decisions.

116 ~~Article II. Planning Commission Appeal Procedures~~

117 ~~21.93.300 Appeals to the Planning Commission.~~

118 ~~21.93.310 Other procedures.~~

119 ~~Article III. Board of Adjustment Appeal Procedures~~

120 ~~21.93.500 Parties eligible to appeal Planning Commission decision to the Board of~~

121 ~~Adjustment or a hearing officer — Notice of appearance.~~

122 21.93.510 New evidence or changed circumstances.

123 21.93.520 Preparation of record.

124 21.93.530 ~~Written briefs.~~ **Prehearing conference.**

125 21.93.540 Appeal hearing.

126 21.93.550 ~~Board of Adjustment or h~~**H**earing officer decision.

127 21.93.560 Remand.

128 21.93.570 Other procedures.

129 ~~Article IV. Conflicts of Interest and Ex Parte Contacts~~

130 21.93.700 ~~Appeals~~— Conflicts of interest.

131 21.93.710 ~~Appeals~~— Ex parte communication prohibited.

132

133 ~~Article I. General Provisions~~

134

135 21.93.010 Appeals, general.

136 This chapter governs administrative appeals to the Planning Commission and the Board of
137 Adjustment **a hearing officer** from actions and determinations taken under the Homer
138 Zoning Code. [Ord. 08-29, 2008].

139

140 21.93.020 Decisions subject to appeal to Planning Commission.

141 a. The following acts or determinations **final decisions** made under this title by the City
142 Manager, City Planner, or **City Planner's designee** may, when final, be appealed to the
143 ~~Commission~~ by a person with standing:

- 144 1. Approval or denial of a zoning permit.
- 145 2. Approval or denial of a sign permit.
- 146 3. Approval or denial of any other permit that is within the authority of the City Planner
147 to approve or deny.
- 148 4. An enforcement order issued under HCC 21.90.060.
- 149 5. Any other decision that is expressly made appealable to the Commission by other
150 provisions of the Homer Zoning Code. [Ord. 08-29, 2008].

151

152 ~~21.93.030 — Decisions subject to appeal to the Board of Adjustment or a hearing officer.~~

153

154 **b.** The following acts or determinations **final decisions** of the Commission, when final, may
155 be appealed to the Board of Adjustment or a hearing officer appointed by the City Manager
156 by a person with standing:

- 157 1. Grant or denial of a conditional use permit.
- 158 2. Grant or denial of a variance.
- 159 3. Grant or denial of formal recognition of a nonconforming use or structure, or a
160 decision terminating a nonconforming use or structure.
- 161 4. Grant or denial of a conditional fence permit.
- 162 5. A decision by the Commission in a matter appealed to the Commission under HCC
163 21.93.020.
- 164 6. Any other final decision that is expressly made appealable to the Board of Adjustment
165 or a hearing officer by other provisions of the code. [Ord. 17-07(S-3)(A) § 5, 2017; Ord.
166 08-29, 2008].

167

168 21.93.040 Decisions not subject to appeal.

- 169 The following acts or determinations may not be appealed:
170 a. A decision to cite or not cite a person for a violation of the code under HCC 21.90.090 or any
171 other provision of the code.
172 b. A decision to not issue an enforcement order under HCC 21.90.060, 21.40.150, or any other
173 provision of the code.
174 c. An order of abatement issued under HCC 21.90.070 after all appeals have been exhausted
175 or the time for appeal has expired.
176 d. Any legislative act or determination, including any recommendations, to approve or reject
177 any proposal or ordinance for the adoption, revision, or amendment of the zoning code, the
178 zoning map, a comprehensive plan or any component thereof, any other plan, a rezoning, or
179 any other legislative matter.
180 e. Any matter not expressly made appealable by this section or another provision of the
181 Homer Zoning Code. [Ord. 08-29, 2008].

182
183 ~~21.93.050 Standing—Appeal to Planning Commission.~~

184
185 **a.** Only the following have standing to appeal an appealable action or determination of the
186 **City Manager**, City Planner, or **City Planner’s designee** to the Commission **a hearing**
187 **officer**:

- 188
189 1. The applicant for the action or determination, or the owner of the property that is the
190 subject of the action or determination.
191 2. The City Manager or City Planner or any governmental official, agency, or unit.
192 3. Any person aggrieved **adversely affected** by the action or determination. [Ord. 08-29,
193 2008].

194
195 ~~21.93.060 Standing—Appeal to hearing officer.~~

196
197 **b.** Only the following have standing to appeal an appealable action or determination of the
198 Planning Commission to the Board of Adjustment or a hearing officer:

- 199
200 1. Applicant for the action or determination, or the owner of the property that is the
201 subject of the action or determination under appeal.
202 2. The City Manager, the City Planner or the City Planner’s designee, or any
203 governmental official, agency, or unit.
204 3. Any person who actively and substantively participated in the proceedings before the
205 Commission and is aggrieved by the action or determination.
206 4. Any person who actively and substantively participated in the proceedings before the
207 Commission and would be aggrieved **adversely affected** if the action or
208 determination being appealed were to be reversed on appeal. [Ord. 17-07(S-3)(A) § 6,
209 2017; Ord. 14-45 § 1, 2014; Ord. 08-29, 2008].

210

211 21.93.070 Time for appeal.

212

213 a. An appeal to the Planning Commission must be filed within ~~30~~ **15** days after the date of:

214 **1.** Distribution of the final action or determination **decision of the City Manager, City**
215 **Planner, or planning staff members** to the applicant or other person whose
216 property is the subject of the matter being appealed; or

217

218 b. ~~2.~~ An appeal to the Board of Adjustment or a hearing officer must be filed within ~~30~~ **15**
219 ~~days after the date of d~~ Distribution of the final action or determination **decision of the**
220 **Planning Commission** to the applicant and other parties, if any.

221

222 21.93.080 Notice of appeal.

223

224 a. A notice of appeal from an action or determination of the City Planner or the Planning
225 Commission shall be filed with the City Clerk **and shall be accompanied by the planning**
226 **appeal fee as established in the City of Homer Fee Schedule.**

227

228 b. A notice of appeal shall be in writing, be signed by the appellant, and shall contain, ~~but is~~
229 ~~not limited to~~, the following information:

230

231 1. The name and address of the appellant.

232 2. A description of the action or determination from which the appeal is sought and the
233 date upon which the action or determination became final.

234 3. The street address and legal description of the property that is the subject of the
235 action or determination being appealed, and the name and address of the owner(s) of
236 that property.

237 4. Detailed and specific allegations of error, including reference to applicable provisions
238 of the zoning code or other law.

239 5. A statement of whether the action or determination should be reversed, modified, or
240 remanded for further proceedings, or any other desired relief.

241 6. Proof showing that the appellant is an aggrieved person with standing to appeal
242 under HCC 21.93.050 or 21.93.060, whichever is applicable.

243 ~~7. The appellant's choice of decision maker, which may be either the Board of~~
244 ~~Adjustment or a hearing officer appointed by the City Manager.~~

245

246 c. The City Clerk shall reject any notice of appeal that does not comply with HCC 21.93.070
247 and this section and notify the appellant of the reasons for the rejection. If a notice of appeal
248 is rejected for reasons other than timeliness, a corrected notice of appeal that complies with
249 this section will be accepted as timely if filed within seven days of the date on which the City
250 Clerk mails the notice of rejection.

251

252 **d. Within seven days of the date on which the City Clerk determines the notice of appeal**
253 **complies with HCC 21.93.070, The City Clerk shall mail copies of the notice of appeal shall**
254 **be mailed** to all parties of record **the appellant, appellee, owner of the property that is**
255 **the subject of the action or determination, and to neighboring property owners** in the
256 proceeding appealed **as set forth in HCC 21.94.030.** from within seven days of the date on
257 which the City Clerk determines the notice of appeal complies with HCC 21.93.070 and this
258 section.

259
260 e. Any person with standing under HCC 21.93.050 or 21.93.060, whichever is applicable, may,
261 within seven days after the date the City Clerk mailed copies of an accepted notice of appeal,
262 file notice of cross appeal. Any notice of cross appeal shall, to the extent practical, comply
263 with subsection (b) of this section.

264
265 f. The City Clerk shall promptly give notice of the cross appeal to the appellant and all other
266 parties who have filed a notice of appearance. [Ord. 17-07(S-3)(A) § 8, 2017; Ord. 08-29, 2008].

267
268 21.93.090 Authorized representative **Representation.**

269
270 No person may represent a party to an appeal without filing with the City Clerk written
271 authorization, which shall be signed by the party so represented and provide the name and
272 address of the party's representative. If the person representing another is a lawyer licensed
273 to practice law in Alaska, an entry of appearance signed by the attorney is acceptable in lieu
274 of authorization signed by the person so represented. [Ord. 08-29, 2008].

275
276 **a. A party to an appeal may be represented by an attorney or may be self-represented.**
277 **An agency or entity is self-represented when acting through an authorized employee or**
278 **officer.**

279
280 **b. A party represented by an attorney in the appeal shall file, or cause the attorney to**
281 **file, and serve on the other parties a document that:**

- 282
283 **1. identifies the attorney; and**
284 **2. provides the address, telephone number, facsimile number, and electronic mail**
285 **address for the attorney.**

286
287 21.93.100 General appeals procedure.

288
289 **a. A hearing officer shall be appointed in accordance with HCC 21.91.100.**

290
291 **ab.** All appeals must be heard **and a decision rendered** within ~~60~~ **90** days after the appeal
292 record has been prepared. The ~~body or officer hearing the appeal~~ **hearing officer** may, for

293 good cause shown, extend the time for hearing. ~~The decision on appeal must be rendered~~
294 ~~within 60 days after the appeal hearing.~~

295
296 ~~b.c.~~ The appellant, ~~the applicant for the action or determination that is the subject of the~~
297 ~~appeal~~ **appellee**, owner of the property that is the subject of the action or determination,
298 ~~and all parties who have entered an appearance~~ **their representatives** shall be provided not
299 less than 15 days' written notice of the time and place of the appeal hearing. Neighboring
300 property owners shall be notified as set forth in HCC 21.94.030.

301
302 ~~e.d.~~ When an appellant chooses to appeal to a hearing officer, ~~t~~ **The** City Clerk shall identify
303 the hearing officer in the notice of hearing. All parties shall have ~~10~~ **5** days from the date of
304 the notice to object to the hearing officer based upon conflicts of interest, personal bias or ex
305 parte contacts. Failure to file an objection to the hearing officer within the ~~10~~ **5** days shall
306 waive any objection to the hearing officer.

307
308 **e. A notice of hearing shall be published at least once during the calendar week prior to**
309 **the appeal hearing date and the notice shall contain:**

- 310 **1. A brief description of the proposal on which the public body is to act;**
311 **2. A legal or common description of the property involved and a street address;**
312 **3. Date, time and place of the public hearing;**
313 **4. A statement that the complete proposal is available for review, specifying the**
314 **particular City office where the proposal may be examined.**

315
316 ~~d.f.~~ An electronic recording shall be kept of the entire proceeding. ~~Written minutes shall be~~
317 ~~prepared.~~ The electronic recording shall be preserved for one year unless required for further
318 appeals. No recording or minutes shall be kept of deliberations that are not open to the
319 public. [Ord. 17-07(S-3)(A) § 9, 2017; Ord. 10-41(A) § 1, 2010; Ord. 08-29, 2008].

320
321 21.93.110 Appeal decisions.

322
323 a. All final decisions on appeals shall be in writing, ~~and shall state the names and number of~~
324 ~~members of the body who participated in the appeal, the names and number voting in favor~~
325 ~~of the decision, and the names and number voting in opposition to the decision. All final~~
326 ~~decisions issued by a hearing officer must state the name of the officer.~~

327
328 b. A decision shall include an official written statement of findings and reasons **conclusions**
329 supporting the decision. This statement shall refer to specific evidence in the record and to
330 the controlling sections of the zoning code. ~~Upon express vote, the body~~ **The** hearing officer
331 may adopt, as their statement of findings and reasons, those findings and reasons officially
332 adopted by the body or officer below from which the appeal was taken.

333

334 c. Copies of the written decision shall be promptly mailed to the appellant, ~~the applicant for~~
335 ~~the action or determination that is the subject of the appeal~~ **appellee**, the owner of the
336 property that is the subject of the action or determination, and ~~all parties who entered a~~
337 ~~written notice of appearance in the appeal proceeding~~ **their representatives**. [Ord. 17-07(S-
338 3)(A) § 10, 2017; Ord. 10-41(A) § 2, 2010; Ord. 08-29, 2008].

339

340 ~~Article II. Planning Commission Appeal Procedures~~

341

342 ~~21.93.300 — Appeals to the Planning Commission.~~

343

344 a. ~~Within 30 days after receipt of a timely notice of appeal to the Planning Commission, the~~
345 ~~City Planner will prepare an appeal record consisting of all relevant documents submitted to~~
346 ~~or used by the Planning Department in making the decision under appeal, including any staff~~
347 ~~reports, correspondence, applications, or other documents. The appeal record shall be~~
348 ~~paginated. The appellant shall be notified by mail when the appeal record is complete. Any~~
349 ~~person may obtain a copy of the appeal record from the Planning Department upon payment~~
350 ~~of the costs of reproduction.~~

351

352 b. ~~An appeal hearing shall be scheduled within the time specified in HCC 21.93.100. The~~
353 ~~hearing will be open to the public.~~

354

355 c. ~~The Commission may prescribe rules of procedure for additional public notification in~~
356 ~~cases where the Commission determines its decision would have a substantial effect on the~~
357 ~~surrounding neighborhood.~~

358

359 d. ~~The Commission may accept new testimony and other evidence, including public~~
360 ~~testimony, and hear oral arguments as necessary to develop a full record upon which to~~
361 ~~decide an appeal from an act or determination of the City Planner. Any person may file a~~
362 ~~written brief or testimony in an appeal before the Commission.~~

363

364 e. ~~The Commission may undertake deliberations immediately upon the conclusion of the~~
365 ~~hearing on appeal or may take the matter under advisement and meet at such other time as~~
366 ~~is convenient for deliberations until a decision is rendered. Deliberations need not be public~~
367 ~~and may be in consultation with an attorney acting as legal counsel to the Commission.~~

368

369 f. ~~The Commission may affirm or reverse the decision of the City Planner in whole or in part. A~~
370 ~~majority vote of the fully constituted Commission is required to reverse or modify the action~~
371 ~~or determination appealed from. For the purpose of this section the fully constituted~~
372 ~~Commission shall not include those members who do not participate in the proceedings due~~
373 ~~to a conflict of interest or disqualifying ex parte contacts, disqualifying partiality, or other~~
374 ~~disqualification for cause. A decision affirming, reversing, or modifying the decision appealed~~

375 ~~from shall be in a form that finally disposes of the case on appeal, except where the case is~~
376 ~~remanded for further proceedings.~~

377
378 ~~g. The Commission may seek the assistance of legal counsel, City staff, or parties in the~~
379 ~~preparation of a decision or proposed findings of fact. [Ord. 10-41(A) § 3, 2010; Ord. 08-29,~~
380 ~~2008].~~

381
382 ~~21.93.310 — Other procedures.~~
383 ~~If no specific procedure is prescribed by the code, the Planning Commission may proceed in~~
384 ~~an administrative appeal in any lawful manner not inconsistent with this title, statutes, and~~
385 ~~the Constitution. [Ord. 08-29, 2008].~~

386
387 ~~Article III. Board of Adjustment Appeal Procedures~~
388

389 ~~21.93.500 — Parties eligible to appeal Planning Commission decision to the Board of~~
390 ~~Adjustment or a hearing officer — Notice of appearance.~~

391
392 ~~a. Only persons who actively and substantively participated in the matter before the~~
393 ~~Commission and who would be qualified to appeal under HCC 21.93.060 may participate as~~
394 ~~parties in an appeal from the Commission to the Board of Adjustment or a hearing officer.~~

395
396 ~~b. Any person so qualified who desires to participate in the appeal as a party, other than the~~
397 ~~appellant, the City Planner or the City Planner's designee, the applicant for the action or~~
398 ~~determination that is the subject of the appeal and the owner of the property that is the~~
399 ~~subject of the action or determination, must, not less than 14 days before the date set for the~~
400 ~~appeal hearing, file with the City Clerk a written and signed notice of appearance containing~~
401 ~~that party's name and address, and proof that the person would be qualified under HCC~~
402 ~~21.93.060 to have filed an appeal. [Ord. 17-07(S-3)(A) § 11, 2017; Ord. 14-45 § 2, 2014; Ord. 10-~~
403 ~~41(A) § 4, 2010; Ord. 08-29, 2008].~~

404
405 ~~21.93.510 New evidence or changed circumstances.~~

406
407 ~~a. Except as provided in subsections (b) and (c) of this section, the Board of Adjustment or~~
408 ~~hearing officer shall not consider allegations of new evidence or changed circumstances and~~
409 ~~shall make their decision based solely on the record. If new evidence or changed~~
410 ~~circumstances are alleged, the Board of Adjustment or hearing officer may, in their discretion,~~
411 ~~either hear the appeal without considering the allegations or may remand the matter to the~~
412 ~~appropriate lower administrative body or official to rehear the matter, if necessary.~~

413
414 ~~b. When the standing of a person is in issue, the Board of Adjustment or hearing officer may~~
415 ~~take additional evidence for the limited purpose of making findings on the question of the~~

416 person's standing. No evidence received under this subsection shall be considered for
417 purposes other than determining standing.

418
419 ~~c. When the disqualification of a member of the Board of Adjustment for conflict of interest,~~
420 ~~ex parte contact, partiality or other cause is in issue, the Board of Adjustment may take~~
421 ~~additional evidence for the limited purpose of making findings on the question of~~
422 ~~disqualification. No evidence received under this subsection shall be considered for purposes~~
423 ~~other than determining disqualification. [Ord. 17-07(S-3)(A) § 12, 2017; Ord. 10-41(A) § 5, 2010;~~
424 ~~Ord. 08-29, 2008].~~

425
426 21.93.520 Preparation of record.

427
428 a. The appeal record shall be completed within ~~30~~ **15** days after receipt of a timely and
429 complete notice of appeal to the Board of Adjustment or hearing officer, and **The appeal**
430 **record** shall consist of the items, and shall be prepared in the manner, described in this
431 subsection.

- 432
- 433 1. The Clerk will assemble and paginate all relevant documents involved in the original
434 decision, including any staff reports, minutes, exhibits, notices, and other documents
435 considered in making the original decision.
 - 436 2. A party may elect to include a verbatim transcript of the testimony before the
437 Planning Commission in the appeal record by making a written request to the City
438 Clerk for a recording of the testimony within 14 days after the Clerk mails copies of the
439 notice of appeal to the parties pursuant to HCC 21.93.080(d). The requesting party
440 shall arrange and pay for the preparation of the transcript. Only a transcript prepared
441 and certified as accurate by a qualified court reporter shall be accepted. The original
442 transcript must be filed with the City Clerk to be provided to the hearing officer with
443 the record on appeal.

444
445 b. ~~The appellant, the applicant for the action or determination that is the subject of the~~
446 ~~appeal **appellee**, the owner of the property that is the subject of the action or determination,~~
447 ~~**or** other parties who have entered an appearance shall be notified by mail when the record~~
448 ~~and transcript, if ordered, are complete. A any person may obtain a copy **of the record** upon~~
449 payment of the costs of reproduction and any applicable mailing costs.

450
451 21.93.530 ~~Written briefs.~~ **Prehearing conference.**

452
453 a. ~~Each party to the appeal (each appellant, cross appellant, and respondent) may file with~~
454 ~~the City Clerk one opening brief not later than 20 days after the date of mailing the notice of~~
455 ~~the completion of the record on appeal. The brief shall be typed on eight and one half by 11-~~
456 ~~inch paper and shall include a statement of relevant facts contained in the record on appeal,~~
457 ~~with citations to the page numbers in the record, a clear statement of the party's position~~

458 regarding the allegations of error specified in the notice of appeal, and arguments citing
459 points and legal authorities in support of such position.

460

461 b. Each party (each appellant, cross-appellant, and respondent) may submit one reply brief
462 within 14 days after the date opening briefs are due. A reply brief shall be limited to a
463 response to matters specifically raised in the opening brief(s) being responded to.

464

465 c. Upon request, any person may obtain a copy of any brief upon payment of reproduction
466 charges and any applicable cost of mailing.

467

468 d. Upon written request, and for good cause shown and when it appears to the City Clerk that
469 other parties will not be unduly prejudiced by the delay, the City Clerk may grant an
470 extension of time not to exceed five days for the filing of any brief. [Ord. 10-41(A) § 7, 2010;
471 Ord. 08-29, 2008].

472

473 **The hearing officer will hold a preconference hearing to develop a briefing schedule, set**
474 **a hearing date, and address other matters as needed related to the appeal hearing.**

475

476 21.93.540 Appeal hearing.

477

478 a. The meeting at which the Board of Adjustment hears an appeal shall be open to the public.
479 An appeal before the hearing officer shall also be open to the public. The City Attorney or
480 another attorney acting as legal counsel to the Board shall be present at appeals before the
481 Board of Adjustment.

482

483 b. Each party (each appellant, cross-appellant, and respondent) may present oral argument
484 at the appeal hearing, subject to the order of presentation and time limitations that the
485 Board of Adjustment or hearing officer adopts at the commencement of the hearing. The
486 taking of testimony or other evidence is limited by HCC 21.93.510.

487

488 c. The Board of Adjustment or hearing officer may undertake deliberations immediately upon
489 the conclusion of the hearing on appeal or may take the matter under advisement and meet
490 at such other time as is convenient for deliberations until a decision is rendered.
491 Deliberations need not be public.

492

493 d. The Board of Adjustment or hearing officer may exercise his or her independent judgment
494 on legal issues raised by the parties. "Legal issues" as used in this section are those matters
495 that relate to the interpretation or construction of the zoning code, ordinances or other
496 provisions of law.

497

498 e. The Board of Adjustment or hearing officer shall defer to the findings of the lower
499 administrative body regarding disputed issues of fact. Findings of fact adopted expressly or

500 ~~by necessary implication by the lower body shall be considered as true if they are supported~~
501 ~~by substantial evidence. But findings of fact adopted by less than a majority of the lower~~
502 ~~administrative body shall not be given deference, and when reviewing such findings of fact~~
503 ~~the Board of Adjustment or hearing officer shall exercise independent judgment and may~~
504 ~~make their own findings of fact. If the lower administrative body fails to make a necessary~~
505 ~~finding of fact and substantial evidence exists in the record to enable the Board of~~
506 ~~Adjustment or hearing officer to make the finding of fact, they may do so in the exercise of~~
507 ~~their independent judgment, or, in the alternative, the Board of Adjustment or hearing officer~~
508 ~~may remand the matter for further proceedings. “Substantial evidence,” as used in this~~
509 ~~section, means such relevant evidence as a reasonable mind might accept as adequate to~~
510 ~~support a conclusion. [Ord. 17-07(S-3)(A) § 14, 2017; Ord. 10-41(A) § 8, 2010; Ord. 08-29, 2008].~~

511

512 **Unless otherwise established in the prehearing conference an appeal to a hearing**
513 **officer will be conducted as follows:**

514

515 **1. Preliminary Matters**

516 **2. Oral arguments – 20 minutes each for appellant and appellee. The appellant may**
517 **reserve a portion of their time for rebuttal or closing comments.**

518 **3. The hearing officer may question each of the parties**

519 **4. Adjourn for deliberative purposes.**

520

521 21.93.550 Board of Adjustment or ~~h~~ **H**earing officer decision.

522

523 ~~a. The Board of Adjustment or hearing officer may affirm or reverse the decision of the lower~~
524 ~~administrative body in whole or in part. If the appeal is heard by the Board of Adjustment, a~~
525 ~~majority vote of the fully constituted Board is required to reverse or modify the action or~~
526 ~~determination appealed from. For the purpose of this section, the fully constituted Board~~
527 ~~shall not include those members who do not participate in the proceedings due to a conflict~~
528 ~~of interest or disqualifying ex parte contacts, disqualifying partiality, or other disqualification~~
529 ~~for cause. A decision affirming, reversing, or modifying the decision appealed from shall be in~~
530 ~~a form that finally disposes of the case on appeal, except where the case is remanded for~~
531 ~~further proceedings.~~

532

533 ~~b. The Board may seek the assistance of legal counsel, City staff, or parties in the preparation~~
534 ~~of a decision or proposed findings of fact. [Ord. 17-07(S-3)(A) § 15, 2017; Ord. 08-29, 2008].~~

535

536 21.93.560 Remand.

537

538 ~~a. The Board of Adjustment or hearing officer may remand the appeal to the lower~~
539 ~~administrative body when the Board or hearing officer determines that:~~

540

541 1. There is insufficient evidence in the record on an issue material to the decision of the case;

542 2. There has been a substantial procedural error that requires further consideration by the
543 lower administrative body; or

544 3. There is other cause requiring further proceedings by the lower administrative body.
545

546 b. A decision remanding a case shall describe any issue upon which further evidence should
547 be taken, and shall set forth any further directions the Board or hearing officer deems
548 appropriate for the guidance of the lower administrative body.
549

550 c. The lower administrative body shall promptly act on the case upon remand in accordance
551 with the decision of the Board of Adjustment or hearing officer. A case on remand has priority
552 on the agenda of the lower administrative body, except cases remanded under HCC
553 21.93.510(a) are not entitled to priority. The applicant or owner of the property in question
554 may waive the priority given by this subsection. [Ord. 17-07(S-3)(A) § 16, 2017; Ord. 08-29,
555 2008].
556

557 21.93.570 Other procedures.
558

559 If no specific procedure is prescribed by the code, the Board of Adjustment or hearing officer
560 may proceed in an administrative appeal in any lawful manner not inconsistent with this title,
561 statutes, and the Constitution. [Ord. 17-07(S-3)(A) § 17, 2017; Ord. 08-29, 2008].
562

563 Article IV. Conflicts of Interest and Ex Parte Contacts 564

565 21.93.700 Appeals—Conflict of interest.
566

567 a. A member of the Planning Commission, Board of Adjustment or a hearing officer appointed
568 to hear an appeal from a Planning Commission decision may not participate in the
569 deliberation or voting process of an appeal if, following the procedures set forth in this
570 chapter, the Commission, or Board member or hearing officer is determined to have a
571 substantial financial interest in the official action, as defined in Chapter 1.18 HCC. In the
572 absence thereof, all Commission or Board members or a hearing officer shall participate in
573 the deliberation and voting process unless excused pursuant to other provisions of this
574 chapter.
575

576 b. When a financial interest of a member of the Planning Commission or Board of Adjustment
577 is disclosed on the record, the remainder of the Commission or Board, respectively, shall
578 determine whether the member should participate in the matter. If it is determined the
579 member should participate, any action taken thereafter by the body shall be valid
580 notwithstanding a later determination by a court, an appellate tribunal, or a hearing officer
581 that the member should have been disqualified from participation because of a substantial
582 financial interest in the matter; except the action shall be invalidated when the disqualified
583 member's vote was necessary to establish the required majority to approve the decision of

584 the body. When a Commission or Board decision is invalidated because such vote was
585 necessary to establish the required majority, the body shall commence new consideration of
586 the matter beginning at the point where the Commission or Board, respectively, determines
587 it is necessary to do so to eliminate the effect of the member's improper participation.
588

589 e. A hearing officer shall disclose any substantial financial interest, personal bias or ex parte
590 contact immediately upon being appointed by the City Manager and shall refrain from
591 accepting the appointment if a substantial financial interest, personal bias or ex parte
592 contact exists. If the substantial financial interest, personal bias or ex parte contact arises
593 after the hearing officer's appointment, he or she shall disclose his or her interest and shall
594 be disqualified from serving as the hearing officer unless all parties waive any objection to
595 the hearing officer.
596

597 d. For purposes of hearing an appeal, a quorum of the Commission is four members. If it is
598 not possible to obtain a quorum of the Planning Commission to hear an appeal without the
599 participation of members disqualified by reason of a substantial financial interest, then all
600 members who would be so disqualified shall nevertheless participate in the appeal, including
601 deliberations and voting, and the decision rendered in such a case shall be valid
602 notwithstanding the participation of such members. This subsection shall not apply if the
603 matter can be postponed to a later date (not later than 75 days after the appeal record is
604 prepared) when the body can obtain a quorum of members who are not disqualified by a
605 substantial financial interest.
606

607 e. For purposes of hearing an appeal, a quorum of the Board is four members. If it is not
608 possible to obtain a quorum of the Board to hear an appeal without the participation of
609 members who have chosen to abstain or been disqualified by the Board due to substantial
610 financial interest, bias or partiality, then the hearing shall be postponed and a hearing officer
611 shall be appointed. A hearing officer appointed under this subsection shall conduct the
612 rescheduled hearing no more than 60 days after the original hearing date except that the
613 hearing officer may extend the hearing date for good cause shown. [Ord. 17-07(S-3)(A) § 18,
614 2017; Ord. 08-29, 2008].
615

616 A hearing officer or administrative law judge shall refrain from hearing or otherwise deciding
617 a case presenting a conflict of interest. A conflict of interest may arise from a financial or
618 other personal interest of the hearing officer or administrative law judge, or of an immediate
619 family member. A conflict of interest exists if:
620

- 621 a. The financial or other personal interest reasonably could be perceived to influence the
622 official action of the hearing officer; or
- 623 b. A hearing officer previously represented or provided legal advice to a party on a
624 specific subject before the hearing officer or administrative law judge.
625

626 21.93.710 Appeals— Ex parte communication prohibited.

627

628 a. ~~No member of the Commission or Board of Adjustment or any~~ **The** hearing officer
629 appointed by the City Manager to review a decision issued by the Commission shall **not** have
630 ex parte communication with any person. “Ex parte communication” means to
631 communicate, directly or indirectly, with the appellant, other parties or persons affected by
632 the appeal, or members of the public concerning an appeal or issues specifically presented in
633 the notice of appeal, either before the appeal hearing or during any period of time the matter
634 is under consideration or subject to reconsideration, without notice and opportunity for all
635 parties to participate in the communication.

636

637 b. This section does not prohibit:

638 ~~1. Members from discussing matters relating to the appeal among themselves.~~

639 1. Communications between municipal staff and Commission or Board members or the
640 hearing officer where:

641 a. Such staff members are not themselves parties to the appeal; and

642 b. Such communications do not furnish, augment, diminish, or modify the
643 evidence in the record on appeal.

644 2. Communications between the Commission or Board and its legal counsel.

645

646 ~~c. If, before an appeal commences, a member of the Commission or Board receives an ex~~
647 ~~parte communication of a type that could not properly be received while an appeal is~~
648 ~~pending, the member shall disclose the communication in the manner prescribed in~~
649 ~~subsection (d) of this section at the first meeting of the Commission or Board at which the~~
650 ~~appeal is addressed.~~

651

652 ~~d. A member of the Commission or Board who receives an ex parte communication at any~~
653 ~~time shall, at the first opportunity after the communication, place on the record of the~~
654 ~~pending matter all written communications received, all written responses to the~~
655 ~~communications, and a memorandum stating the substance of all oral communications~~
656 ~~received, all responses made, and the identity of each person from whom the member~~
657 ~~received an ex parte communication. Any party to the appeal desiring to rebut the ex parte~~
658 ~~communication must be granted a reasonable opportunity to do so if a request is promptly~~
659 ~~made.~~

660

661 ~~e. If the Commission or Board determines in its discretion it is necessary to eliminate the~~
662 ~~harmful effect of an ex parte communication received in violation of this section, the~~
663 ~~Commission or Board may disqualify the member who received the communication from~~
664 ~~participation in the appeal. In addition, the Commission may impose appropriate sanctions,~~
665 ~~including default, against a party to the appeal for any violation of this section.~~

666

667 f. It is a violation, subject to penalties and other enforcement remedies under this title:

- 668 1. For any person to knowingly have or attempt to have ex parte communication with a
669 Commission or Board or hearing officer in violation of subsection (a) of this section.
670 2. For any Commission or Board member or hearing officer to knowingly receive an ex parte
671 communication in violation of subsection (a) of this section.
672 3. For any Commission or Board member to knowingly fail to place on the record any matter
673 when and as required under subsections (c) and (d) of this section. [Ord. 17-07(S-3)(A) § 19,
674 2017; Ord. 08-29, 2008].

675
676 Section 3. This Ordinance is of a permanent and general character and shall be included
677 in the City Code.

678
679 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this __ day of _____, 2021.

680
681 CITY OF HOMER

682
683 _____
684 KEN CASTNER, MAYOR

685 ATTEST:
686
687 _____
688 MELISSA JACOBSEN, MMC, CITY CLERK

689
690 YES:
691 NO:
692 ABSTAIN:
693 ABSENT:
694
695 First Reading:
696 Public Hearing:
697 Second Reading:
698 Effective Date:

ORDINANCE REFERENCE SHEET
2021 ORDINANCE
ORDINANCE 21-45

An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a State of Alaska Public Library Assistance Grant for the FY 2022 in the Amount of \$7,000 for Books and Library Materials and Authorizing the City Manager to Execute the Appropriate Documents.

Sponsor: City Manager/Library Director

1. City Council Regular Meeting July 26, 2021 Introduction

Memorandum 21-123 from Library Director as backup

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

3 City Manager/
4 Library Director

5 **ORDINANCE 21-45**

6
7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
8 ACCEPTING AND APPROPRIATING A STATE OF ALASKA PUBLIC
9 LIBRARY ASSISTANCE GRANT FOR FY 2022 IN THE AMOUNT OF
10 \$7,000 FOR BOOKS AND LIBRARY MATERIALS AND AUTHORIZING
11 THE CITY MANAGER TO EXECUTE THE APPROPRIATE
12 DOCUMENTS.

13
14 WHEREAS, The City submitted an application for the Alaska Public Library Assistance
15 Grant for books and library materials; and

16
17 WHEREAS, The State awarded the grant in the amount of \$7000 requiring a local match
18 of \$7000; and

19
20 WHEREAS, The required match of \$7000 can be funded by the FY2022 budget.

21
22 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

23
24 Section 1. The Homer City Council hereby accepts and appropriates a State of Alaska
25 Public Library Assistance Grant in the amount of \$7,000 for books and library materials as
26 follows:

27
28 Revenue:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
157-7100-XXXX	State of Alaska Public Library Assistance Grant	\$7000

32
33 Expense:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
100-0145-5228	Books	\$7000

34
35
36
37 Section 2. The City Manager is authorized to execute the appropriate documents.

38
39 Section 3. This is a budget amendment ordinance only, is not permanent in nature, and
40 shall not be codified.

41
42 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this _____ day of August, 2021.

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61

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

First Reading:

Public Reading:

Second Reading:

Effective Date:



July 14, 2021

The **Public Library Assistance (PLA)** grant for FY22 for **Homer Public Library** will be **\$7,000**. We are delighted that your library is eligible to receive this annual operating grant so that you can provide the best possible service to your library patrons.

In order to receive your grant money, please return the attached grant agreement as soon as you can. Two different people (the librarian and the appropriate legal authority) must sign the grant agreement, since it is a legal document committing your library to certain obligations in return for receiving the public library assistance grant. Once we have your agreement, we will be able to electronically deposit your grant award (or mail a paper check in specific instances).

Librarians and officials should carefully note and follow the regulations governing the administration of this grant. To remain eligible for future grants, I have highlighted some of the most important grant requirements:

- Meet the four statutory requirements:
 - Maintain a Collection for Lending
 - Provide Reference
 - Provide Interlibrary Loan
 - Offer Children's Programming
- Submit the online Alaska Public Library Report for this fiscal year grant by **September 1, 2022**.
- Spend **at least \$3,500** on library materials and online services.
- Be open 48 weeks and the appropriate number of hours for your population and type of library.
- Attend **at least 6 hours of continuing education** (CE) during the current two-year cycle (7/1/2021-2023).

Please note that in addition to the above requirements, Non-profit and school/public libraries have additional requirements. Non-profit organizations must have at least quarterly (4) public board meetings and **submit minutes** to the State Library. School libraries must execute and keep in force a **binding legal agreement** between the school district and the public library governing body. The governing body of the public library may be the municipal assembly, an advisory board appointed by the municipal assembly, or the board of directors of a nonprofit corporation.

The State Library audits the records of selected libraries at the end of the grant year and reclaims any grant funds not properly accounted for. Also, any portion of this grant money not spent or encumbered by June 30, 2022 should be returned to the State Library. You may request a brief extension to spend unused FY22 collection grant funds.

Please return your signed agreements to eed.library.grants@alaska.gov. Questions should be directed to 907-465-1018 or the email above. Thank you!

Sincerely,

Patience Frederiksen
State Librarian
Alaska State Library

Alaska Public Library Assistance Grant Agreement FY2022

This agreement made and entered into on Wednesday, July 14, 2021, by and between the Alaska State Library, hereafter referred to as the Grantor; and the Homer Public Library, hereafter referred to as the Grantee.

Whereas, the State of Alaska has appropriated funds for public library assistance; and whereas, the application of the Grantee for a grant for public library assistance has been approved. NOW THEREFORE, for and in consideration of the mutual covenants herein contained the parties hereto agree as follows:

The Grantor will agree to:

1. Furnish funds in the amount of \$7,000 (dispersed after July 1).
2. Provide advisory services in furtherance of the grant project.
3. Acknowledge the Grantee’s eligibility for additional grants and services.

The Grantee will agree to:

Provide at least the following services free to residents of the municipality or community:

- Establish and maintain a collection of books and other materials for loan;
- Provide access to interlibrary loans;
- Provide programming for children; and
- Provide reference information.

Abide by the conditions set forth in its application, guidelines, and approved by the Grantor, including:

- The number and timing of open hours;
- The existing and ongoing educational requirements for the library director.
- Expend at least \$3,500 on library materials and online services for each outlet.
- Have trained paid or volunteer staff on duty in the library during the scheduled open hours.

Maintain accurate financial records for auditing purposes.

- Return any grant funds unexpended or unencumbered by June 30, 2022, and all funds for which there is no proper accounting.
- Receive prior approval from the Grantor for any line item change that exceeds 10% of the line item, except that no prior approval is required for: Line item changes of less than \$100; or line item changes that add funds to library materials and online services.
- Expend local funds of at least \$7,000 for project purposes. Repay any portion of grant funds that have not actually been matched by local funds over the course of the grant period. Local fund match can include volunteer service as described in the Guidelines.
- Expended funds must be clearly attributable to public library (not school) services and operations.

Uphold specific governance requirements

- Non-profits will maintain “Good Standing” with the State and submit minutes of required quarterly public board meetings.
- School/public libraries will have an agreement between the school district and the public library governing body.

Submit reports, certifications, and contact information such as:

- The online Alaska Public Library Report (APLR) by September 1, 2022.
- The follow-up signed certification for the APLR
- Any changes in director or library contact information within 30 days.

Funding for this grant is dependent on the following source:

State Sources	PLA22-Homer	\$7,000
---------------	-------------	---------

By accepting this award or agreement, the grantee may become subject to the audit requirements of State of Alaska Administrative code 2 AAC 45.010. As a result, the grantee may be required to provide for an audit and to permit independent auditors to have access to their records and financial statements. The grantee should consult with an independent auditor for assistance in determining audit requirements for each fiscal year.

The undersigned understands and agrees to the conditions of this agreement. Both signatures are required.

For the Library

For the Legal Entity

Signature

Signature

Title

Date

Title

Date

MAIL TO: Library Grants Administrator, Alaska State Library,
P.O. Box 110571, Juneau, AK 99801, SCAN TO eed.library.grants@alaska.gov, or FAX to 907-465-2151

ORDINANCE REFERENCE SHEET
2021 ORDINANCE
ORDINANCE 21-46

An Emergency Ordinance of the City Council of Homer, Alaska Temporarily Suspending the Restrictions on Teleconference Participation for City Council and Advisory Bodies.

Sponsor: City Clerk

1. City Council Regular Meeting July 26, 2021 Introduction

**CITY OF HOMER
HOMER, ALASKA**

City Clerk

ORDINANCE 21-46

AN EMERGENCY ORDINANCE OF THE CITY COUNCIL OF HOMER,
ALASKA TEMPORARILY SUSPENDING THE RESTRICTIONS ON
TELECONFERENCE PARTICIPATION FOR CITY COUNCIL AND
ADVISORY BODIES.

WHEREAS, Homer City Code (HCC) 2.08.100 defines teleconferencing as remote participation by telephone or web-based format by an official for a meeting; and

WHEREAS, While the COVID-19 emergency declaration was in place City Council and Advisory Bodies had the ability to conduct meetings by teleconference; and

WHEREAS, City Council has flexibility regarding teleconference allowances in HCC 2.08.120 (c) but requires a vote of the council for a member to attend more than three meetings by teleconference; and

WHEREAS, The emergency declaration has expired but COVID-19 is with us and case counts are increasing within the city; and

WHEREAS, During these continued uncertain times, Councilmembers and Advisory Body members who offer their time to serve the should have the ability to participate telephonically for health and safety reasons; and

WHEREAS, Council and Advisory Bodies have successfully conducted city business with teleconference meetings for the past year; and

WHEREAS, This temporary suspension will allow the Clerk's Office the opportunity to draft a code amendment to address telephonic participation limitations and provide it to Advisory Bodies for their recommendations prior to bringing it to Council for final consideration.

NOW, THEREFORE, BE IT ORDAINED:

Section 1. Telephonic participation restrictions for Council and Advisory Bodies is temporarily suspended.

Section 2. This is an emergency ordinance of general character and will be effective for 60 days in accordance with HCC 1.08.040.

43 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 26th day of July, 2021.

44

45

CITY OF HOMER

46

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48

49

KEN CASTNER, MAYOR

50

51 ATTEST:

52

53

54

55 MELISSA JACOBSEN, MMC, CITY CLERK

56

57 YES:

58 NO:

59 ABSENT:

60 ABSTAIN:

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

3 City Manager
4 Public Works Director

5 **RESOLUTION 21-051**

6
7 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
8 AWARDED THE SMALL WORKS ROAD REPAIR INDEFINITE
9 DURATION, INDEFINITE QUANTITY CONTRACT TO EAST ROAD
10 SERVICE, INC. OF HOMER, ALASKA IN THE AMOUNT OF \$125,000
11 AND AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND
12 EXECUTE THE APPROPRIATE DOCUMENTS.

13
14 WHEREAS, In accordance with the Procurement Policy the Invitation to Bid was
15 advertised the Homer News on June 24 and July 1, 2021 and in the Peninsula Clarion on June
16 27, 2021, sent to three in-state plans rooms, and posted on the City of Homer website; and

17
18 WHEREAS, The contract will utilize the Indefinite Duration, Indefinite Quantity (IDIQ)
19 method of contracting where Task Orders will be used to assign specific sections of work, using
20 the unit prices set forth in the bid; and

21
22 WHEREAS, One bid was received on July 20, 2021, from East Road Services, Inc.,
23 identifying the unit prices that will be used to develop the Task Orders; and

24
25 WHEREAS, This award is not final until written notification is received by the firm from
26 the City of Homer.

27
28 NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, awards the
29 contract for the Small Works Road Repair Contract to East Road Services, Inc. of Homer, Alaska
30 in the amount of \$125,000 and authorizes the City Manager to negotiate and execute the
31 appropriate documents.

32
33 PASSED AND ADOPTED by the Homer City Council this 26th day of July, 2021.

34
35 CITY OF HOMER

36
37 _____
38 KEN CASTNER, MAYOR

39 ATTEST:

40
41 _____
42 MELISSA JACOBSEN, MMC, CITY CLERK

43
44 Fiscal note: 160-xxxx HART Roads Fund



Memorandum 21-126

TO: Mayor Castner and Homer City Council

THROUGH: Rob Dumouchel, City Manager

FROM: Janette Keiser, PE, Director of Public Works

DATE: July 15, 2021

SUBJECT: Small Works Road Repair Contract – Recommendation for Contract Award

-
- I. Issue.** The City Council authorized a Small Works Road Repair Program, Ordinance 20-33, to enable Public Works to make small scale, spot repairs of Homer’s Roads. We solicited third-party contractor assistance and recommend award of a contract for this purpose.
- II. Background.**
- a. **The Small Works Road Repair Program.** Ordinance 20-33 authorized \$175,000 for a Small Works Road Repair Program, the purpose of which would be to supplement the Public Works Road Crew’s efforts to make small scale spot repairs of Homer’s roads. The Road Assessment Program, developed in mid-2020, documents, using an industry-standard assessment strategy, the condition of Homer’s roads. We identify numerous sections of roads, throughout Homer, which suffered from frost boils. Some roads are barely passable during breakup. Our goal was to fix the worst of those sections first. The Road Financial Plan, adopted earlier this year, documents how the funds, allocated by Ordinance 20-33, would be distributed for that purpose. With these tools, we were ready to move forward.
 - b. **The IDIQ contract strategy.** We solicited third party contractor support, using a contract strategy known as an Indefinite Duration, Indefinite Quantity (“IDIQ”) contract. This is an industry-standard contract methodology used in instances where the owner needs maximum flexibility to get the work done. Under this methodology, the owner describes the nature of the work and asks contractors to provide unit prices for the various elements of work, in our case – the work consists mostly of excavation of unsuitable material and backfill of suitable material. The Bid Form identifies the Bid Items and identifies an assumed quantity for each Bid Item, for purposes of selecting a low bidder. However, actual payment will vary, depending on how much work is done. This is what the “Indefinite Quantity” part of the contract strategy refers to. Further, the schedule will depend on how much work is done; that is, how many segments of road can be repaired. This is what the “Indefinite Duration” part of the contract strategy

refers to. With this approach, we only pay for the work that is done and the schedule for getting the work done, is flexible. Our goal is to repair as many sections of frost boiled road as we can, using the available budget. Work for a specific section of road will be assigned in a Task Order, which will identify a scope, schedule and budget for that section of road.

- c. **The Procurement Process.** We published an Invitation to Bid, as we do for any other capital project and held a pre-bid meeting to explain the strategy. While there were some questions about how the work process would work, the contractors seemed to appreciate the intent behind the methodology.

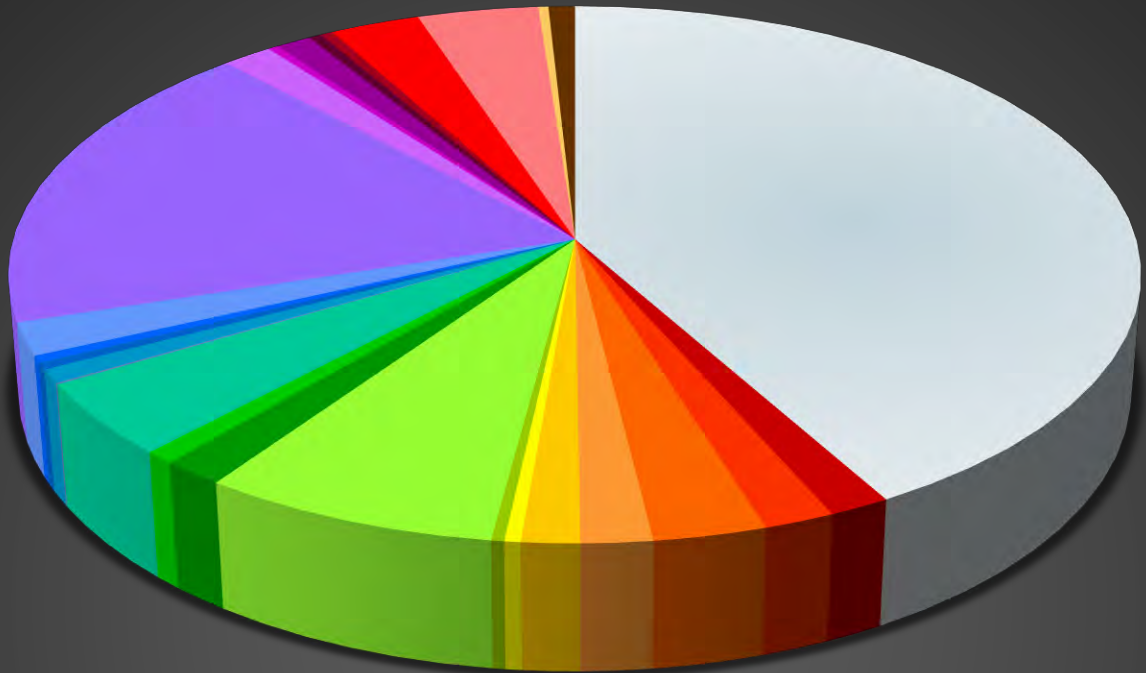
We opened bids on July 20 and received one bid – from East Road Services, Inc., which gave us the unit prices we will use to assign work for specific sections of road in the Task Orders.

III. Funding.

Ordinance 20-33 appropriated \$175,000 to the Small Works Road Repair Program. Of that amount, \$133,909.15 is still available. We are not seeking additional funding at this time. We will work on the worst sections of road first and make the remaining funds go as far as we can.

- IV. Recommendation.** That the City Council pass the proposed resolution awarding a contract for the Small Works Road Repair Contract to East Road Services, Inc., in the amount of \$125,000.

HART Roads Obligated



- Total Unobligated
- Fuel Island Replacement
- Small Works Drainage Improvement Program
- Small Works Road Repair Program
- Main Street Storm Drain and Sidewalk Project - Pioneer Avenue North
- Update 1979 Drainage Management Plan
- HSWCD Consulting Contract
- Horizon Court Landslide
- Woodard Creek Culvert
- Mt. Augustine Drainage Improvements
- Seawall Armor Rock City Property Assessment
- Requests for grader and two sanding trucks
- 1/3 Vac Truck Brake Mod
- Ground Water Research
- Homer Soil & Water Contract
- Wayfinding-Streetscape Plan
- Hornaday Park Road Realignment - 2022
- Main Street Storm Drain and Sidewalk Project - Construction - 2022
- Mount Augustine Drainage Improvements - Construction - 2022
- Fuel Island Replacement - 2022
- Small Works Road Repair Program - 2022
- Small Works Drainage Repair Program - 2022
- Ground Water Research - 2022
- Grind & Pave Program -2022
- Road Base Reconstruction Program - 2022
- Snow Storage Lots - 2022
- Ocean Drive SAD - 2022

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

3 City Manager/
4 Port Director

5 **RESOLUTION 21-052**

6
7 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
8 FORMALLY AUTHORIZING THE CITY MANAGER TO SUBMIT A
9 HARBOR FACILITY GRANT APPLICATION TO THE STATE OF
10 ALASKA, DEPARTMENT OF TRANSPORTATION AND PUBLIC
11 FACILITIES (DOT&PF) IN AN AMOUNT UP TO \$732,000 FOR THE
12 HOMER HARBOR CATHODIC PROTECTION PROJECT.

13
14 WHEREAS, The State of Alaska DOT&PF administers the Harbor Facility Grant Program
15 to assist municipalities with construction and major maintenance and repair of harbor
16 facilities; and

17
18 WHEREAS, The City of Homer owns and maintains the Homer Port & Harbor and the
19 Homer Small Boat Harbor is eligible for a Tier II Harbor Facility Grant; and

20
21 WHEREAS, an engineer's inspection of the Homer Harbor identified that the original
22 protective galvanized coating on Homer harbor's steel pile has been depleted by electrolysis
23 allowing corrosion on the harbor's piers which will lead to stress corrosion cracking if not
24 controlled by a cathodic protection system; and

25
26 WHEREAS, Port and Harbor staff worked with the engineers to develop a phased
27 approach to installing cathodic protection system wide throughout the harbors float systems
28 which is comprised of over 500 pile; and

29
30 WHEREAS, In 2018 the City of Homer funded a portion of this project by authorizing
31 expenditure from the Port & Harbor Enterprise Reserves to install a passive cathodic
32 protection system on approximately 25% of the load bearing pile; and

33
34 WHEREAS, with City Council adoption of the City's FY22-23 Capital Budget, the City of
35 Homer intends to extend cathodic protection to additional harbor pile in 2021 utilizing a
36 \$200,000 expenditure from the Port & Harbor Enterprise Reserves; and

37
38 WHEREAS, The Homer Harbor Cathodic Protection Project is a priority level 1 project in
39 the City of Homer 2021-2026 Capital Improvement Plan and the City of Homer Port & Harbor
40 Advisory Commission endorses completing the cathodic protection project harbor-wide with
41 the assistance of a Harbor Facility Tier II grant; and

43 WHEREAS, The Port & Harbor Enterprise Reserves fund can provide the required 50%
44 (up to \$366,000) in local matching funds per the Harbor Facility Grant Program; and

45
46 WHEREAS, The City of Homer is capable of completing Homer Harbor Cathodic
47 Protection Project within eighteen months after award of a Harbor Facility Grant; and

48
49 WHEREAS, This project preserves the foundational integrity of Homer Harbor, a
50 regional asset providing broad community benefits to commercial fishing vessels from nearly
51 every fishery in the State of Alaska, tugs/barges/landing craft delivering supplies to
52 Southcentral, SW and Western Alaska, and a wide variety of charter and pleasure watercraft;

53
54 NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, supports the
55 Homer Harbor Cathodic Protection Project and agrees, subject to available Alaska Legislative
56 funding and selection by DOT&PF, to enter into a grant agreement with the State of Alaska
57 DOT&PF for a Harbor Facility Grant.

58
59 BE IT FURTHER RESOLVED that the City Manager is authorized to negotiate and execute
60 any and all documents required for managing a Harbor Facility Grant on behalf of the City of
61 Homer.

62
63 PASSED AND ADOPTED by the Homer City Council this 26th day of July, 2021.

64
65
66 CITY OF HOMER

67
68
69 _____
70 KEN CASTNER, MAYOR

71 ATTEST:

72
73
74 _____
75 MELISSA JACOBSEN, MMC, CITY CLERK

76
77 Fiscal Note: N/A



City of Homer

www.cityofhomer-ak.gov

491 East Pioneer Avenue
Homer, Alaska 99603

(p) 907-235-8121

(f) 907-235-3140

Memorandum 21-127

TO: MAYOR CASTNER AND HOMER CITY COUNCIL
FROM: BRYAN HAWKINS, PORT DIRECTOR/HARBORMASTER
DATE: JULY 15, 2021
SUBJECT: CATHODIC PROTECTION FY23 MUNICIPAL HARBOR GRANT APPLICATION

When the State of Alaska transferred ownership of Alaska's harbors to Municipalities and local authorities, the maintenance and cost burden transferred with it. In 2006, the Municipal Harbor Grant Program was created to provide a 50/50 matching grant fund program to assist municipalities with this continued maintenance of our important Alaskan Harbor resources.

Pile in the harbor range in age from 34 to 26 years old and over time electrolysis has depleted the original galvanized protective coating; it is no longer protecting the pilings from corrosion.

In 2018, we started installation of an anode protection system for the harbor, designed by R&M Engineering. The work on our Cathodic Protection project was funded from our maintenance budget/Port and Harbor Reserve funds, and cost approximately \$200,000. About 25% of the load bearing piles within the harbor are now protected against corrosion, have significantly reduced anticipated maintenance costs and enjoy an extended useful life, avoiding costly replacement.

Electrolytic degradation of the remaining harbor piles is silently continuing 24/7. We are addressing this problem in multiple lifts until all the piles are protected. You can see that we have a Capital request for \$200,000 in the FY22 budget to complete protection on a second portion of high priority Harbor pile – the oldest pile in the harbor and the pile on System 4, the large vessel transient float.

We will also be re-submitting for a Municipal Harbor Tier II grant for funding in FY23 to complete the protection harbor-wide. The City applied to the Harbor Facility Grant program in FY21. Homer's application was top ranked among Tier II projects, but unfortunately the grant program went unfunded in the State budget. The recently passed FY23 State budget appropriated \$14 million for the Harbor Facilities Grant Program. Program funding was cut to \$7 million by a Governor veto. Given Legislative and Governor support of the Harbor Facilities Grant Program, we are hopeful the program will be funded.

The Harbor Facility grant program requires authorization from the City of Homer to submit the grant application and to identify the source of the City's matching funds. The Port & Harbor Enterprise Reserve Funds have been identified as the source for the City's \$360,400 grant match. If the State were to approve our project in 2023, staff will come back to Council with an Ordinance seeking the required match. New cost estimates will be generated at that time that will take into account the progress we will have achieved.

The Port & Harbor Reserve has the proposed matching funds available.

Account Name	Proposed Future State			Available Balance
	Account #	Current Balance	Encumbrances	
Harbor General	436-0380	\$ 1,808,815	\$ 75,300	\$ 1,733,515
			FY22 Projects	\$ (305,000)
			FY22 Net Activity	\$ 671,080
			FY22 Ending Balance	\$ 1,899,600
			FY23 Projects	\$ -
			FY23 Net Activity	\$ 674,075
			FY23 Ending Balance	\$ 2,573,680

The Port and Harbor Advisory Commission unanimously endorses the FY23 application for Harbor Facility grant funds as well as the use of Port & Harbor Reserve funds for the match. The topic was on the Port and Harbor Advisory Commission meeting agenda again at their June 23, 2021 meeting.

Staff Recommendation: Adopt the Resolution formally authorizing the City Manager to submit an FY23 Harbor Facility grant application in the amount of \$732,000 for the Homer Harbor Cathodic Protection Project.

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

3 City Clerk/Parks, Art,
4 Recreation and Culture
5 Advisory Commission

6 **RESOLUTION 21-053**

7
8 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
9 AMENDING AND UPDATING THE CITY OF HOMER BEACH POLICY
10 AND RENAMING IT THE CITY OF HOMER BEACH POLICY AND
11 MANAGEMENT PLAN.
12

13 WHEREAS, The City Council adopted the City of Homer Beach Policy, as recommended
14 by the Beach Policy Task Force, with Resolution 01-44(A); and
15

16 WHEREAS, City Council adopted Ordinance 07-01(A), adding advising on public beaches
17 to the duties of Parks, Art, Recreation, and Culture Advisory Commission (PARCAC); and
18

19 WHEREAS, As part of those duties assigned, the Beach Policy is reviewed and updated
20 on a bi-annual basis by PARCAC, or as deemed necessary by City Council, to ensure the policies
21 are kept current; and
22

23 WHEREAS, The intent and purpose of the Beach Policy is to provide guidance, yet with
24 the most recent review PARCAC determined the document did not fully meet that intent due
25 to lack of clarity, outdated information, and included identified goals which are more suitable
26 for a Strategic Plan; and
27

28 WHEREAS, The PARCAC worked on policy amendments over the course of five
29 meetings, one worksession, and tasked three commissioners, who met on June 1, 2021, to
30 work with City staff on a comprehensive rewrite of the policies; and
31

32 WHEREAS, At their June 17, 2021 regular meeting, PARCAC approved the City of Homer
33 Beach Policy and Management Plan with amendments and updates.
34

35 NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska hereby
36 amends the Beach Policy and renames it the Beach Policy and Management Plan.
37

38 PASSED AND ADOPTED by the Homer City Council this 26th day of July, 2021.
39

40 CITY OF HOMER
41

42 _____
43 KEN CASTNER, MAYOR
44

45 ATTEST:

46

47 _____

48 MELISSA JACOBSEN, MMC, CITY CLERK

49

50 Fiscal Note: N/A



City of Homer

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(f) 907-235-3143

Memorandum 21- 128

TO: MAYOR CASTNER & HOMER CITY COUNCIL

FROM: PARKS, ART, RECREATION AND CULTURE ADVISORY COMMISSION

THRU: RACHEL TUSSEY, CMC, DEPUTY CITY CLERK

DATE: JULY 15, 2021

SUBJECT: BEACH POLICY AMENDMENTS

The Parks, Art, Recreation & Culture Advisory Commission (PARCAC) took action on rewriting the City Beach Policy at their following meetings:

- February 18, 2021 regular meeting
- March 18, 2021 regular meeting
- April 15, 2021 regular meeting
- May 20, 2021 worksession
- May 20, 2021 regular meeting
- June 17, 2021 regular meeting

Final approval of the revised policies was postponed to the June 17th regular meeting to give time for a Beach Policy Work Group, comprised of Commissioners Roedl, Lowney, and Lewis, to review the policy and separate the document into policy and recommendations. The work group met on June 1st and provided Clerk staff a page-by-page account of which amendments to keep, what to change, and any additional revisions they found. Given the large number of revisions, Deputy City Clerk Tussey produced a clean, reformatted draft that would accompany the current 2017 version for comparison.

What Changed

- Layout and formatting.
- Title is now “Beach Policy and Management Plan” to address the document’s dual purpose as providing policy and management guidance.
- Content reflects the changes made by PARCAC and the work group.
- Verbiage used provides policy guidance without sounding like recommendations/goals.
- Additional imagery and updated maps were included.
- The Proposed Easement and Pedestrian Access to Outer Beach Area map was omitted given it’s a very specific proposal to a singular area that does not warrant its own page in a policy/management plan.

- Appendix A (Beach Access Notes) and Appendix B (Mainland public access points to Kachemak Bay) were removed from the policies and to be merged into a single, stand-alone document for regular review by the commission. The primary reasoning for this amendment is so any changes/updates made to the list of public beach access points would not require a full Council approval every time.

Recommendation

Adopt Resolution 21-053 amending the Beach Policy and renaming it the Beach Policy and Management Plan.

Attached: PARCAC Meeting Minute Excerpts
 DRAFT 2021 Beach Policy & Management Plan
 2017 Beach Policy



CITY OF HOMER

BEACH POLICY &

MANAGEMENT PLAN

Adopted July XX, 2021

Resolution 21-0XX





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DEFINITIONS

- A. "Berm" means a natural, linear mound or series of mounds in a beach area composed of sand, gravel, or both, generally paralleling the water at or landward of the elevation of mean high water.
- B. "Storm berm" means a berm formed by the upper reach of storm wave surges or the highest tides. Storm berms generally include an accumulation of seaweed, driftwood, and other water-borne materials. A beach area may have more than one storm berm.
- C. "Submerged land" means land covered by tidal water from the elevation of mean low water seaward to the corporate boundary of the city.
- D. "Tideland" means land that is periodically covered by tidal water between the elevation of mean high water and mean low water.
- E. "Beach area" means all of the following, whether publicly or privately owned: submerged land, tideland, and the zone of sand, gravel and other unconsolidated materials that extends landward from the elevation of mean high water to the place where there is a marked change in material or physiographic form.
- F. "Motor vehicle" means a device in, upon, or by which a person or property may be transported or drawn upon or immediately over land, that is self-propelled except by human or animal power.
- G. "Personal watercraft" means a vessel which uses an inboard motor powering a water jet pump as its primary source of motive power. The vessels are designed to be operated by a person sitting, standing or kneeling.



Grassy area of Beluga Slough where highest tides and storm deposit logs and driftwood. Tall grasses and other plants grow there most of the time, and only at the highest tides and largest storms are logs thrown up on this area of the beach.



INTRODUCTION, PURPOSE, & GOALS

Purpose and Intent

The purpose of the City of Homer Beach Policy and Management Plan is to support the enforcement of existing regulations, proposed new regulations, or actions that may be needed, for the seven areas of beaches in City limits. The intent of the policy is to provide guidance to keep Homer's beaches safe and enjoyable for all users while preserving the natural environment. This document will be reviewed and updated on a bi-annual basis by the Parks, Arts, Recreation, and Culture Advisory Commission or as deemed necessary by City Council.

History

The original Beach Policy Task Force was established in 2000 as the result of strong public concern on the current and future use of Homer beaches. They completed the beach policy in 2001 which was adopted by City Council on June 25, 2001. In 2003, per Ordinance 03-27, the City was awarded a \$75,000 Coastal Impact Assessment grant to fund beach access restriction improvements, regulatory signage, a GIS coastal erosion and beach habitat information mapping project and funds for the 2004 United States Geological Survey sediment transport study camera operation.

The Task Force made further recommendations in 2005 through Memorandum 05-78, and concluded their work. In 2007, City Council adopted Ordinance 07-01(A) which added advising on public beaches to the duties of Parks, Art, Recreation and Culture Advisory Commission. The Commission formed a Beach Committee to update the Beach Policy, which resulted in this document.

In fall of 2014 the Parks, Art, Recreation & Culture Advisory Commission was directed by Council to review and recommend revisions to the Beach Policy. The Commission worked on the policy the first six months of 2015 and made recommendations via Memorandum 15-102. Council adopted Ordinance 16-05 (S-2)(A-2) on February 23, 2016. Ordinance 16-13 then made minor amendments. The Beach Policy was amended to reflect these revisions through Resolution 16-029(S-2). Resolution 17-021 amended the policy for clarity providing corrections for grammar and content.



*Storm Berm in front of Bishop's Beach Parking Lot
Photo provided by PARCAC Member circa 2000*

Goals of this Policy

❖ Education

Educate beach users by providing signage and beach information at convenient locations.

❖ Safety and Prevention

Limit conflicts between motorized users and pedestrians by encouraging courtesy and common sense.

Protect sensitive beach habitat and wildlife from inappropriate use of beaches - e.g., keep motorized vehicles out of lagoon areas and personal watercraft off beaches.

❖ Enforcement

Ensure adequate staffing on holiday weekends, that regulatory signage is installed where needed so laws can be enforced, and gates are operational to prevent or limit access to sensitive or prohibited areas.



Bishop's Beach has a 2-tier parking area that is delineated by driftwood, rocks, and grassy areas. Vehicle access to the west end (Area 7) is located at the northwest corner of the lower lot and a gate at the southeast end restricts access to the East-end of Ocean Drive Loop Seawall to Bishop's Beach Park (Area 6).



GENERAL POLICY & PLAN FOR ALL HOMER BEACHES

A. Identify and improve beach access points. Heavy impacts are created by a large number of people accessing the beach at a small number of places. By finding, improving, and publishing all public beach access points, this will diffuse the impacts and provide a more enjoyable experience to all.

1. Improve and maintain beach access points.
 - a. Document the known public beach access points and tracks their current status, development, and other notes of interest.
 - b. An audit/review for updates of the beach access points and documentation shall be done every three years.
2. Provide signage at selected public access points.

B. Install and maintain signage as needed. Signage shall be positive and informative to encourage courtesy to pedestrians, appropriate pet control and clean up, and indicate where vehicles are permitted. All signage must be installed in a manner that meets the needs of law enforcement.

1. Installed signage shall address the following:
 - a. The berm building process, shore zone wildlife habitat, etc.
 - b. The risks of driving on the beach and the responsibility the owner/driver accepts, specifying that the City shall not be held liable.
 - c. The prohibition of removal and burning of driftwood along the berm, and where campers can locate campfire wood.
 - d. City code prohibitions and applicable fines, so that any violators of the law on City beaches may be ticketed.
2. City shall coordinate with U.S Fish and Wildlife (USFW) on a uniform interpretative signage plan for all City beach parks. Adjust signage language over time to meet changing needs. Include the project in the annual budget.
3. Ensure there are line items in the City's budget for sign repair, updating, and replacement.



*Northwest end of Mariner Park
Signage clearly states City Code and
vehicle restrictions, rocks adequately
delineate the parking area, and the
Alaska flag adds a positive touch.*

C. Be aware of seaward property boundaries when making municipal decisions. Although many believe property lines stop at a water boundary, it has become apparent this is not always the case in Kachemak Bay. Normal property lines next to the ocean are established at mean high tide, and slow erosion does change boundaries. The 1964 earthquake caused the sinking of the Spit and Homer area and the sea flowed over the lowered land. This sudden change is called avulsion and legally does not change land boundaries. However, avulsion does have to be proven which can be difficult without adequate historical records. Common in Alaska, the area below mean high tide is owned by the State of Alaska, and this is true in a few spots in Homer. But generally speaking, the City owns the tidelands below mean high tide.

D. Encourage better enforcement of applicable existing state and local laws. Examples of applicable laws include: HCC 19.08 Campgrounds, HCC 7.16 Vehicles in Beach Areas; HCC18.28.200 Waste or injury to land, and Alaska State Traffic Regulations regarding: DWI, Reckless Driving, Negligent Driving, Basic Speed, and Littering.

1. Evening quiet hours shall be posted and enforced in applicable areas.
2. City driving laws in City beach parking areas and on west Bishop's Beach where driving is permitted shall be enforced.
3. Any observed violations of policies or laws shall be reported to the Homer Police Department.

E. Develop a coordinated public relations campaign. It is important to enlist the public in the campaign to keep our beaches enjoyable for all, to limit the human damage to fragile areas, and to minimize friction between user groups. The City requires everyone's help.

1. Prior to major holiday weekends, beach rules and etiquette in the local newspapers, on social media, and local radio stations shall be advertised.
2. Beach maps and brochures on beach etiquette shall be provided at all City campground facilities, Homer Chamber of Commerce, City Hall, and the Port and Harbor's Office.
3. Beach educational materials shall be distributed to local school district officials to ensure information is included in existing curriculum pertaining to beach activities and field trips.
4. Ensure there are line items in the City's budget for advertising expenses.

F. Perform an annual assessment of beach health and developing impacts.

1. Provide City Council with annual updates from local organizations and entities that support clean-up efforts on city beaches. Host on City Website.
2. On a biannual basis, take photographs of sensitive areas or places and keep a photo record of changes. Host on City website.

G. Driftwood from berm areas should not be removed. Testimony by scientists emphasizes the importance of the natural berm building process to protect the Spit, Mariner Lagoon, and Beluga Slough and provide wildlife habitat. The driftwood plays an important role in building and stabilizing berms and is an esthetic enhancement to the beach. Therefore, it is hoped that providing an alternate source of campfire wood for campers serves the important function of protecting the berms.

1. Prohibit the burning of driftwood from berm areas.
2. Provide alternative wood sources for campfires, or install signage that informs campers where campfire wood can be found.

H. Find ways of supporting beach clean-up.

1. Encourage the elimination of unsightly waste on properties near the beach by working with landowners, particularly in the Louie's Lagoon, Homer Spit, and Mariner Park areas.
2. Support volunteer efforts by providing trash bags for annual clean-up events and dumpsters or trash removal at locations such as Bishop's Beach.
3. Support local organizations and entities that provide clean-up efforts on city beaches. Support may be in the form of providing trash bags, dumpster service at beach parks, and City funding for newspaper advertising educational and beach clean-up activities.

I. Keep cars from encroaching onto beach berms and beaches in city campgrounds, parks, and along the Homer Spit Road.

1. Define parking lots so they do not spread onto the beach.




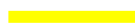

Gates and use of natural vegetation are used to delineate parking lots at parks and beaches at the south end of Mariner Park (top), Southeast end of Bishop's Beach (middle), and Louie's Lagoon parking lot (bottom)



POLICIES & PLANS FOR SPECIFIC AREAS

The following are management plans for specific beach areas, identified as Areas 1 through 7, and follow the beach line from East to West.

Color Key for Area Maps

	No Vehicles Allowed
	Boundary Lines Identified in HCC 7.16
	Vehicles Allowed per HCC 7.16.020 Exceptions

AREA 1

Miller's Landing to East of Airport Beach Access Road

- Miller's Landing – Maintain a public viewing spot in the Airport Beach Access Road Right-of-Way off of Kachemak Drive through the use of signage stating the location of the public access. A small parking area may be designated with the use of boulders to discourage trespassing on adjacent properties.
- Airport Beach Access Road – Support state efforts to place signage or interpretive displays.
- Vehicle use at the bottom of Airport Beach Access Road on the beach is not allowed – Vehicles are allowed east of that area, but there is no public vehicle access point to get to that part of the beach. Land owners, or those with land owner permission, may access the beach from private vehicle access points. Once on the beach, nothing in City laws or policy condones trespassing on adjacent private lands.
- Vehicles are allowed on the beach east of the vacated easement (formerly known as Shirlene Circle).



AREA 2

Airport Beach Access Road to North-End of Berm outside of Louie's Lagoon, and Louie's Lagoon

- A. Vehicles are prohibited in this entire area, excluding designated access driveways and parking. Vehicle restriction is necessary to protect the fragile habitats of Mud Bay and Louie's Lagoon.
- B. Maintain signage identifying public pedestrian access points and vehicle parking areas.
- C. Ensure area and easements are zoned for conservation.
- D. Preserve subsistence fishing access through the northern portion of the English Bay property, which traditionally has included pedestrian and vehicle access.



AREA 3

Louie's Lagoon-South to End of Homer Spit, then North to the South-end of Mariner Park

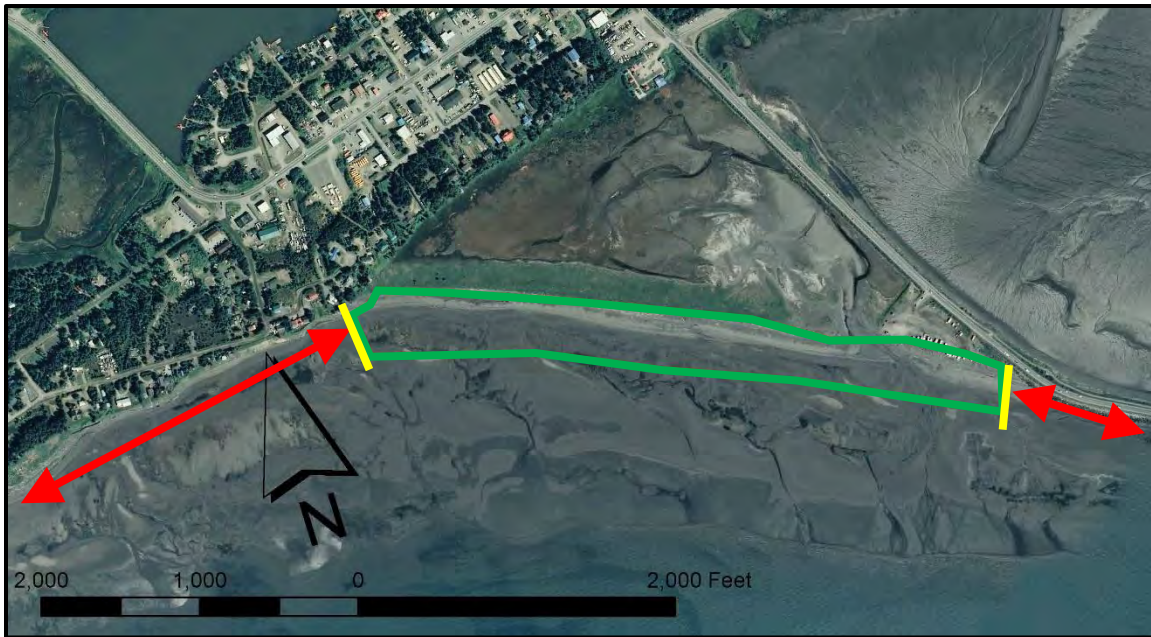
- A. Vehicles are prohibited in this entire area, excluding designated access driveways and parking.



AREA 4

South-end of Mariner Park to East-end of Ocean Drive Loop Seawall

- A. Vehicles are allowed between the south-end of Mariner Park Beach and the east-end of the Ocean Drive Loop seawall from October 1st through March 31st for the sole purpose of gathering sand and coal. The beach is closed to vehicles at all times for any other purpose.
- B. The area in front of the seawall west to the Beluga Slough outfall is closed to vehicles.
- C. Mariner Park Campground and day-use area has defined campsites and controlled vehicle access to the beach through the use of logs, rocks, and a gate. Maintain the campground and these measures as they provide protection to the berm, encouraging natural vegetation growth.



AREA 5

Mariner Park Lagoon and Storm Berm

- A. Vehicles are prohibited in this entire area.
- B. Ensure there are line items in the City's budget to dredge Mariner Slough on a biennial year period.



AREA 6

East-end of Ocean Drive Loop Seawall to Bishop's Beach Park

- A. Vehicles are prohibited in this area.
- B. Maintain the gate and rocks at Bishop's Beach Park to physically block access to vehicles.
- C. Support U.S. Fish and Wildlife efforts to protect berm and promote rye grass/driftwood build-up.
- D. Support U.S. Fish and Wildlife's efforts to develop a plan to maintain the ecological integrity of their educational reserve, including possible conservation zoning.



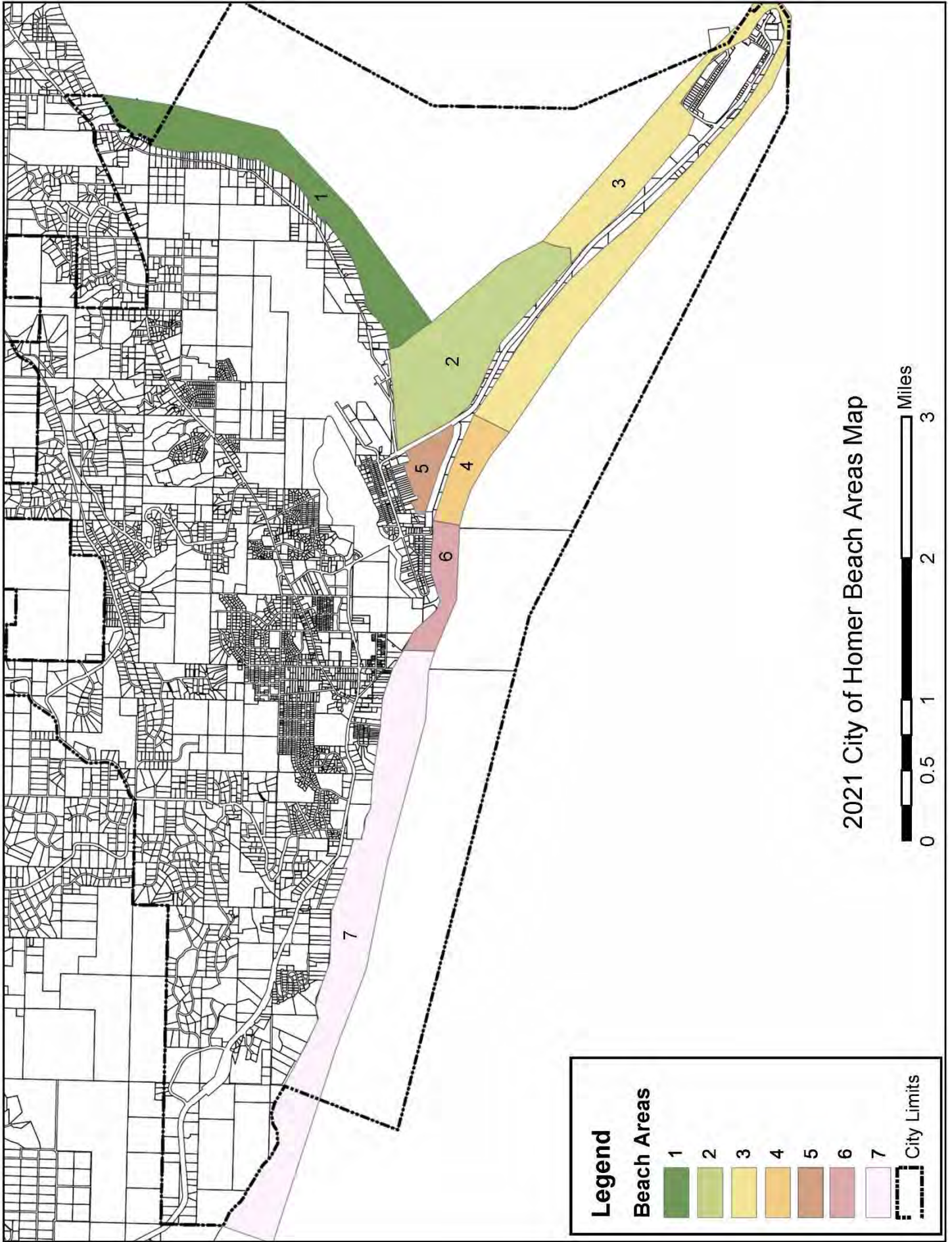
AREA 7

Bishop's Beach Park Access-West to Homer City Limits

- A. This is a heavily used area and has the greatest potential for conflicts between user groups.
- B. Ensure there is adequate parking and signage at Bishop's Beach Park and in the area. Wayfinding signage may direct people to nearby public parking (e.g., Homer Chamber of Commerce, Islands and Ocean Visitor Center).
- C. Vehicles are allowed west from Bishop's Beach Park access and prohibited to the east. Posted signage shall warn drivers to proceed at their own risk.
- D. Improve erosion control and maintain beach access points.

E. Work with property owners and interested volunteers to remove derelict vehicles from City beaches. Owner will be responsible for the costs and removal of vehicle(s).





2021 City of Homer Beach Areas Map



Legend

Beach Areas

- 1 [Dark Green Box]
- 2 [Light Green Box]
- 3 [Yellow Box]
- 4 [Orange Box]
- 5 [Brown Box]
- 6 [Pink Box]
- 7 [Light Pink Box]

City Limits [Dashed Line Box]

City of Homer Beach Policy

March 13, 2017



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Appendix B: Mainland public access points to Kachemak Bay	12

1. Purpose and Intent

This document is an update to the Beach Policy Task Force Final Recommendations, adopted June 25th 2001 and the Parks, Art, Recreation and Culture Commission recommendations in 2007 and 2016. Since 2001, the City of Homer has annexed more land and beaches, and implemented parts of the original plan. The purpose of this document is to update the Beach Policy and make recommendations for future actions. The intent of the Beach Policy is to keep Homer's beaches safe and enjoyable for all users, and preserve natural environment.

Goals

Education

Educate beach users by providing signage and beach information at convenient locations.

Prevention

Limit conflicts between motorized users and pedestrians by encouraging courtesy and common sense.

Protect sensitive beach habitat and wildlife from inappropriate use of beaches – e.g., keep motorized vehicles out of lagoon areas.

Enforcement

Ensure adequate staffing on holiday weekends. Ensure regulatory signage is installed where needed so laws can be enforced.

2. Definitions

a. "Berm" means a natural, linear mound or series of mounds in a beach area composed of sand, gravel, or both, generally paralleling the water at or landward of the elevation of mean high water.

b. "Storm berm" – means a berm formed by the upper reach of storm wave surges or the highest tides. Storm berms generally include an accumulation of seaweed, driftwood, and other water-borne materials. A beach area may have more than one storm berm.

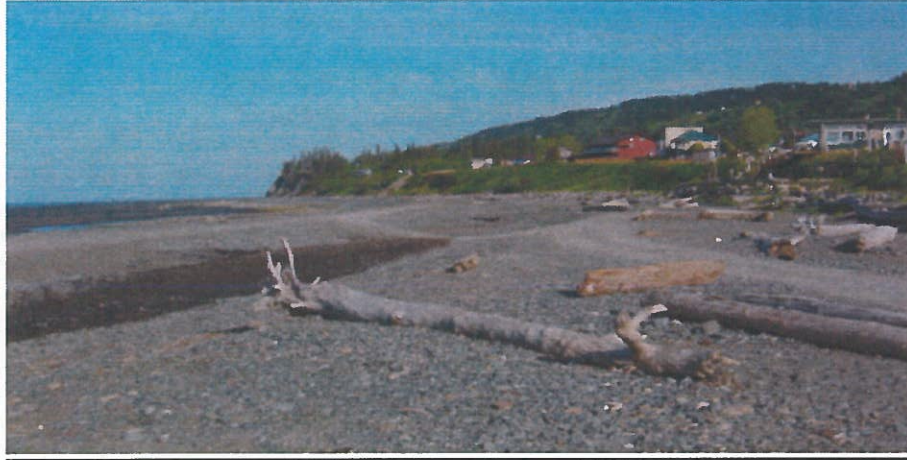
Example: Grassy areas of Mariner Lagoon and Beluga Slough where highest tides and storm deposit logs and driftwood. Tall grasses and other plants grow there most of the time, and only at the highest tides and largest storms are logs thrown up on this area of the beach.

c. "Submerged land" means land covered by tidal water from the elevation of mean low water seaward to the corporate boundary of the city.

d. "Tideland" means land that is periodically covered by tidal water between the elevation of mean high water and mean low water.

e. “Beach area” means all of the following, whether publicly or privately owned: submerged land, tideland, and the zone of sand, gravel and other unconsolidated materials that extends landward from the elevation of mean high water to the place where there is a marked change in material or physiographic form.

f. “Motor vehicle” means a device in, upon, or by which a person or property may be transported or drawn upon or immediately over land, that is self-propelled except by human or animal power.



3. General Recommendations for all Homer Beaches

A. Identify and improve beach access points. Heavy impacts are created by a large number of people accessing the beach at a small number of places. By finding, improving and publishing all public beach access points, we will diffuse the impacts and provide a more enjoyable experience to all.

1. Improve Access via: Main Street, Ocean Dr., Spit, Kachemak Dr. 2. Provide signage at all public access points.

a. Specifically, signage shall be maintained at Bishop’s beach park, Ocean Drive Loop, the parking areas on the east side of the Homer Spit, on the Airport Beach Access Road, and Kachemak Drive.

b. Appendix A documents other public access points and the pros and cons of their development. The appendix should be expanded to include Homer Spit public access points, particularly on the east side of the spit.

B. Install and maintain signage as needed. Signage should be positive and informative to encourage courtesy to pedestrians, appropriate pet control and clean up, and indicate where vehicles are permitted. Interpretive signage about the berm building process, shore zone wildlife

habitat, etc. should be developed and installed. Ensure signs are installed to meet the needs of law enforcement.

1. Work with USFW on a uniform interpretative signage plan that can be used in all City beach parks. Adjust signage language over time to meet changing needs. Include the project in the annual budget.
2. Budget at least \$500 a year for sign repair, updating, and replacement.

C. Be aware of seaward property boundaries when making municipal decisions. Although many people believe property lines stop at a water boundary, it has become apparent this is not always the case in Kachemak Bay. Normal property lines next to the ocean are established at mean high tide, and slow erosion does change boundaries. The 1964 earthquake caused the sinking of the Spit and Homer area. The sea flowed over the lowered land. This sudden change is called avulsion and legally does not change land boundaries. However, avulsion does have to be proven which can be difficult without adequate historical records. Usually in Alaska, the area below mean high tide is owned by the State of Alaska, and this is true in a few spots in Homer. But generally speaking, the City owns the tidelands below mean high tide.

D. Encourage better enforcement of applicable existing state and local laws. Examples of applicable laws include: HCC 19.08 Campgrounds, HCC 7.16 Vehicles in Beach Areas; HCC 18.28.200 Waste or injury to land, and Alaska State Traffic Regulations regarding: DWI, Reckless Driving, Negligent Driving, Basic Speed, and Littering.

1. Encourage more evening enforcement in City campgrounds and encourage/post quiet hours.
2. Encourage more enforcement of city driving laws in city beach parking areas and on west Bishop's Beach where driving is permitted.
3. Ensure adequate City signage is installed so that violators of city laws on City beaches may be ticketed

E. Develop and distribute brochures with a coordinated public relations campaign. It is important to enlist the public in the campaign to keep our beaches enjoyable for all, to limit the human damage to fragile areas and to minimize friction between user groups. We need everyone's help.

1. Prior to major holiday weekends, advertise beach rules and etiquette in the local newspapers. Consider a public services announcement on local radio stations. Budget at least \$500 annually for this advertising.
2. Provide beach maps and brochures on beach etiquette at city campground facilities.

F. Perform an annual assessment of beach health and developing impacts.

1. Provide City Council with copies of the annual Coastwalk Report, from the Center for Alaskan Coastal Studies. Host on City Website.
2. On a biannual basis, take photographs of sensitive areas or places and keep a photo record of changes. This could be hosted on the City website.

G. Driftwood from berm areas should not be removed. Testimony by scientists emphasized the importance of the natural berm building process to protect the spit, lagoon and slough. The berms also provide important wildlife habitat. It was found that driftwood plays an important role in building and stabilizing berms. Thus, it is hoped that providing an alternate source of campfire wood for campers serves the important function of protecting the berms. Driftwood was also described as an important esthetic enhancement to the beach and a material resource.

1. Prohibit the burning of driftwood from berm areas and direct City Administration to investigate providing firewood to beach users or allowing firewood concessions in city campgrounds.

H. Find ways of supporting beach cleanup.

1. Support the efforts of spring clean up day to include Homer beaches. The City should actively continue to support the efforts of volunteers by providing trash bags for the event and dumpsters or trash removal at locations such as Bishop's Beach.
2. Support the efforts of the Center for Alaskan Coastal Studies for their annual CoastWalk and beach trash removal. Support may be in the form of providing trash bags, dumpster service at beach parks, and city funding for newspaper advertising for CoastWalk educational and beach cleanup activities.

I. Keep cars from encroaching onto beach berms and beaches in city campgrounds, parks, and along the Homer Spit Road. Define parking lots so they do not spread onto the beach.

4. Recommendations by Area (Following the beach line, East to West)

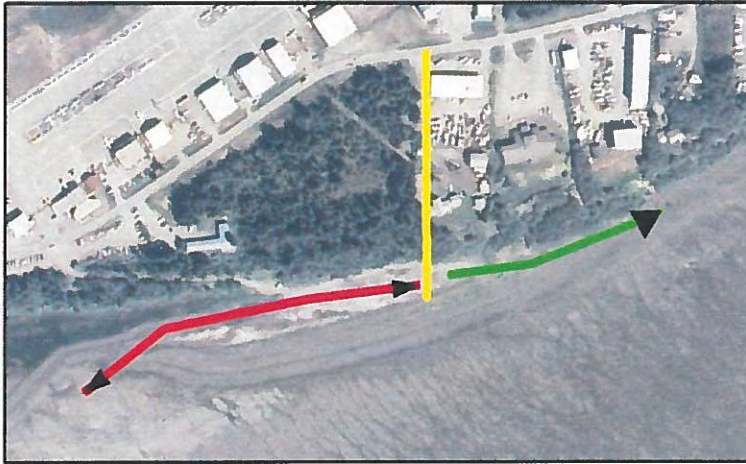
Area 1 - Miller's Landing to just east of the Airport Access Road.

A. Miller's Landing. Create a public viewing spot in the Beach Access Road Right of Way off of Kachemak Drive, by posting a sign stating the location of the public access. In the future, as use warrants, create a small parking area, and use boulders to discourage trespassing on adjacent properties.

B. Airport Access Road. Support state efforts to place signage or interpretive displays.

C. Vehicle use at the bottom of airport beach access road on the beach is not allowed. Referred to HCC 7.16.020 for exceptions.

D. Vehicles are allowed on the beach east of the vacated easement formerly known as Shirlene Circle (refer to map), under the terms of HCC 7.16



Vehicles are not allowed on the beach at the bottom of the airport beach access road. Vehicles are allowed east of that area, but there is no public vehicle access point to get to that part of the beach. Land owners or those with land owner permission may access the beach from private vehicle access points. Once on the beach, nothing in City laws or policy condones trespassing on adjacent private lands.

Area 2 - Airport Beach Access Road to North End of Berm outside of Louie's Lagoon and Louie's Lagoon.

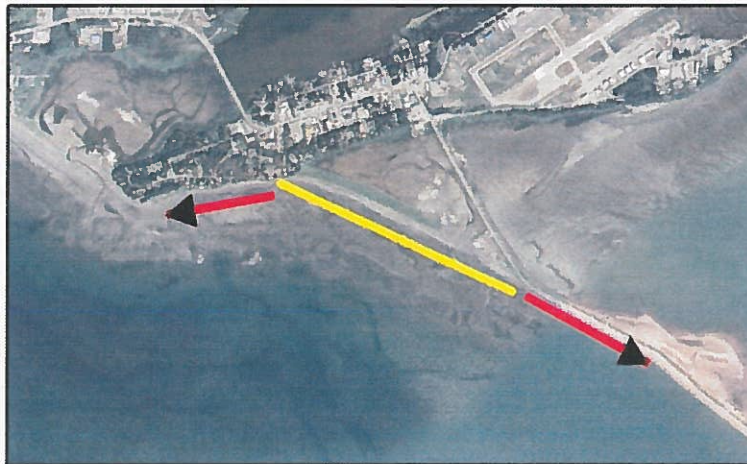
- A. Due to expert testimony, it was agreed by the BPTF that limiting vehicle use in this area was necessary to protect the fragile habitats from Mud Bay to Louie's Lagoon.
- B. Vehicles are prohibited in this entire area - outside of access driveways and parking.
- C. Maintain signage identifying public pedestrian access points and vehicle parking areas.
- D. Complete Conservation zoning for all public lands in this area. Much of Area 2 has a conservation easement and zoning.
- E. Designate the platform area as a park and initiate cleanup of surface debris in Louie's Lagoon. A layer of dredge spoils to cover debris and more grass around the platform is also recommended. Investigate potential as a bird viewing platform.
- F. Long term goal: Acquire a pedestrian easement as shown on the map, for access to the outer beach without going through the mudflats. The current section line easement goes across the mud flat in the bird sanctuary. A new easement would provide better access to the beach and protection for the sanctuary. See attached map.
- G. Preserve subsistence fishing access through the northern portion of the English Bay property, which traditionally has included pedestrian and vehicle access.

Area 3 - From Louie's Lagoon - South to end of Homer Spit and then North to the South end of Mariner Park.

- A. Encourage the elimination of unsightly waste on properties near the beach by working with landowners.

Area 4 - From the south end of Mariner Park to the East End of the Seawall

A. Vehicles are allowed between the south end of Mariner Park beach and the east end of the seawall from October 1 through March 31st solely for the purpose of gathering sand and coal. The beach is closed to vehicles at all times for any other purpose. The area in front of the sea wall west to the Beluga Slough outfall is closed to vehicles.



Red = No vehicles
Yellow = Vehicles only under the terms of HCC 7.16, paraphrased in C, above.

B. Define limits to Mariner Park campground by utilizing logs, rocks or other means to restrain vehicles from entering the lagoon while creating a beach access point that can be gated seasonally to control vehicle access to the beach. This would also help protect the berm in the park, which sees heavy seasonal use from campers. Create a phased cost estimate and include the project in the annual budget in the near future.

Area 5 - Mariner Park Lagoon including the storm berm

A. Vehicles are not allowed in this area.

Area 6 East End of Seawall to Bishop's Beach Park

A. Vehicles are not allowed in this area.

B. Maintain the gate and rocks at Bishop's Beach Park to physically block access to vehicles

C. Support USFS efforts to protect berm and promote rye grass and driftwood buildup.

D. Support USFS work to develop a plan to maintain the ecological integrity of their educational reserve, including possible conservation zoning.

E. Improve and identify with signage the Ocean Drive Loop beach and Beluga Slough access.

Area 7 - Bishop's Beach Park access, west to Homer city limits. This is a heavily used area, and has the greatest potential for conflicts between user groups.

- A. Increase parking at Bishop's Beach Park and in the area. Increase wayfinding signage directing people to nearby public parking (e.g., Chamber of Commerce, Island and Ocean Visitor Center) may be needed.
- B. This area is open to vehicles, following the laws under HCC 7.16.



Vehicles are allowed west from Bishop's Beach Park access, and prohibited to the east.

C. Improve erosion control and access at Crittenden Drive and at Main Street. Use seeding, of native grasses and other low impact techniques to control erosion in the right of way at the end of Main Street. Install a stairway so pedestrians may access the beach safely and without treading on the eroding bluff face.

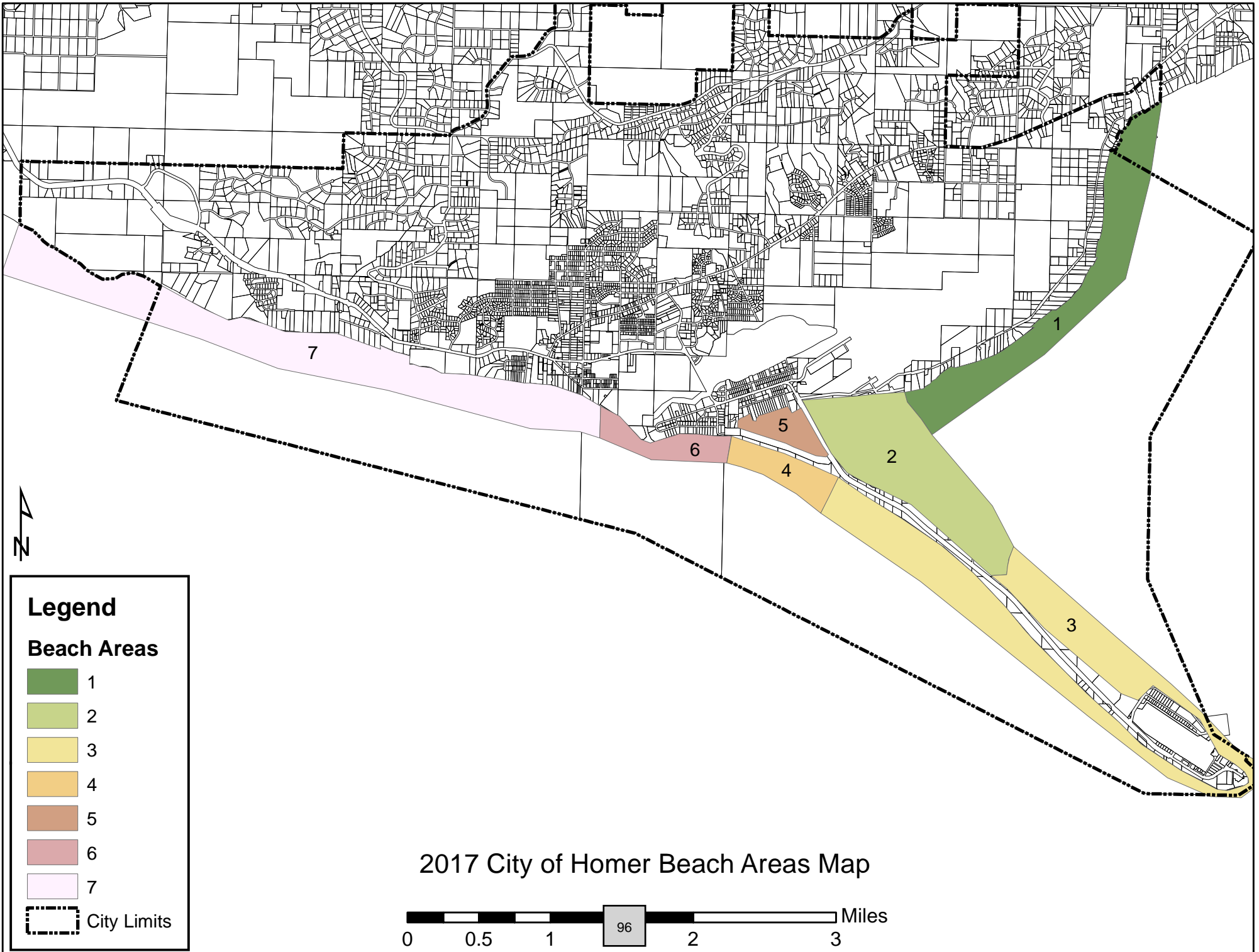
D. Work with property owners and interested volunteers to remove the remaining junk cars from the beach near the bottom of West Hill.

5. History

The original Beach Policy Task Force was established in 2000 and completed the beach policy in 2001. The City adopted it on June 25, 2001. In 2003, Ordinance 03-27, the city was awarded a \$75,000 Coastal Impact Assessment grant to fund beach access restriction improvements, regulatory signage, a GIS coastal erosion and beach habitat information mapping project and funds for the 2004 United States Geological Survey sediment transport study camera operation.

The Task Force made further recommendations in 2005, in Memorandum 2005-78, and concluded their work. In 2007, the City Council added advising on public beaches to the duties of Parks and Recreation Advisory Commission (Ordinance 2007-01(A)). The Commission formed a Beach Committee to update the Beach Policy, which resulted in this document.

In fall of 2014 the Parks and Recreation Advisory Commission was directed by Council to review and recommend revisions to the Beach Policy. The Commission worked on the policy the first six months of 2015 and made recommendations via Memorandum 15-102. Council adopted Ordinance 16-05 (S-2)(A-2) on February 23, 2016. Ordinance 16-13 then made minor amendments. The Beach Policy was amended to reflect these revisions through Resolution 16-029(S-2). (Resolution 17-021).



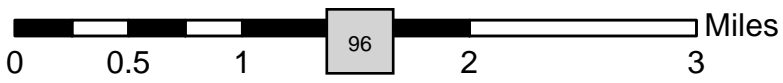
Legend

Beach Areas

- 1
- 2
- 3
- 4
- 5
- 6
- 7

City Limits

2017 City of Homer Beach Areas Map



Proposed Easement and Pedestrian Access to Outer Beach Area

Outer Beach


TIDE ST.

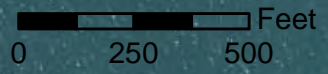
Proposed easement

Kevin Bell Arena



Legend

 City Lands



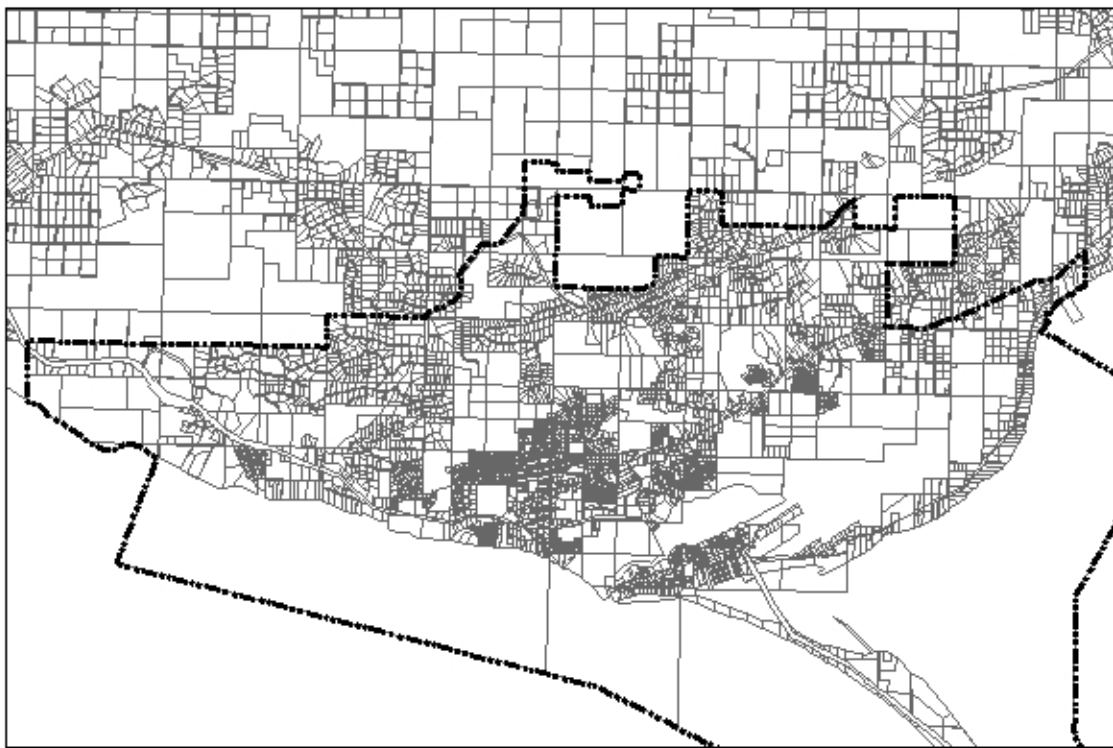
Appendix A: Beach Access Notes

Public access points

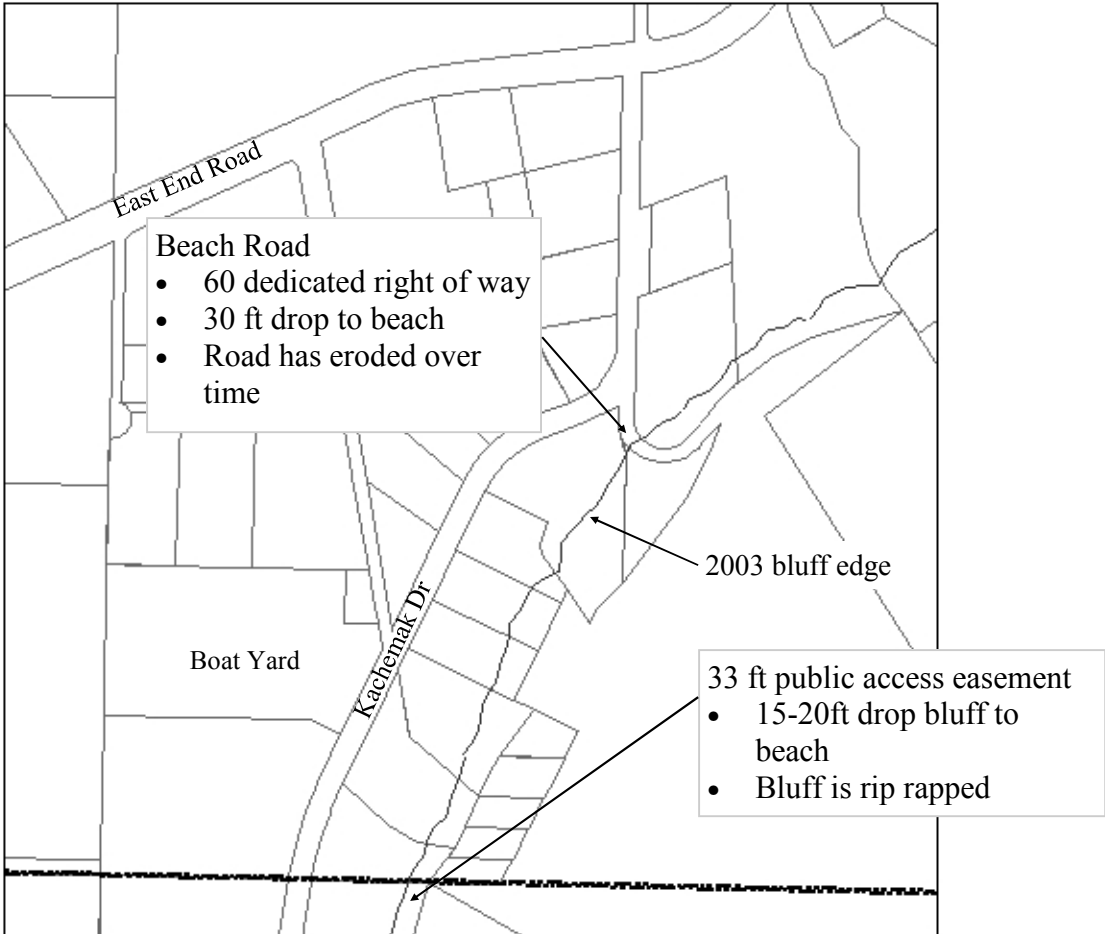
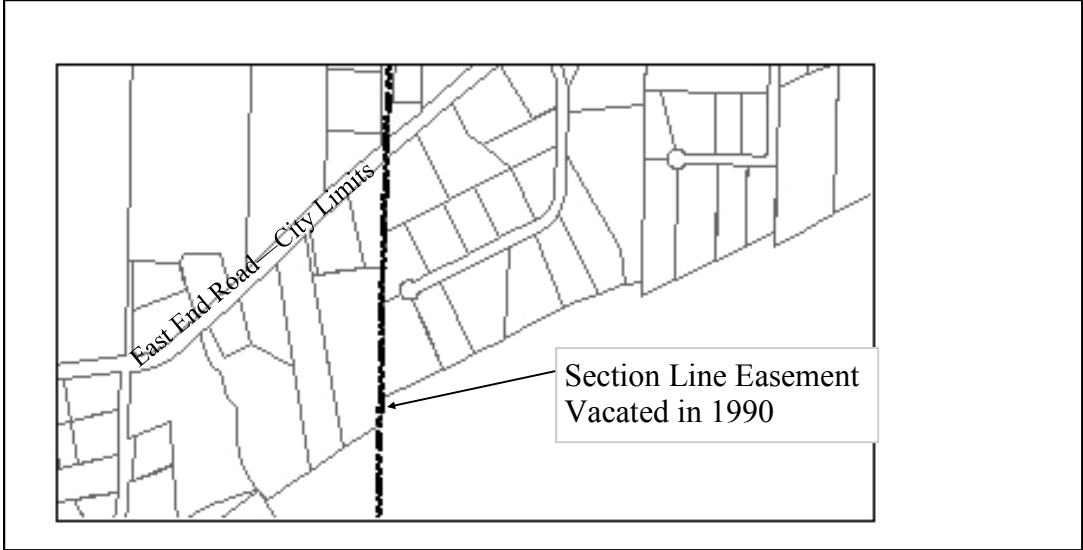
	Pros	Cons	Comments
Miller's Landing Beach Road	Nice picnic spot Difficult trek down to the beach	No defined parking area	
Airport Access Road			State owned land. Gate and key system installed in 2016.
Spit			
Mariner Park	Large parking area for campers and day users	Occasionally motor vehicles drive around in the lagoon.	Need more enforcement here Need more education here/kiosk
Lake Street		Constructed road ends at the Seawall. It will be expensive and difficult to create beach access that will withstand the wave energy at this point. Most of the land below is private property.	There may be other better pedestrian access points that are currently not public, along Ocean Drive Loop
Oscar Munson/Bell		Some public access points must cross the seawall, and most of the beach area is private property.	Neighborhood Access Point
Bishop's Beach	Flat beach access, public parking	High user conflicts	
Main Street	Section line easement access	Highly erosive, very steep trail	
Crittenden	Right of way access	No parking. Tends to be a party spot.	City constructed trail in conjunction with Crittenden/Waddell Road Improvements. There is also an adjacent private access from Ocean Shores Motel. Landowner allows neighborhood use of his trail to the beach.

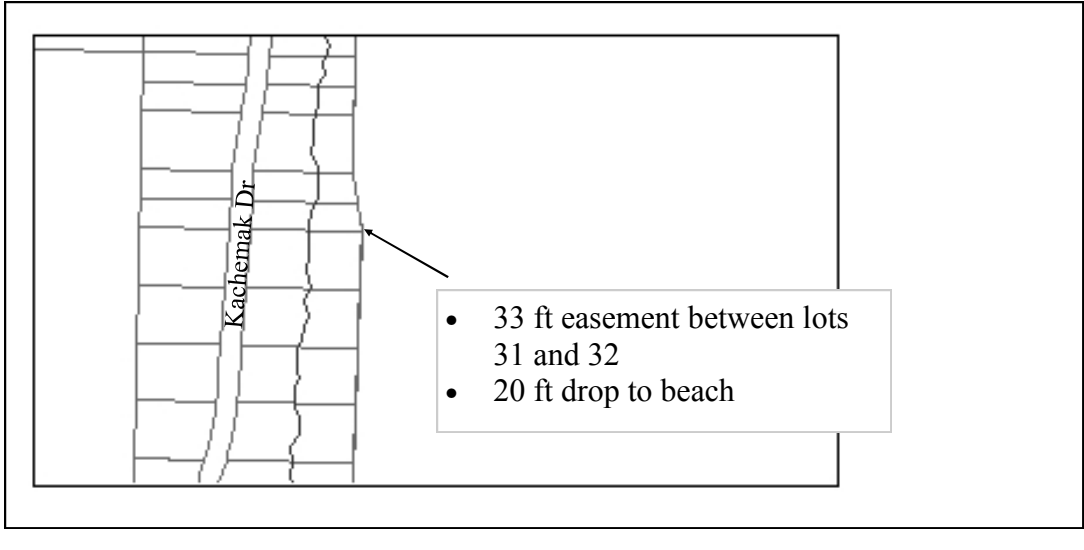
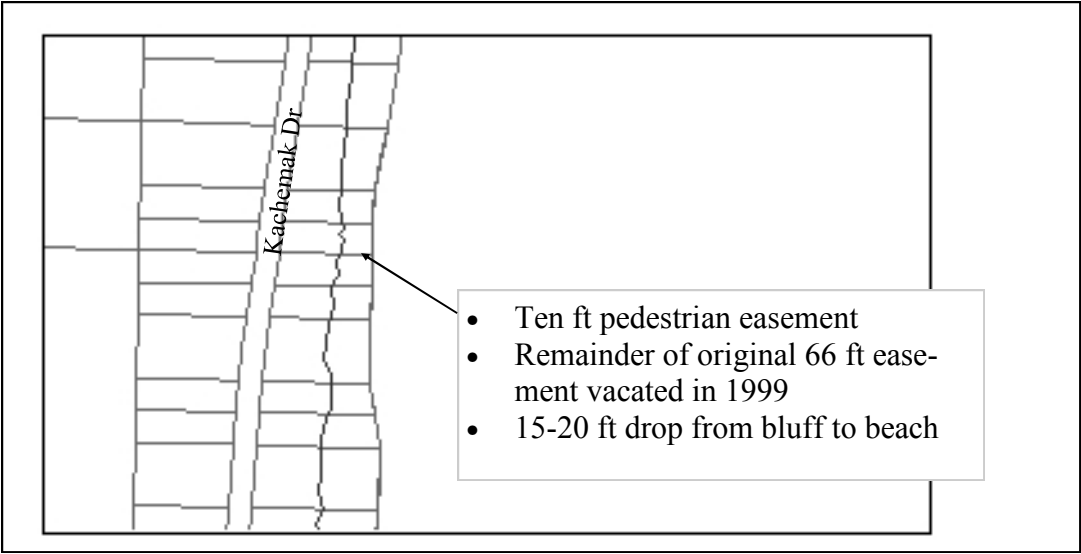
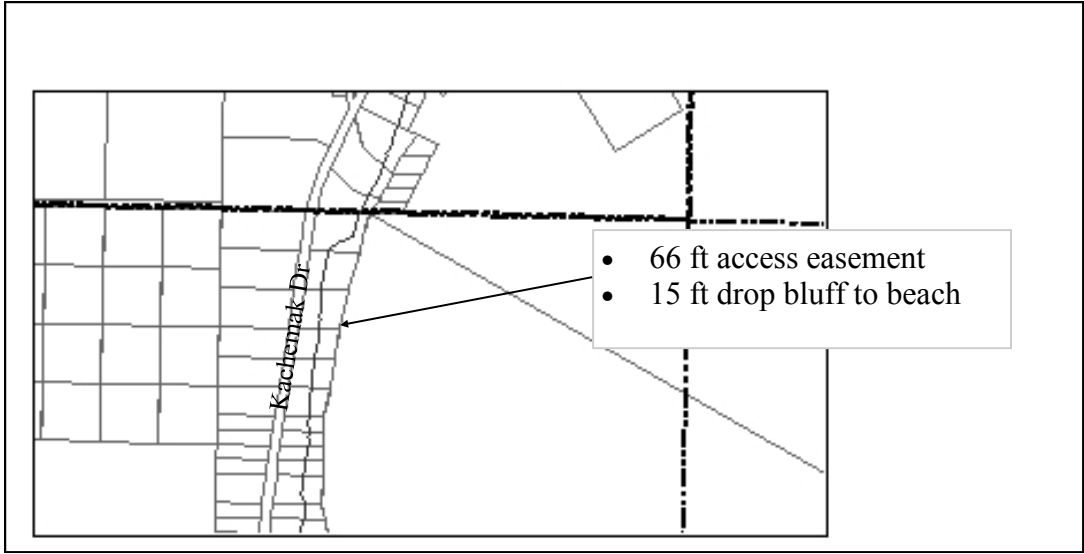
Updated 6/2016

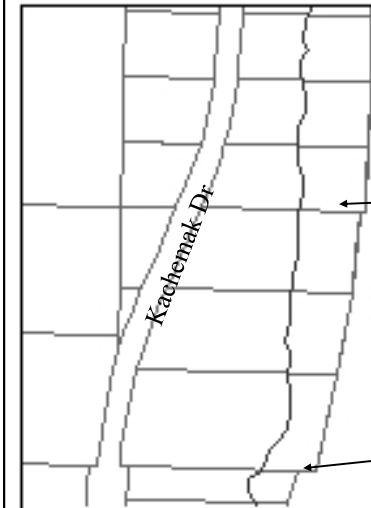
Beach Policy Appendix: B
Mainland Public Access Points to Kachemak Bay
2017



Prepared by the City of Homer Planning and Zoning Office.
Erosion data from KBRR 2004 coastal erosion study. Easement
data from plat research, and from 1982 Homer and Vicinity
orthotopographic map by Walker and Associates.







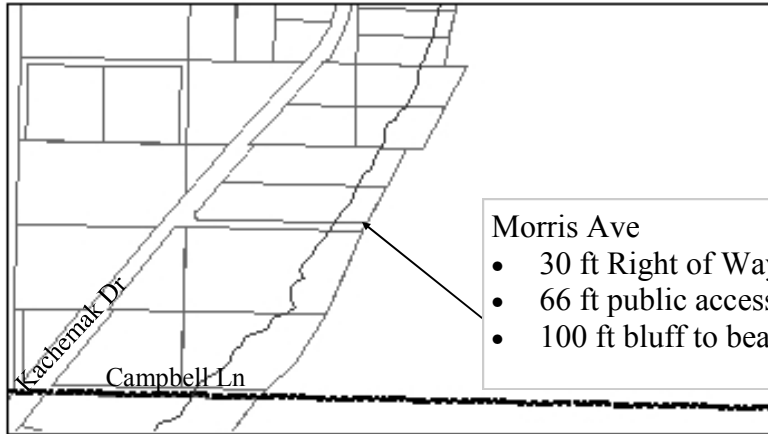
- Ten foot pedestrian easement on northern property, 33ft easement on southern property.
- Remainder of northern 33 ft easement vacated
- 30 foot drop from bluff to beach

- 33 ft easement
- Remainder of 66 ft easement vacated in 1976
- 35 foot drop from bluff to beach

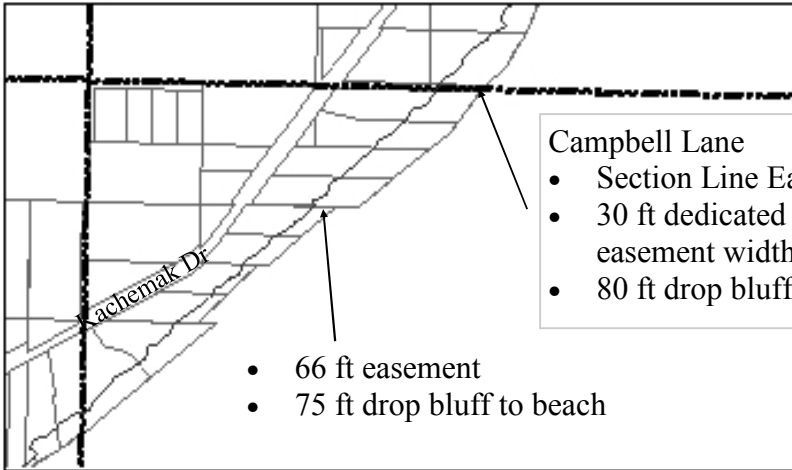


- 33 ft access easement
- 65 foot drop from bluff to beach

- 33ft access easement
- 75 foot drop from bluff to beach

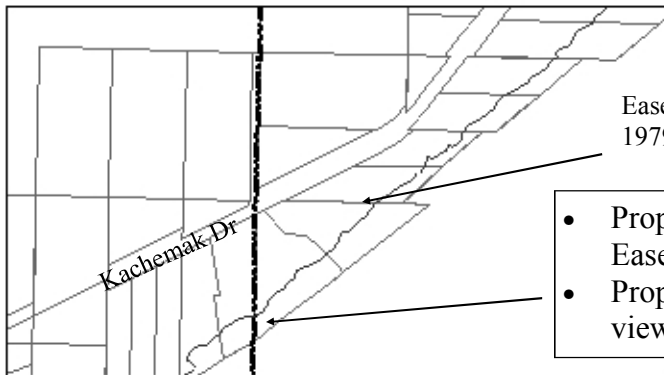


- Morris Ave**
- 30 ft Right of Way
 - 66 ft public access
 - 100 ft bluff to beach drop

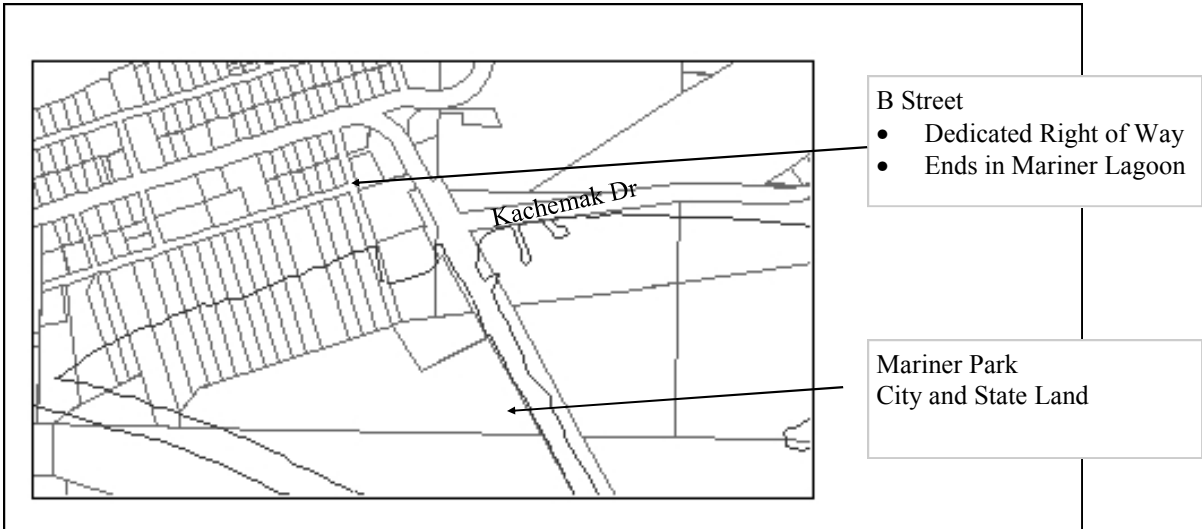
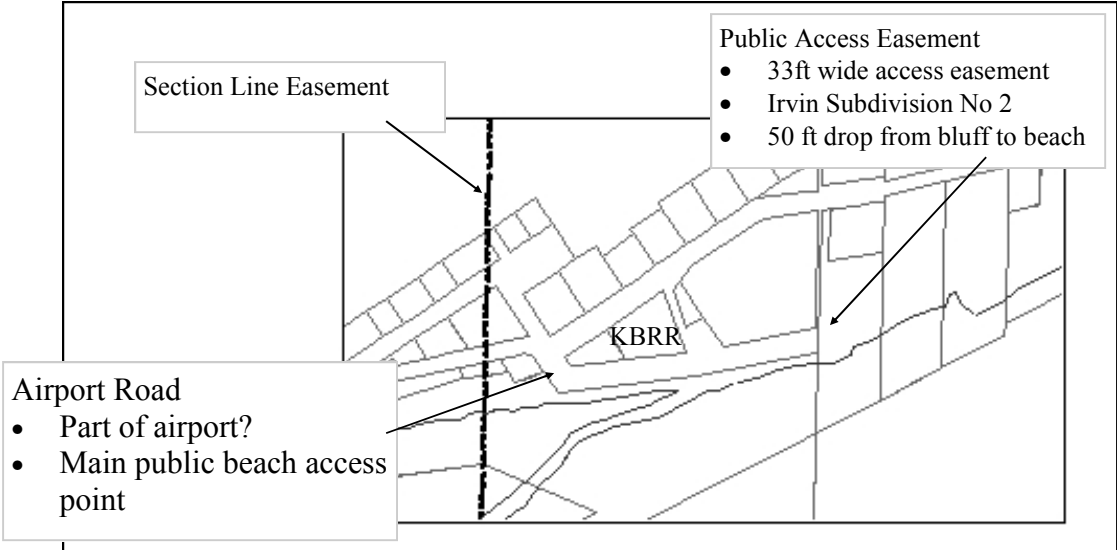
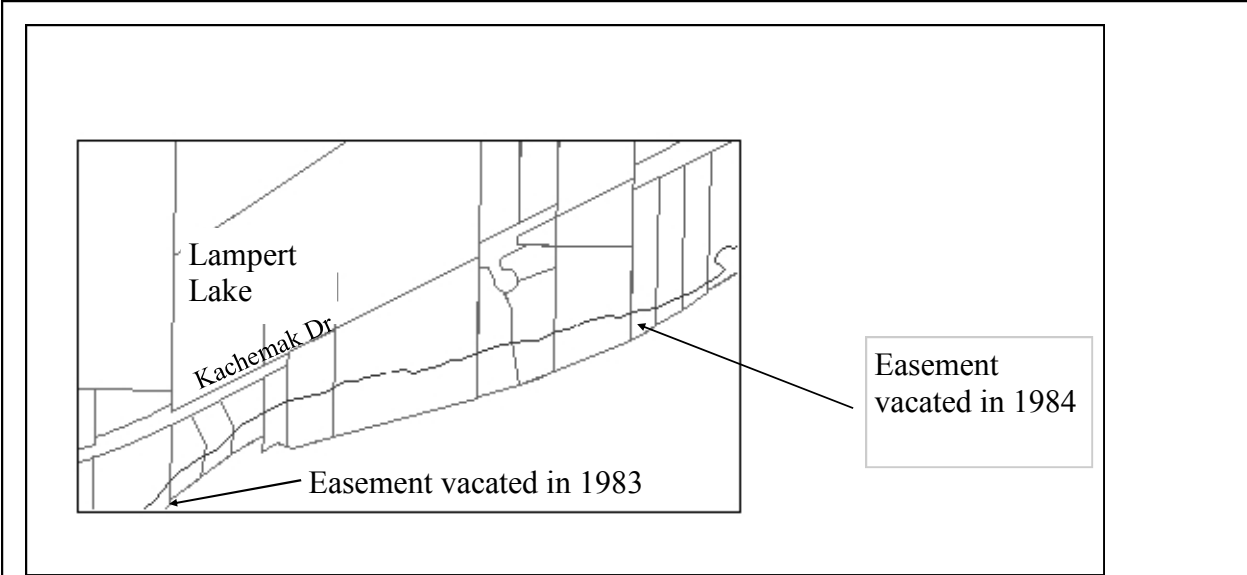


- Campbell Lane**
- Section Line Easement
 - 30 ft dedicated Right of Way, 66 ft total easement width
 - 80 ft drop bluff to beach

- 66 ft easement
- 75 ft drop bluff to beach



- Easement vacated in 1979
- Proposed Section Line Easement Vacation 2007.
 - Proposed public access viewpoint.





Lake Street

- Dedicated 60 ft Right of Way
- Sea wall crosses the Right of Way

Section Line Easement

- 66 ft wide
- 30 ft drop from bluff to beach

Oscar Munson Subdivision

Victoria Place

- 50 foot Right of Way
- Not constructed

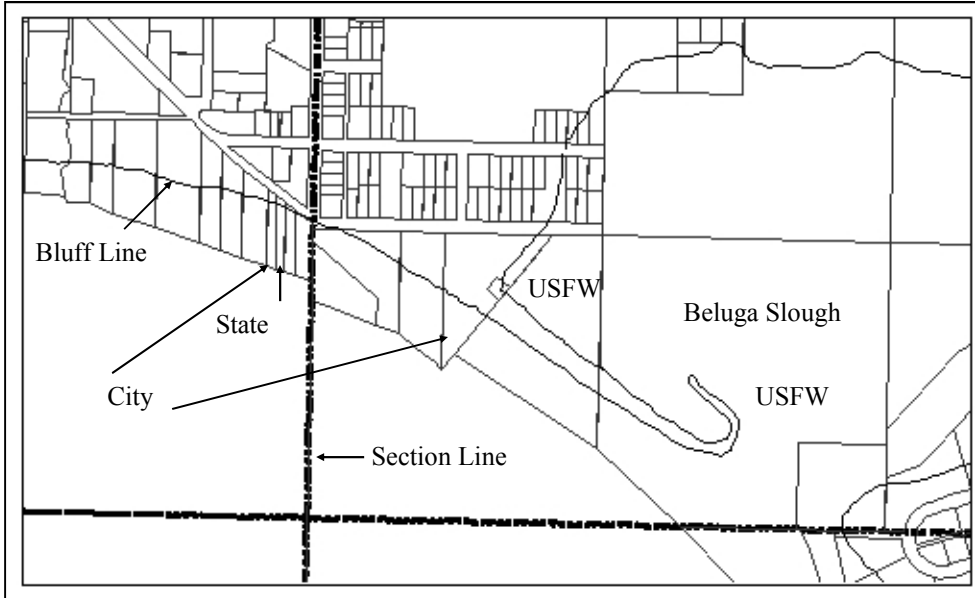
Section Line Easement/Right of Way

- 30 ft Right of Way, 33 ft section line
- Exact width of possible public access not know, but probably about 60 ft



Parson Lane

- 30 ft Right of Way
- About a 30 ft drop from street level to the beach
- Seawall runs along the bluff



Ohlson Lane Property

- 15-20 ft drop from street level to the beach
- City of Homer owns one lot; the state owns another

Section Line Easement

- Main Street is on a section line easement
- 15-20 ft drop from street level to the beach

Bishops Beach

- One of the few easy access point to the beach

This is an area of moderate long term erosion, averaging about 2 and a half feet per year.

Crittenden Dr

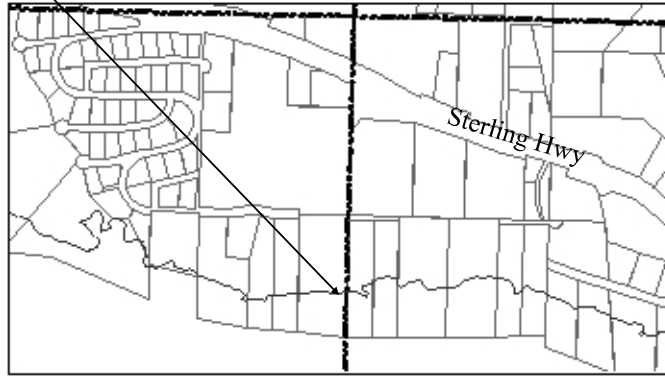
- 60 ft Right of Way
- New trail is steep and is eroding.
- 60 ft drop from Hidden Way to the beach



- Section Line Easement
- 120 ft drop from bluff to beach



- Section Line Easement
- 230 ft+ drop from bluff to beach

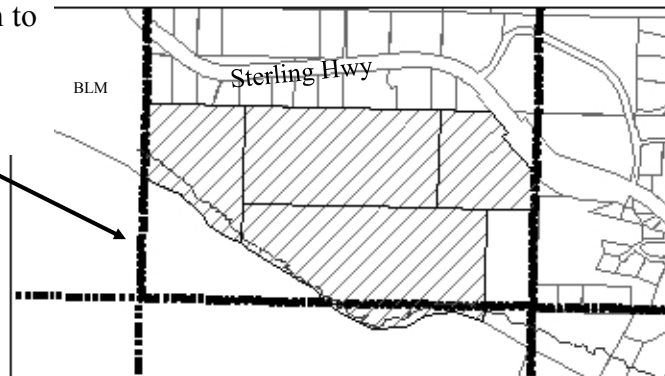


Leber Street

- 30 Right of Way Leber St
- Section Line Easement
- 25 foot drop from upland to beach.



- Section Line Easement, north-south along city limit boundary
- 60 foot bluff from beach to upland plateau
- EVOS and other public lands shown



Commissioner Archibald expressed concerns on having a high concentration of homeless people at Karen Hornaday Park since there were several ballfields, the playground and then regular campers and if they don't want them spread out to other campgrounds. He also inquired how many campsites that would be allocated to the Special Use camping program. He noted the use of the park by children.

Parks Superintendent Steffy responded that due to the decrease in the use by visitors camping and such things as ball games it was determined that use of the campgrounds was better than no use. He then proceeded to described the process and reporting that was undertaken in the 2020 Camping Season. He responded to concerns regarding the possibility of sex offenders and having them located near a heavily used playground.

Further discussion between staff and commissioners ensued on the following:

- Background checks versus inquiries of previous experience within the community
- Valid searches of official registries
- Homeless Coalition involvement and partnership with the city to engage with indigent campers
- Trying to not compromise the beauty of Karen Hornaday Park and selectively placing the campsites used and available for the Special Camping program
- Continuous improvements to clean up and mitigation measures for open but semi private campsite
- Waiving the camping fees will require Council approval will need to be approved for through June 30th then for the next fiscal year. This will be affecting approximately 10-15 campsites and approximately \$30,000 in revenue loss.

Parks Superintendent Steffy requested a motion of support for the Special Use Camping.

HARRALD/LOWNEY – MOVED THAT THE PARKS ART RECREATION & CULTURE ADVISORY COMMISSION SUPPORTS CONTINUING THE SPECIAL USE CAMPING PROGRAM FOR THE 2021 CAMPING SEASON.

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

B. Beach Policy Review

Chair Lewis introduced the item by reading of the title and requested any amendments to the policy that would relate to the use of personal watercraft, noting the recommendations

previously made under that topic earlier in the agenda. He opened the floor to discussion. Seeing no hands raised to comment, Chair Lewis then opened discussion by offering the following amendment for consideration:

No personal watercraft allowed on city beaches.

Discussion was facilitated between staff and Commissioners on the following:

Banning Personal Watercraft from city beaches

Defining exactly where city limits were to the right of the Bishops Beach Access

Applying the same methods used to control vehicles on Mariner Beach to Bishops Beach

Clarification with the City Attorney if they can block vehicle access west of Bishops Beach Access March 1 to September 30th

Previous complaints from property owners regarding the vehicles, partiers, and trash on the beach

Difficulties in enforcing no vehicle access past West Hill, but maybe limiting it to a road bed and keep vehicles from the mud flats

Recommended prohibition of landing motorized watercraft on beaches within city limits

LOWNEY/ARCHIBALD – MOVED THAT MOTORIZED WATERCRAFT ARE PROHIBITED FROM BEING LAUNCHED, LANDED OR RETRIEVED FROM ANY CITY BEACH WITH THE EXCEPTION OF OFFICIAL BUSINESS USE.

Discussion ensued on the language being used is appropriate but allowing emergency responders, Coast Guard, etc. to be able to access the beaches as needed. IT was noted that there was existing language that could be used.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Recreation Manager Illg pointed out the following:

Typographical error on page 16, item 3 title, should read, "...for all Homer Beaches."

Budget \$500 per year for sign repair, updating and replacement, Item B on page 17

Develop and distribute brochures with a coordinated public relations campaign

Budget \$500 per year for advertising the beach rules and etiquette , Item E on page 17

To discourage the use of driftwood maybe we should issue and RFP or something similar

Recreation Manager Illg wanted to make sure that the staff and commission are following the recommendations outlined in the policy regarding public education and information. He can work with Parks Superintendent Steffy on developing a brochure if they do not have one.

Parks Superintendent Steffy reported on previous attempts with regard to supplying firewood and the lack of success. He recommended a vending machine style firewood supply with a money drop box or swipe machine that the customer then takes product. He then provided an example of the bike rentals that they had last year which was a success. He then noted that they would like to allow third party operations in the city parks which are currently not allowed but with expectations of a percentage of revenue being paid to the city as the rental or lease fee.

Commissioner Lowney requested the commission to address the beach clean-up through establishing a day or supplies such as bags and promoting or building energy within the community for beach clean-up. She then requested reviewing and analyzing the beach access points to determine if they are feasible as an access point to the beach. Commissioner Lowney suggested that they may even want to vacate those access points due to the proximity to private property, steepness of the access, etc.

Commissioner Archibald supported the statements made by Commissioner Lowney and then commented on the proposed easement on page 23 of the packet and noted that there is a berm that is walkable but access is difficult when the tide comes in and a person could get stuck in that area of Louie's Lagoon, but it should be pursued by the Commission.

Parks Superintendent Steffy continued reporting on the idea to allow mobile food vendors in city parks which is currently prohibited and will be bringing forward for further discussion.

Public Works Director Keiser reported that she has noticed that one item that she believes is very important is maintaining natural flow of tidal waters where appropriate and in review of the policy this is not addressed. She the reported being asked by several people regarding dredging work to open up the Mariner Beach slough and Beluga Slough areas. She recommended adding on page 18 a section that addressed the requirement to perform dredging efforts to maintain the natural tidal flow into the inland area.

Chair Lewis requested a motion to make that recommendation.

Commissioner Archibald commented on the verbiage used in a motion, since it was natural tidal efforts that closed off those waterways and why those channels must be maintained and opened mechanically.

Parks Superintendent Steffy recommended contacting the Kachemak Bay Research Reserve to get some technical specifications in order to make informed decisions on recreational and ecological function of the two areas.

Commissioner Archibald noted that there is a private property owner that dredges their property and it may be a good idea to contact them to see how often they perform dredging.

Parks Superintendent Steffy noted that he would like to get the information to properly manage those openings before implementing more prescriptive language.

Chair Lewis turned the gavel over to Vice Chair Archibald noting he needed to depart the meeting for a few minutes.

Vice Chair Archibald requested additional recommendations. Hearing none from the Commission he stated that he would like to address motorcycles/dirt bikes, loud vehicles and unlicensed vehicles on the beach. He noted that they spoke about prohibiting unlicensed vehicles on the beach it would prohibit the use of dirt bikes on the beach.

Parks Superintendent Steffy recalled a previous conversation, during the last Beach Policy review, with Chief Robl indicating that laws of the road apply to the beach so if someone was on the beach spinning “brodies” that would be considered reckless driving and they could be cited. But he then noted that he recalled reading that if you are not operating a vehicle on a state maintained road there were some exceptions, so he would need to get some clarification on that issue. He then noted that if they are having issues again then they need to encourage reporting of incidents to the Police Department.

Further discussion made points on enforcement issues and staff resources and creating or marking a dedicated road bed and installation of signage to ensure that vehicles stay out of the mud flats.

The item was requested to be on the March agenda for further review to discuss beach access and recommending that the Commissioners visit the accesses shown so that they can see if there are any that could be developed better so that Bishop’s Beach does not get too crowded. It was suggested that the commissioners visit the beach easement behind the property with all the derelict vessels also before the next meeting.

Recreation Manager Illg suggested that the Commission schedule a worksession since they are representatives to the Homer Community and some of them have no idea where these access locations are collectively.

Chair Lewis stated that they could schedule worksessions in April when the weather is better.

Parks Superintendent Steffy noted that they can schedule the Spring Park Walk Through.

Deputy City Clerk Krause confirmed with the Commission that a worksession will be scheduled prior to the April regular meeting.

INFORMATIONAL MATERIALS

- A. 2021 Commission Annual Calendar
- B. 2021 Commissioner Attendance at City Council Meetings

Chair Lewis requested a volunteer to speak at the upcoming Council meeting.

Public Works Director Keiser noted that there will be an ordinance introduced requesting funding for ADA improvements on Main Street project for the Bayview Park.

Commissioner Archibald volunteered to report and Commissioner Roedl offered to submit written comment to the City Council.

Public Works Director Keiser will provide talking points to the Clerk to forward to Commissioners.

- C. City Manager's Report from February 8, 2021 City Council Meeting

COMMENTS OF THE AUDIENCE

COMMENTS OF THE CITY STAFF

Parks Superintendent Steffy commented that it was a great meeting, he appreciated the input from the Commission and was able to refocus on parks and camping is just right around the corner if it would just stop snowing.

Recreation Manager Illg commented that this commission was his favorite, he provided a shout out to Matt and Jan and all the work they do and the City Manager as he is very supportive of Parks and Recreation and we are very fortunate to have him in a leadership role. Great things all coming and this Commission will be a part of it.

Public Works Director Keiser commented it was a great meeting.

COMMENTS OF THE COMMISSION

Commissioner Harrald commented that it was a good meeting apologized for being quiet tonight but she had a headache. She expressed appreciation for the work of the others.

- Working with various organizations to conduct their programs outdoors and the area that is being used for the Highland Games could be created into an amphitheater with seating on the hillside down into the field area.
- Pratt Museum wants to develop their trails into a park
- West Homer Trails Story Trail expansion and trying to work a small amphitheater into that project.
- Land Acknowledgement project with the art installation at Bishop's Beach the images have changed a bit since the first presentation. He recommended scheduling a meeting to review the area since it is larger and more hands on interaction.
- Shorebird Festival Planning – working with the Board and the Chamber, activities that were conducted at Islands and Ocean are being relocated to Bishop's Beach, Chamber is leading this however since they are moving many activities outside the Parks Department is getting more involved.
- Peony Festival is in planning dates are July 9-24, 2021 on March 23 at 7:30 p.m.
- Little League and High School Softball will be starting up and both are hoping for a normal year
- Plans are in place that if they are able to start the project in Karen Hornaday Park they are going to be scheduling it so that it does not greatly interfere with Little League
- Summer Bike Rentals
- Discussion with the Homer Council on the Arts regarding mural juries
 - o There are two new retaining walls in town, Main Street/Sterling Highway and Pioneer Avenue at the car wash
 - o Homer Council on the Arts would issue the Request for Proposals, review of submittals and selection process
 - o Recommendations would be presented to the Commission for questions
 - o Submittal to Council for Approval
 - o Staff would like to have this item on the April meeting agenda, Scott Bartlett with Council on the Arts will attend to address concerns and constraints
 - o Discuss the public process being facilitated by a third party
- Social Media Training conducted to expand the city social media presence, the Recreation Facebook Page will become the Parks and Recreation Facebook page and they will be establishing a city wide Instagram account
- Parks will be applying for a recreational trails program grant for the pedestrian trail associated with the Karen Hornaday Park road project.
- Participation on the Review Committee for the Wayfinding and Streetscape RFP

Park Superintendent Steffy facilitated additional discussion on the following:

- Plowing of the trail between the Ramp 3 and Ramp 5

PUBLIC HEARING

PENDING BUSINESS

- A. Beach Policy Review and Updates
 - Beach Policy with Amendments and revisions
 - Memorandum from PARCAC to Port & Harbor Advisory Commission

- Draft Ordinance Prohibiting Motorized Watercraft

Chair Lewis introduced the item by reading of the title and then brought forward the issues that Mr. Zitzmann has brought before the Commission in previous years of trash, camping and most recently vehicles being driven in the tidal pools and areas that are harmful to the natural vegetation and wildlife.

Parks Superintendent Steffy noted that those issues have been concerns for a while and we do have a problem on who will provide the enforcement of the policy. He noted that previous remedies such as signage, outreach or city staff have been implemented. He would welcome a discussion on the mechanism on how the city can address these concerns.

Discussion was facilitated on the following issues:

- Enforcement on bonfires, vehicles, dirt bikes traveling in areas that should be restricted
- Negative behaviors need to be reported so that there is support for the revisions needed to the policy
- The policy needs to be something that can and will be enforced
- Bishop's Beach is receiving heavier use by a wide variety of persons causing more interactions.
- Homer is changing, whether is it wanted or not and it is the responsibility of the city to adapt to that change and apply new protocols to responsibly manage the resources that the city manages.
- The amendments that are currently noted in red were recommended from the worksession. The Commission will need to make motions to approve those changes.
- The language for the proposed ordinance from KBCS went to the City Attorney and the City Attorney did not think those stipulations held legal merit.
- The enforcement is limited to launching of personal watercraft.
- Clarification was made that the draft ordinance in the packet had been submitted to the City Manager and forwarded to the Port & Harbor Advisory Commission. This ordinance is limited to the launching of the personal watercraft.
- Specifically limiting the distance that personal watercraft can be used from shore.
- Concerns on language and description of watercraft since there are now motorized kayaks or canoes with motors.

ROEDL MOVED THAT MOTORIZED WATERCRAFT CAN ONLY BE LAUNCHED FROM LOAD AND LAUNCH RAMP IN THE HARBOR.

The motion died for lack of a second.

Parks Superintendent Steffy pointed out that he believed there was adopted legal language of personal watercraft and that there was a difference of whether you sat on it or sat in it, he provided the example of the electric motorized kayak.

Chair Lewis requested further clarification for lines 43-44 and noted that personal watercraft should be inserted and requested a motion to make that amendment.

HARRALD/LOWNEY - MOVED TO INSERT THE WORD PERSONAL BEFORE THE WORD WATERCRAFT IN LINE 44 UNDER THE GOALS SECTION OF THE POLICY.

A brief discussion ensued on the proposed amendment to this section since it refers only to keeping vehicles out of the lagoon area. Staff pointed out that the Commission did not make any motions at the last meeting to amend the policy to add a section regarding personal watercraft that is still needed. Further discussion concluded that they should add a statement under the Goals section regarding Personal Watercraft only being allowed to be launched, landed and retrieved from the Harbor and are prohibited from beach areas. It was also asked if this was not addressed in the Tariff or in another section of Homer City Code.

Commissioner Lowney requested that the information be brought to the Commission on the possible existing regulations and then requested the motion on the floor to be read again.

Commissioner Archibald provided an alternative suggestion for verbiage, "internal combustion driven vessel" stating that nomenclature would be more accurate.

Parks Superintendent Steffy commented that they will probably see by next season electric driven watercraft that are capable of raising safety concerns and if the Commission concerns are speed of operation and size of craft or if the concern is pollutants then the recommendation is sufficient.

Commissioner Roedl stated that battery operated watercraft are already available and then added that they will soon be dealing with electric bikes that can do 30 mph on the trails too.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Deputy City Clerk Krause confirmed that she will research and have any information on existing regulations on motorized watercraft for the April meeting.

Commissioner Lowney recognized that there were additional amendments with questions in the policy and would like to address them.

Chair Lewis reviewed page 32 of the packet, lines 225-227 for the Commission.

Parks Superintendent Steffy facilitated a discussion on whether the intent is to remove the platform to remove the hazard and possible liability or is the intent for habitat remediation of that area.

Commissioner Lowney also noted that the paragraph also deals with placement of dredge spoils in the area.

Parks Superintendent Steffy responded that placement of dredge spoils opens up numerous questions and the requirement for permits and possible effects of placement of those materials into that ecosystem.

Further discussion ensued on just striking from Area 2, Item E, lines 225-227, removing the platform and acknowledging that the area is already designated as a park.

LOWNEY/HARRALD - MOVED TO KEEP THE PORTION ON DESIGNATING THE AREA AS A PARK BUT STRIKING THE REMAINING PORTION OF THAT SECTION.

Further discussion on the fact that Louie's Lagoon is already a park so all that is really required is to clean up the area.

LOWNEY/ARCHIBALD - MOVED TO AMEND THE MOTION TO STRIKE LINES 225-227, ITEM E AND DISPOSE OF THE PLATFORM.

There was no further discussion.

VOTE. (Amendment) NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

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

VOTE. (Main) NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Commissioner Lowney addressed Lines 231-235 which references the map on page 37.

Deputy City Clerk Krause will contact Deputy City Planner Engebretsen to get confirmation on the easement and bring it back for the April meeting.

Chair Lewis then proceeded to Line 253-258 and asked staff if this has been accomplished. Parks Superintendent Steffy facilitated a discussion on the tasks as outlined were accomplished and while they could be refined and improved this section could be deleted.

Commissioner Roedl commented on the airport beach access and spoke about adding additional space to allow parking spaces. He acknowledged that he did not have his packet in front of him and he was not sure where they were at in the policy.

Commissioner Lowney requested that Commissioner Roedl hold his request since they were talking about Mariner Park right at the moment.

Chair Lewis redirected the discussion to Section B under Area 4, Lines 253-258 and requested a motion to strike or amend since that has been completed.

LOWNEY/HARRALD MOVE TO STRIKE LINES 253-258 FROM THE BEACH POLICY HAS IT HAS BEEN COMPLETED.

There was no further discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Chair Lewis introduced the next amendment, adding a recommendation to dredging the opening to Mariner Lagoon on a biennial period and that funding be included in the Fiscal year budget. He further noted that this was requested by Public Works Director Keiser. He requested a motion.

LOWNEY/ARCHIBALD MOVED TO AMEND THE BEACH POLICY TO ADD ITEM B RECOMMEND DREDGING THE MARINER LAGOON OPENING ON A BIENNIAL PERIOD AND INCLUDE FUNDING IN THE FISCAL YEAR BUDGET.

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Commissioner Lowney noted the typographical error on line 261 stating that it should reflect Area 5, not Area S.

Chair Lewis directed the Commission to the next amendment, Lines 296-297 regarding the junk vehicles on the beach. He expressed that he did not have a knowledge of the vehicles and opened the floor to discussion.

Commissioner Harrald stated that the vehicles are just a little west, past West Hill Road on Bishop's Beach they are pretty torn apart and rusted out, buried under the sand, almost completely. She reported that maybe with some volunteers and ATV's that the vehicles could be pulled out of the sand but it did not hit her top 10 to do's for the community right now.

Commissioner Lowney suggested keeping it in the policy but not specific to Bishop's Beach.

LOWNEY/HARRALD MOVED TO INCORPORATE THE LANGUAGE REMOVE DERELICT VEHICLES FROM CITY BEACHES.

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Chair Lewis stated the next recommendation is to move the History section to beginning of the policy as an introduction.

LOWNEY/ARCHIBALD MOVED TO RELOCATE CONTENT OF LINES 300-320, HISTORY TO THE BEGINNING OF THE DOCUMENT AFTER LINES 24-32, PURPOSE AND INTENT.

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Commissioner Harrald noted that line 164, on page 31 of the packet regarding firewood was overlooked.

Chair Lewis noted the recommendation was to strike the portion regarding the City providing firewood or amend it to allow firewood concessions or provide alternative options. He then requested input from Parks Superintendent Steffy.

Parks Superintendent Steffy facilitated a discussion on the attempts to provide and allow firewood concessions. He is still considering the options since he has to weigh in staff time that would be involved for some of the options considered. Mr. Steffy provided details on what was done previously in arranging supply of firewood with a third party contractor and the difficulties in that arrangement.

Chair Lewis noting the time and requested that the Commission continue their review and revisions at the April meeting.

There were no objections from the Commission.

NEW BUSINESS

- A. Memorandum from Public Works Director re: Karen Hornaday Park Proposed Parking Improvements

There was no discussion on this item by the Commission or Staff present.

- B. Memorandum from Public Works Director re: Allowing Mobile Food Vendors in City Parks

Chair Lewis introduced the item by reading of the title and open the floor for discussion.

Parks Superintendent Steffy requested that this item be postponed at this time due to other work being done on Special Event and Itinerant Merchant Permitting. The goal is not to have to construct concession stands in city parks.

Commissioner Harrald commented on benefits to the community, small business and the city overall to allow food trucks into city parks.

- High School Senior will be having a parade again this year for graduation and they will be installing the banners along Pioneer Avenue
- Worksession on the Public Works Department Budget was conducted and they have proposed a number of increases in professional and maintenance type services for parks as well as capital improvements.

C. Staff Report – Recreation Manager Illg

Vice Chair Archibald introduced the item and noted that Recreation Manager Illg had a conflict and could not attend the meeting but submitted a written report for this meeting.

There were no comments or questions from the Commission on the report.

PUBLIC HEARING

PENDING BUSINESS

- A. City of Homer Beach Policy Review and Update
- Ordinance 21-23 Amending Homer City Code 19-20.020 Personal Watercraft
 - Memorandum from Port Director/Harbormaster as backup

Vice Chair Archibald introduced the item by reading of the title and then requested guidance and clarification from Deputy City Clerk Krause on the document provided in the Supplemental Packet.

Deputy City Clerk Krause reported that the document in the packet did not contain all the previous amendments made by the Commission at the March meeting. She further noted that there were still amendments that the Commissioners need to address.

Vice Chair Archibald read the previous amendments made on the policy at the last meeting. He then noted that the next amendments were on line 26-38 was updated to better reflect the purpose and intent of the policy and requested a motion.

Commissioner Lowney noted that she would like to address the amendments individually.

Deputy City Clerk Krause explained that the Working Agenda lists the amendments in order as they appear in the document. She then brought up the beach policy in a share screen to assist in addressing those amendments.

HARRALD/LOWNEY MOVED TO AMEND THE PURPOSE AND INTENT SECTION BY REPEALING AND RESTATING THE SECTION AS SHOWN IN THE DRAFT DOCUMENT IN THE SUPPLEMENTAL PACKET.

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Vice Chair Archibald then noted Lines 76-78 were updated since the installation of gates to prevent or limit access to sensitive areas were completed.

A brief discussion ensued on whether a motion was needed since this was a staff recommendation or adopt the changes through the final motion to adopt the entire document. It was agreed by consensus to adopt the updates in the one final motion unless there were questions or issues on the update.

Discussion ensued on the following:

- Addressing the amendments and updates to make sure that the Commission understand each recommendation and can draft or review the content for the new sections;
- How the document is formatted;
- A worksession would be better to address these issues and for fine tuning the document.
- The policy should contain information related to the regulations and appendices with the goals or actions items for improvements such as the stairway can be reflected in another document like the CIP or separate listing

The Commission agreed to have a worksession on the Beach Policy at 4:30 p.m. prior to the May 20, 2021 regular meeting.

- B. Karen Hornaday Park Proposed Parking Improvements – Memorandum from Public Works Director as back up

Vice Chair Archibald introduced the item by reading the title and deferred to Public Works Director Keiser.

Public Works Director Keiser noted that the Commission has had some discussion on this project and she wanted to specifically identify the various elements of the improvements and the proposed funding for them. She spoke to how City Council will approve the strategy for funding at their April 26th meeting.

Vice Chair Archibald expressed his appreciation for the great job that Ms. Keiser is doing to move parks related projects forward.

- C. Mariner Park Lagoon Dredging – Memorandum from Public Works Director as backup

Vice Chair Archibald introduced the item by reading of the title and invited Public Works Director Keiser to speak on her memorandum.

Public Works Director Keiser reported that the photos provided were immediately after they dredged the entrance at 2:30 p.m. and by 4:30 p.m. it was completely filled again. She reported receiving a call from a property owner who stated that they did not dig deep enough so they made an additional attempt and so far it appears to be working. Ms. Keiser informed the Commission that they will be able to extend the permit from the Army Corps of Engineers for another 10 years, so they will be able to plan for further action.

- Special Projects Coordinator pointed out the Achilles Heel of the Community Recreation Project is the operational costs. That it does not pencil out. The public tax dollar cannot support it without sustainable funding of some kind
- The HERC Task Force made recommendations and yet the facility still sits there with nothing being done.
- Improvement of playing fields to be able to host tournaments which also drives tourism.

PUBLIC HEARING

PENDING BUSINESS

A. 2021 Beach Policy Update – Review, Amendments and Corrections

Chair Lewis introduced the item by reading of the title. He noted that they had this on the Worksession agenda prior to the meeting. He opened the floor for discussion or a motion.

LOWNEY/HARRALD MOVED TO POSTPONE THIS ITEM TO ALLOW A WORK GROUP TO REVIEW, AMEND AND FORMAT THE POLICY DOCUMENT.

There was brief discussion noting that during the worksession it was agreed that the document was difficult to follow and that it was supposed to be a policy, but in some areas was more like a to do list. It was recommended to create a small workgroup to go through the document and arrange it as a policy with the list of recommendations to be added as an attachment or separate document.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

A brief discussion ensued on the ability to form a committee and keeping the membership to less than a quorum.¹

Commissioners Roedl, Lowney and Lewis volunteered to be on the Beach Policy Workgroup.

NEW BUSINESS

A. Homer Drawdown Peatland Mural project Proposal for the Homer Airport Terminal - City of Homer Accession, Gift & Donation Policy and Procedures for Art

Chair Lewis introduced the item by reading of the title and invited Public Works Director Keiser to provide some input on the topic.

¹ The City Attorney has advised that no committee or workgroup should meet without those meetings being advertised and recorded. Even if the number in the group was less than a required quorum. A member of the advisory body speaking one on one with staff did not require or constitute a meeting.

C. Public Works Director Report - Jan Keiser, PE

Public Works Director Keiser provided a verbal report, commenting on the wayfinding-streetscape plan pop-up events that took place with Corvus Designs, Capital Improvement Plan projects related to parks, and the final budget approval at the June 28th City Council meeting. Ms. Keiser spoke to the variety of improvements Public Works is making to the airport and her support of the Homer Drawdown efforts to install murals on the building.

Commissioner Archibald inquired on what the large pipes were at Karen Hornaday Park. Ms. Keiser said they are the new culverts for the culvert replacement project.

At the request of Commissioner Lowney, Ms. Keiser facilitated discussion with the commission regarding Homer Accelerated Water Sewer Program (HAWSP) funds. At the last City Council meeting, Mayor Castner had voiced his disapproval of using HAWSP funds for the replacement of the Karen Hornaday Park restrooms. This would cause a delay of the restroom replacement until another source of funding is secured and we see what kind of support can be found from councilmembers.

PUBLIC HEARING

PENDING BUSINESS

- A. 2021 Beach Policy Update – Beach Policy Workgroup Recommendations
- i. DRAFT 2021 City of Homer Beach Policy & Management Plan
 - ii. 2017 City of Homer Beach Policy

Chair Lewis introduced the item by reading the title and opened the floor for discussion.

Commissioner Lowney provided a summary of what the Beach Policy Work Group worked on and the changes they submitted to Deputy City Clerk Tussey for compilation into the draft document. She went over what primary changes were made and what amendments still need to be considered.

The commission and City staff discussed the following:

- The new layout and formatting of the revised draft document.
- Signage on berms regarding the removal of driftwood.
- Means of educating the public through the use of signs, maps, written/online materials, and curriculum materials to the local schools.
- Enforcement and funding:
 - Setting the budget line items for signage maintenance
 - If Chief Robl needs to be included in the conversation at a future meeting
 - Clarifying the purpose of this document as policy and a management plan; what is already established in City code should be referenced, not incorporated into the plan
- Updating the appendices and maps; Appendix A and B provide historical information and should be preserved, but whether they should be included in the policy document.

With the large number of questions and suggested amendments, the commission discussed whether they should review the document page-by-page and discuss each question/amendment at this meeting, or take more time to review the revisions and come back for a July Worksession. Concerns were raised over the timing; some commissioners wished to have more time to address their questions while others felt the commission had already spent several meetings working on the policy rewrite and a postponement would mean a final approval would not happen until their August meeting. The commission agreed to go through each page with staff making their amendments throughout the discussion, and at the end they would determine if they are ready for approval or to schedule a July worksession.

Commissioner Roedl joined the meeting at 6:55 p.m.

Deputy City Clerk Tussey facilitated discussion with the commission and staff, responding to questions and concerns, and made their proposed amendments to the draft policies page-by-page.

LOWNEY/ARCHIBALD MOVED TO ACCEPT THE BEACH POLICY DOCUMENT, AS AMENDED, THROUGH THE TITLE PAGE TO PAGE 11.

There was no discussion.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

In response to Commissioner Harrald's question, Ms. Tussey clarified that the motion just made did not include a recommendation to City Council. Another motion will be needed to do a final approval and send it on to Council.

LOWNEY/ARCHIBALD MOVED TO HOLD DISCUSSION ON APPENDIX A AND B IN AUGUST.

Commissioner Lowney inquired if they held discussion on the appendices later, if the rest of the document could still be sent to Council for approval, or do we want to get through the appendices before approval. Ms. Tussey noted that the policy gets approved by resolution, so the commission would essentially be sending and having Council approve two separate resolutions, which is doable but ideally it would be nice to have one complete document approved by one resolution.

Discussion ensued on the commission not being prepared to fully discuss the appendices at this meeting, and to wait until August to hold that discussion. Ms. Tussey pointed out her staff recommendation in the memo was to remove the appendices from the policy document and be reformatted into a stand-alone document that the commission reviewed on an annual basis. That way they would not have to update their beach policies via resolution every time they want to update the list of public beach access points.

The commission discussed having the list of access points as a separate document, ensuring the information and notes are kept for historical purposes, and maintaining the list like a database that gets regularly updated every three years after the commission conducts a walk-through.

VOTE: OBJECTION: UNANIMOUS CONSENT.

Motion failed.

At the request of Commissioner Lowney, Ms. Tussey clarified that if the commission goes ahead with having a list of public beach access points as they discussed, then part of that is merging Appendices A and B into a single list that would be a stand-alone document. Otherwise if any changes are made to the notes, then they would have to send the whole document back to Council every time they made amendments. Commissioner Fair further clarified with staff which pages would be removed from the policy and that the overview map would remain.

FAIR/ARCHIBALD MOVED TO REMOVE APPENDICES A AND B AND SET THEM ASIDE AS A STAND-ALONE DOCUMENT FOR THE REGULAR REVIEW OF BEACH POLICY.

There was no discussion.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

Commissioner Archibald suggested if the commission would like to include a one-page list of public access points that are currently in use, are safe, and lists just a few pros/cons or discussion about the use of it. Commissioner Lowney recommended they do not only from the standpoint that any changes that they make to the list would have to go to Council for approval.

Deputy City Clerk Tussey commented that a final motion is still needed to approve everything, and to make sure to include the full title since they are proposing to Council a new title of the beach policies.

FAIR/LOWNEY MOVED TO APPROVE THE CITY OF HOMER BEACH POLICY AND MANAGEMENT PLAN WITH AMENDMENTS AND RECOMMEND TO CITY COUNCIL FOR ADOPTION.

There was no discussion.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

NEW BUSINESS

- A. City of Homer Draft 2022-27 Capital Improvement Plan (CIP)
 - i. DRAFT 2022-2027 Capital Improvement Plan

Highlights from the May 2021 Board of Directors meeting



The Prince William Sound Regional Citizens' Advisory Council held two Board meetings this spring on May 6 and 7, and again on May 21. The following is a synopsis of actions and discussions that took place at those meetings. This report is not all inclusive.

Election of officers

The Board elected an executive committee to serve until May 2022. Members are:

- President: Robert Archibald, representing the City of Homer
- Vice President: Amanda Bauer, representing the City of Valdez
- Secretary: Bob Shavelson, representing the Oil Spill Region Environmental Coalition
- Treasurer: Wayne Donaldson, representing the City of Kodiak

Three Members-at-Large:

- Rebecca Skinner, representing the Kodiak Island Borough
- Ben Cutrell, representing Chugach Alaska Corporation
- Robert Beedle, representing the City of Cordova

Meet the officers: www.tinyurl.com/2021XCOM

New members seated

The Board seated four new members:

- Angela Totemoff replaced, Roy Totemoff, as the representative of the community of Tatitlek
- Patrick Domitrovich replaced Rob Chadwell as the representative of the City of Seward
- Nick Crump replaced Thane Miller as the representative of the Prince William Sound Aquaculture Corporation
- Elijah Jackson filled a vacant seat representing the Kodiak Village Mayors Association

Foreign tankers in Prince William Sound

In the last year, the Council has become more concerned about foreign tankers loading Alaska North Slope crude oil from the Valdez Marine Terminal. Recently, these shipments have significantly increased. In April, a Bermuda-flagged tanker chartered by Hilcorp/Harvest Alaska, the Stena Suede, experienced a problem while attempting to anchor in the Gulf of Alaska just outside Hinchinbrook Entrance, the passage into Prince William Sound. The decision to anchor at that location when a safe anchorage was located at nearby Knowles Head has raised questions.

The Southwest Alaska Pilots Association (SWAPA) has shared its recommendations for best practice for large seagoing commercial vessels seeking anchorage in the area: www.tinyurl.com/SWAPAletter

Stena Shipping, owner of the tanker, and Harvest Alaska are investigating.

The Board also heard a presentation from Harvest Alaska on how they vet the tankers to verify they are safe and prepared to ship oil from Prince William Sound.



State funding for spill prevention and response

The Council has been closely following a legislative bill that would secure sustainable funding for the Alaska Department of Environmental Conservation's Division of Spill Prevention and Response (SPAR). Most of the funds potentially raised by House Bill 104/Motor Fuels Tax would fund transportation and highway maintenance. However, the bill also proposes an increase to the surcharge on refined fuels from the current 0.95 cents per gallon to 1.5 cents per gallon (an increase of just over half a penny). This would raise an estimated \$3.5 million per year, all designated for SPAR.

The Division has lost 17 positions since 2015, and another five are proposed for elimination in the Governor's budget for FY2022. If HB 104 passes, it will bring in enough revenue for SPAR to restore a number of the positions that have been cut. The bill's sponsor, Representative Andy Josephson, spoke to the Board at the May meeting. He noted that the bill has bipartisan support.

Who pays for an oil spill?

The Board heard a presentation from attorney Breck Tostevin, former assistant attorney general for the State of Alaska, about who is liable when an oil spill occurs. The answer is not as simple as it may seem. Tostevin explained how the legal responsibility for cleaning up a spill and paying for that cleanup can fall to different entities. Tostevin also provided clarification on the differing requirements between Alaska laws and Federal laws. Tostevin's presentation is now available on the Council's YouTube channel:

www.tinyurl.com/OilSpillResponsibility

Council projects:

Cathodic protection for the crude oil piping at the terminal

The Board accepted the report titled "Review of Cathodic Protection Systems at the Valdez Marine Terminal" by Keith Boswell of National Pipeline Services. This final report includes a summary of cathodic protection (CP) systems used on the crude oil piping at the Valdez Marine Terminal (VMT), as well as Alyeska's methods for monitoring and testing the systems. The report found that overall, it appears Alyeska has a "very good corrosion and cathodic protection program," but there were some important issues that the Council would like to have addressed, including:

- Data used to ensure that the crude oil piping's CP system is operating effectively does not appear to have been collected properly.
- Historical data from 2018 suggests that portions of the crude oil piping were not adequately safeguarded by CP.

Link to final report: www.tinyurl.com/2021ReviewofCP (PDF 1.9 MB)

Updated: Coping with Technological Disasters

The Board accepted an update to the Council's award-winning guide for dealing with an oil spill, Coping With Technological Disasters - A User-Friendly Guidebook. This guide, first developed after the 1989 Exxon Valdez oil spill, contains science-based strategies to help ease the impacts and disruptions on communities affected by technological disasters like an oil spill.

Guide and Appendices: www.tinyurl.com/CopingWithDisasters2021



Review of maintenance for crude oil storage Tank 8

The Board accepted the report titled "Crude Oil Storage Tank 8 Maintenance Review" by William Mott of Taku Engineering. Mott reviewed inspection and other maintenance documents of Tank 8, one of the large crude oil storage tanks at the Valdez Marine Terminal (VMT), looking for opportunities to reduce the risk of oil spills.

After some concerning findings during a 2019 internal inspection of Tank 8, Alyeska planned to replace the tank floor and cathodic protection (CP) system in 2020. However, the COVID-19 pandemic delayed those major repairs and the Alaska Department of Environmental Conservation extended the deadline for completing this work until 2023. The tank will be removed from service in 2023, at which time the floor and CP system will be replaced.

Significant findings of this study include:

- The risk of a leak from Tank 8 between now and 2023 is low.
- Water may be accumulating under the tank floor because of an unmaintained exterior seal. This could damage the tank's floor by floating the tank's sump.
- Data used to ensure that Tank 8's CP system is operating effectively does not appear to have been collected properly.

Details and recommendations are in the final report: www.tinyurl.com/ReviewTank8 [PDF 4.1 MB]

Assessment of BAT for Hinchinbrook Escort Tug

The Board accepted the final report "Hinchinbrook Entrance Emergency Tug Vessel (ETV) Best Available Technology (BAT) Assessment" by Peter Soles of Glosten, a naval architecture and engineering firm. Glosten's report summarizes their review of relevant literature, an analysis of the design and equipment parameters needed for a tug to operate in this particular role and environment, and a comparison between that analysis and the tugs currently used for that role.

Detailed findings and Glosten's conclusions can be found in the final report: www.tinyurl.com/GlostenReview (Note: VERY large file: PDF 20.4 MB)

Long-Term Environmental Monitoring Program

The Board accepted the report titled "Long-Term Environmental Monitoring Program: 2020 Sampling Results and Interpretations" by Dr. James R. Payne of Payne Environmental Consultants and William B. Driskell. This annual report summarizes and interprets the Council's oil pollution monitoring work for the year. Mussels, sediments, and special sampling devices are collected and analyzed in order to monitor oil contamination associated with the operation of the Valdez Marine Terminal and associated tankers. Link to final report: www.tinyurl.com/LTEMP2020 (PDF 2.8 MB)

The Board also accepted a report titled "Using Mussel Transcriptomics for Environmental Monitoring in Port Valdez, Alaska: 2019 and 2020 Pilot Study Results." The Council partnered with the U.S. Geological Survey, the Alaska SeaLife Center, and the National Park Service, along with Payne and Driskell on this two-year pilot study. The goal was to determine if transcriptomic analysis of mussel tissue would be useful as a part of the Long-Term Environmental Monitoring program. Based on the results of this pilot study, the Council's Scientific Advisory Committee supported the continued use of transcriptomics in 2021. Link to final report: www.tinyurl.com/LTEMPpilotstudy (PDF 2.9 MB)



Resources to support Regional Stakeholders Committee

The Board heard about a recent project spearheaded by the Oil Spill Prevention and Response Committee. The project funded web-friendly materials to support a Regional Stakeholder Committee (RSC). The RSC is unique to Alaska. During a large spill or other major incident, the Unified Command may set up this committee and invite members of affected areas to participate. Committee members get an opportunity to meet with the response decision-makers to discuss local concerns and help identify local resources that could be useful to the response. The materials and associated toolkit were developed to help make the RSC process more consistent and productive.

More information and the materials are now available on the Council's website at: www.pwsrcac.org/RSC

Other business:

Approval of Council's operating budget for Fiscal Year 2022

On May 21, the Board approved the Council's operating budget for the upcoming fiscal year, beginning July 1. Contact Gregory Dixon at gregory.dixon@pwsrcac.org for more information.

September 2021 Board meeting to be virtual

Due to the COVID-19 pandemic, the Council will hold the September 2021 Board of Directors meeting as a virtual event.

September meetings are rotated between communities affected by the Exxon Valdez oil spill. The upcoming meeting was to be held in Seward. The Board will hold a meeting in that community in 2022.

Updates are available on our website: www.bit.ly/PWSRCACvirusupdates

Project updates

Updates on all current projects: www.tinyurl.com/May2021Updates (PDF 0.6 MB).

Questions? More information? Contact us:

Any questions or requests for further information can be directed to:

Amanda Johnson: amanda.johnson@pwsrcac.org or Jennifer Fleming: fleming@pwsrcac.org

Board meetings are routinely recorded. Excerpts of the audio and/or video of agenda items can be made available upon request.



ORDINANCE REFERENCE SHEET
2021 ORDINANCE
ORDINANCE 21-26

An Ordinance of the City Council of Homer, Alaska Amending Homer City Code 10.08.210 Vessel Speed Limits, Renaming the Section, Extending the No Wake Zone throughout City Tidelands, and Closing Louie's Lagoon and the Entrance to Beluga Slough to Motorized Vessels and Amending the FY21 Operating Budget to Authorize Expenditure of up to \$2,000 for Motorized Vessel Regulation Changes.

Sponsor: Lord

1. City Council Regular Meeting April 26, 2021 Introduction
Memorandum 21-070 from Councilmember Lord as backup
2. City Council Regular Meeting July 26, 2021 Public Hearing and Second Reading
Memoranda from Advisory Bodies as backup

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

Lord

3
4 **ORDINANCE 21-26**

5
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
7 AMENDING HOMER CITY CODE 10.08.210 VESSEL SPEED LIMITS,
8 RENAMING THE SECTION, EXTENDING THE NO WAKE ZONE
9 THROUGHOUT CITY TIDELANDS, AND CLOSING LOUIE'S LAGOON
10 AND THE ENTRANCE OF BELUGA SLOUGH TO MOTORIZED
11 VESSELS AND AMENDING THE FY21 OPERATING BUDGET TO
12 AUTHORIZE EXPENDITURE OF UP TO \$2,000 FOR MOTORIZED
13 VESSEL REGULATION CHANGES.

14
15 WHEREAS, City-owned tidelands provide valuable nearshore wildlife habitat and areas
16 for nonmotorized recreation; and

17
18 WHEREAS, Beluga Slough and Louie's Lagoon both have discreet entrance points and
19 flood with the tides, creating important tidal habitat, and

20
21 WHEREAS, City code currently requires a no wake speed for vessels not only within the
22 small boat harbor but also in a ¼ mile area around the outer City docks; and

23
24 WHEREAS, It is in the best interest of the community for habitat protection and public
25 safety to extend the no wake zone throughout all City-owned tidelands; and

26
27 WHEREAS, Both Beluga Slough and Louie's Lagoon provide habitat that is not
28 compatible with motorized vessel traffic; and

29
30 WHEREAS, Public education and outreach are important components of regulatory
31 changes and additional signage, newspaper and radio ads, and other avenues of
32 communication requires funds to complete as we enter into the 2021 boating season.

33
34 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

35
36 Section 1. Homer City Code Section 10.08.210 Vessel Speed Limits is hereby amended
37 as follows:

38
39 10.08.210 Vessel speed limits **and closed areas**

41 a. It is unlawful to operate a vessel at a speed greater than two miles per hour (no wake speed)
42 while entering, leaving, and inside the small boat harbor. The seaward boundary of the no
43 wake speed zone will be marked by signs.

44
45 b. **Throughout all City tidelands and** while within one-quarter mile of (1) the boundary of
46 the no wake speed zone at the small boat harbor entrance, (2) the City’s Deep Water Dock, or
47 (3) the City’s Pioneer Dock it is unlawful to operate a vessel at a speed that will cause a wake,
48 wash, or wave action that will damage, endanger or cause undue distress to any other vessel
49 or occupant thereof, **or wildlife including birds**, regardless of established speed limits or the
50 lack thereof.

51
52 **c. All motorized vessels are prohibited from the entrance to Beluga Slough and from all**
53 **waters within Louie’s Lagoon.**

54
55 Section 2. The City Council hereby amends the FY2021 Operating Budget and authorizes
56 an expenditure up to \$2,000 for motorized vessel regulation changes:

57

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
100-0110-xxxx	City Manager	\$2,000

58
59
60

61 Section 3. Section 1 of this ordinance is of a permanent and general character and shall
62 be included in Homer City Code.

63
64 Section 4. Section 2 of this ordinance is a budget amendment, is temporary in nature,
65 and shall not be codified.

66
67 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ___ day of _____, 2021.

68
69 CITY OF HOMER
70
71 _____
72 KEN CASTNER, MAYOR

73 ATTEST:
74
75 _____
76 MELISSA JACOBSEN, MMC, CITY CLERK

77
78 YES:
79 NO:
80 ABSTAIN:
81 ABSENT:

82

- 83 First Reading:
- 84 Public Hearing:
- 85 Second Reading:
- 86 Effective Date:

1 CITY OF HOMER
2 HOMER, ALASKA

Lord

3
4 ORDINANCE 21-26(S)

5
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
7 AMENDING HOMER CITY CODE 10.08.210 VESSEL SPEED LIMITS,
8 RENAMING THE SECTION, EXTENDING THE NO WAKE ZONE
9 THROUGHOUT CITY TIDELANDS, AND CLOSING ~~LOUIE'S LAGOON~~
10 ~~AND THE ENTRANCE OF BELUGA SLOUGH~~ **SPECIFIC CITY**
11 **TIDELANDS** TO MOTORIZED VESSELS AND AMENDING THE FY21
12 OPERATING BUDGET TO AUTHORIZE EXPENDITURE OF UP TO
13 \$2,000 FOR MOTORIZED VESSEL REGULATION CHANGES.

14
15 WHEREAS, City-owned tidelands provide valuable nearshore wildlife habitat and areas
16 for nonmotorized recreation; and

17
18 WHEREAS, Beluga Slough and Louie's Lagoon both have discreet entrance points and
19 flood with the tides, creating important tidal habitat, and

20
21 **WHEREAS, The slough behind Mariner Park, Mud Bay, and the Nick Dudiak fishing**
22 **lagoon all provide not only wildlife habitat but also nonmotorized recreational**
23 **opportunities for residents and visitors including beachwalking, bird watching, and**
24 **fishing; and**

25
26 WHEREAS, City code currently requires a no wake speed for vessels not only within the
27 small boat harbor but also in a ¼ mile area around the outer City docks; and

28
29 WHEREAS, It is in the best interest of the community for habitat protection and public
30 safety to extend the no wake zone throughout all City-owned tidelands; and

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32 WHEREAS, ~~Both Beluga Slough and Louie's Lagoon~~ **the above listed tidelands** provide
33 habitat that is not compatible with motorized vessel traffic; and

34
35 WHEREAS, Public education and outreach are important components of regulatory
36 changes and additional signage, newspaper and radio ads, and other avenues of
37 communication requires funds to complete ~~as we enter into~~ **during** the 2021 boating season.

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

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41 Section 1. Homer City Code Section 10.08.210 Vessel Speed Limits is hereby amended
42 as follows:

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10.08.210 Vessel speed limits **and closed areas**

a. It is unlawful to operate a vessel at a speed greater than two miles per hour (no wake speed) while entering, leaving, and inside the small boat harbor. The seaward boundary of the no wake speed zone will be marked by signs.

b. With the exception of the very tip of the Spit, throughout all City tidelands and wWhile within one-quarter mile of (1) the boundary of the no wake speed zone at the small boat harbor entrance, (2) the City’s Deep Water Dock, or (3) the City’s Pioneer Dock it is unlawful to operate a vessel at a speed that will cause a wake, wash, or wave action that will damage, endanger or cause undue distress to any other vessel or occupant thereof, **or wildlife including birds**, regardless of established speed limits or the lack thereof.

c. All motorized vessels are prohibited from the following City tidelands: the slough behind Mariner Park, close to shore in Mud Bay, the Nick Dudiak fishing lagoon, the entrance to Beluga Slough and from all waters within Louie’s Lagoon unless on official business or as authorized by the Harbormaster.

Section 2. The City Council hereby amends the FY202122 Operating Budget and authorizes an expenditure up to \$2,000 for motorized vessel regulation changes:

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
100-0110-xxxx	City Manager	\$2,000

Section 3. Section 1 of this ordinance is of a permanent and general character and shall be included in Homer City Code.

Section 4. Section 2 is of this ordinance is a budget amendment, is temporary in nature, and shall not be codified.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ___ day of _____, 2021.

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

- 85 YES:
- 86 NO:
- 87 ABSTAIN:
- 88 ABSENT:
- 89
- 90 First Reading:
- 91 Public Hearing:
- 92 Second Reading:
- 93 Effective Date:



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Memorandum Pl 21-08

TO: MAYOR CASTNER AND HOMER CITY COUNCIL
FROM: RICK ABOUD, AICP, CITY PLANNER
DATE: JUNE 9, 2021
SUBJECT: PROPOSED AMENDMENT TO TITLE TEN REGARDING OPERATION OF VEHICLES IN CITY TIDELANDS

Introduction: The Planning Commission has been requested to review a proposed amendment that would restrict motorized vehicles to no wake speeds while in city tidelands and proposes to close access to areas described as Beluga Slough and Louie's Lagoon.

Analysis: The Homer Planning Commission heard the item at their meeting on June 2, 2021. Port Director Hawkins was at the meeting and answered questions. After discussion, the Commission approved a motion that clarified areas proposed for restrictions.

Recommendation: The Homer Planning Commission, with unanimous consent, recommends that the City Council include in ordinance closing the slough behind Mariner Park, the area of Mud Bay closest to shore, and the Nick Dudiak fishing lagoon to motorized vessels.

Attachments:

Draft ordinance
Staff Report 21-36
Planning Commission minutes



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Staff Report PL 21-36

TO: Homer Planning Commission
FROM: Rick Abboud, AICP, City Planner
DATE: June 2, 2021
SUBJECT: Ordinance 21-26 vessel operations in city tidelands

Introduction

As the State of Alaska is allowing personal water craft (i.e. wave runners/Sea Doo's/jet ski's) to operate in Kachemak Bay this season, citizens are concerned with their presence in the Bay. Council member Lord introduced an ordinance to regulate motor craft in the tidelands and the council asked to have the Planning Commission review the proposal. The proposal seeks to regulate the actions of watercraft in the City tides.

Analysis

The draft ordinance amends chapter ten of the Homer City Code, Protection of the Harbor and Waterways. Below is a breakdown of decision points made by the ordinance, so the commission can show their support or concerns with particular issues. Attached is a depiction of the various proposed locations for regulation.

In addition to the map, I have attached the proposed ordinance, City Council minutes, and Memo 21-070 from Council introduction. Port Director Hawkins is planning to attend the meeting in case the commission has questions regarding the operation of the harbor and water crafts.

Proposed Regulations

1. Expansion of no wake speed zone from ¼ mile from boat harbor entrance, the Deep Water Dock, and the Pioneer dock to include all City tidelands (as depicted on attachment and described in lines 45-50 of the proposed ordinance).
2. Prohibition of watercraft from the entrance of Beluga Slough and Louie's Lagoon (depicted on attachment and described on lines 52-53 of the proposed ordinance).
3. Provide an allowance of \$2000 for signage (lines 55-59 of the proposed ordinance).

Staff Recommendation

Review the proposed amendment and provide comments for the City Council's considerations

Attachments

Proposed ordinance 21-26

City Council minutes 4.26, 5.10

Memo 21-070

Map of City tidelands DRAFT ONLY NOT REGULATORY



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Memorandum

TO: MAYOR CASTNER AND HOMER CITY COUNCIL

FROM: PORT AND HARBOR ADVISORY COMMISSION

THROUGH: RACHEL TUSSEY, CMC, DEPUTY CITY CLERK

DATE: MAY 27, 2021

SUBJECT: PHC RECOMMENDATION ON ORDINANCE 21-26

City Council requested the Port and Harbor Advisory Commission (PHC) provide input on Ordinance 21-26, which would amend City Code to restrict motorized vessels to no-wake speeds while in City tidelands, proposes to close access to Beluga Slough and Louie's Lagoon to all motorized vessels, and authorize funding for motorized vessel regulation changes.

The PHC reviewed the ordinance at their May 26, 2021 Regular Meeting. There were six written and two verbal public testimony submittals at the meeting, all of which were in favor of supporting Ordinance 21-26.

The following is an excerpt from their meeting minutes to reflect the concerns raised and discussion that was held:

- A. Ordinance 21-26 No Wake Zone
 - i. Memo 21-070 No Wake Ordinance from Councilmember Lord
 - ii. Ordinance 21-26 No Wake Zones
 - iii. Map of City Owned Waterfront Properties

Chair Zimmerman introduced the item by reading the title and opened the floor for discussion on whether the PHC wishes to support this ordinance.

Commissioner Ulmer voiced her appreciation for the public testimony they received on the subject.

STOCKBURGER/ULMER MOVED TO SUPPORT THE CODE AMENDMENTS AND BUDGET EXPENDITURE PROPOSED BY COUNCILMEMBER LORD AND RECOMMEND TO CITY COUNCIL THEY APPROVE ORDINANCE 21-26.

Commissioner Matthews shared her concern on how the waterline transitions will be indicated, and where it says "motorized" in the code, are we isolating out regular boats or skiffs from accessing those waterways? Port Director Hawkins explained how there's essentially two different speed zones. Inside the harbor it's specific to 2 mph. Outside the harbor up to a quarter of a mile from the entrance, the

limit is a speed that does not create damage to the area. He referenced the draft ordinance to explain that the amendments to code would be to include the City's tidelands into that second speed category so that vessels need to travel as a safe speed. He clarified that a 2 mph no-wake-zone outside of the harbor isn't being proposed, it's saying that the wake can't do damage in those areas. In response to Ms. Matthews' question, he does not believe waterway markings via buoys would be feasible but Council may consider identifying boundary lines based on geographical points.

Commissioner Zeiset questioned proposed HCC Section C. "All motorized vessels are prohibited from the entrance to Beluga Slough and from all waters within Louie's Lagoon." He wanted to make sure there wouldn't be any valid reason to enter those areas that they would be prohibiting with this code amendment. The physical location of Louie's Lagoon was clarified as the location with all the derelict vessels, and could technically be accessed at very high tides.

Commissioner Stockburger commented on compliance. He acknowledged that something like this would be hard to enforce, but he felt having some signage on shore and having established rules would deter the majority of people from entering those areas. The kind of people who would violate these laws would do it regardless of how well the boundaries are identified or enforced by local authorities.

There was brief clarification that this ordinance is primarily about no-wake policies, not banning or restricting jet-skis from these areas.

VOTE: YES: MATTHEWS, SIEKANIEC, ZIMMERMAN, ZEISET, STOCKBURGER, ULMER
NO: ERICKSON

Motion carried.

Recommendation

Adopt Ordinance 21-26.



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Memorandum

TO: MAYOR CASTNER AND HOMER CITY COUNCIL

FROM: PARKS, ART, RECREATION AND CULTURE ADVISORY COMMISSION

THRU: RENEE KRAUSE, MMC, DEPUTY CITY CLERK

DATE: JUNE 1, 2021

SUBJECT: PARCAC'S RECOMMENDATION OF SUPPORT FOR ORDINANCE 21-26

Background:

The Parks, Art, Recreation & Culture Advisory Commission considered Ordinance 21-26 at their May 20, 2021 regular meeting under New Business. A motion to recommend adoption as presented was made and carried with no objection.

Following is an excerpt of those minutes reflecting the Commission's action.

NEW BUSINESS

C. Ordinance 21-26, Amending Homer City Code Extending the No Wake Zone throughout City Tidelands and Closing Louie's Lagoon and the Entrance of Beluga Slough to Motorized Vessels.

Chair Lewis introduced the item by reading of the title and opened the floor for discussion.

ROEDL/HARRALD MOVED TO APPROVE AS WRITTEN.

Discussion ensued on this ordinance covering a lot of points with some Commissioners expressing concerns on enforcement abilities and the opinion that there is not going to be a lot of people wanting to use jet skis in the bay but that time will tell.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.



Memorandum 21-070

TO: MAYOR CASTNER AND HOMER CITY COUNCIL
FROM: COUNCILMEMBER LORD
DATE: APRIL 21, 2021
SUBJECT: ORDINANCE 21-26

With new State of Alaska regulations allowing personal watercraft (PWC) in the Kachemak Bay Critical Habitat Area, there are concerns from the community regarding nearshore habitat and nonmotorized recreation protections. Currently, motorized vessels are not commonly operating within City tidelands. These areas may be more attractive to shallow draft PWCs. This ordinance is intended to set boundaries that prioritize and protect habitat and nonmotorized uses of City-owned tidelands.

There are several considerations to consider when discussing this proposal:

- Clarity of boundaries for public education and enforcement. The City tidelands boundary is not readily obvious. We need to be able to communicate the new regulation in a meaningful way. Maintaining buoy markers presents substantial logistical challenges and is likely not the most pragmatic option. This marking system could be reassessed depending on the level of need as we experience PWC use patterns and outreach effort success.
- Restricted/no access areas. Currently these are drafted as Louie's Lagoon and the entrance to Beluga Slough. In consideration of the above concern, consider amending the proposal to have two larger restricted/no access areas and forego the No Wake speeds.
- Beluga Slough itself is owned by a mixture of the U.S. Fish and Wildlife Service and private entities. The City owns tidelands at (or near) the entrance to the slough, and in the far back corner by the sewer treatment plant.
- Is a distance seaward too unclear? i.e. No wake 1,000 feet seaward of the shoreline within all City tidelands where motorized vessels are allowed.
- While the lifting of the PWC prohibition has catalyzed this conversation, this proposal would apply equally to all motorized vessels. Per the AK Dept. of Natural Resources: "PWCs are considered powerboats under state and federal law, and operators must meet the same boat registration and equipment requirements (see Resources) as other powerboats." (Alaska Boater's Handbook, Prince William Sound Supplement)
- Ultimately, public outreach and education will be required to ensure that whatever regulation the City adopts is communicated effectively to the impacted user groups. This should include not only the areas under speed limit/restriction, but also who to call in case of questions or concerns. It could also be used as a great opportunity for some positive information about tidelands, possibly in partnership with KBNERR? There are funds appropriated in the ordinance for introduction, but this should be discussed in terms of an appropriate amount.
- While the City must make substantive efforts towards educating the impacted user groups on regulation changes, it is ultimately the responsibility of the users to know and comply with all applicable local, state, and federal laws. We must make that good faith effort for outreach, but after that "I didn't know" is not a defensible claim in most aspects of adult life.

- Current Homer City Code Chapter 10.08 is titled ‘Protection of the Harbor and Waterways’. The proposed code changes would come under this chapter, and within the section there already exists a penalty structure. See HCC 10.08.220

I have talked with Port & Harbor Commission Chair Steve Zimmerman, and he has agreed to have this Ordinance on the April 28th agenda for their review and recommendations. If Council would like to also refer to Planning, it would be great to get on their May 5th agenda. My hope is that Council can introduce this at our April 26th meeting, then receive comments back from Port & Harbor (and Planning if applicable), make amendments and pass a final version of the ordinance at our May 10th regular Council meeting.

Below are several examples of how state regulations define speed limits and and restricted use areas for motorized boats and PWC.

From Alaska Administrative Code (AAC, state regulation), 200’ is used as a boundary for No Wake zones around state managed docks, boat launches, or swimming beaches:

11 AAC 20.115. Motorized boats (a) The use of a boat with a motor, other than a personal watercraft, is allowed in Kachemak Bay State Park only on saltwater, China Poot Lake, Hazelle Lake, or Petrof Lake. (b) A person may not launch or operate a personal watercraft in Kachemak Bay State Park. (c) A person may not operate a motorized boat in excess of "Slow No-wake" speed, five miles per hour maximum, within two hundred feet of a state managed dock, swimming beach, or boat launch, or within an area designated and marked as a "Slow No-wake" zone.

From AAC for the Kenai River Special Management Area. Although there is a 300’ of shore no wake designation, most of these regulations reference physical landmarks and/or river mile markers.

11 AAC 20.865. Non-motorized areas (a) The operation of a boat by the use of a motor is prohibited (1) on the Kenai River between river mile 80.7 and Skilak Lake; and (2) on the Kenai River between Skilak Lake and river mile 47.0 from March 15 through June 14. (b) Repealed 3/1/2008. (c) On the waters of the Kenai River Special Management Area, a person may not launch or operate (1) an airboat, hovercraft, or hydroplane; or (2) a personal watercraft, except as provided in [11 AAC 20.867](#).

11 AAC 20.867. Personal watercraft (a) A person may operate a personal watercraft within the Kenai River Special Management Area only on Kenai Lake on the portion of the lake that is north of a line running from the Primrose Campground boat launch to a prominent marker on the east shore of Kenai Lake, and east of a line running from the Chugach Electric Association powerhouse to a marker on the south side of Porcupine Island, and thence north to the United States Forest Service campground on the north side of Porcupine Island. (b) Within the area on Kenai Lake described in (a) of this section in which a personal watercraft may be operated, a person may not operate a personal watercraft (1) within 300 feet of shore (A) greater than five miles per hour; or (B) in a manner that creates a wake; or (2) between the hours of 10:00 p.m. and 10:00 a.m.

11 AAC 20.870. Boating and aircraft speed limits (a) A person may not operate a boat at a speed greater than five miles per hour in the no wake area between the Kenai Lake Bridge and river mile 80.7 on the Kenai River. (b) No person may operate a boat or aircraft at a speed greater than five miles per hour in the no wake area of the Moose River between the Sterling Highway Bridge and the confluence with the Kenai River. (c) No person may operate a boat or aircraft at a speed greater than five miles per hour in the no wake area of the side (north) channel of the Kenai River from river mile 11 downstream through lower Beaver Creek to its confluence with the main channel of the Kenai River at approximately river mile 10. (d) A person may not operate a boat or aircraft at a speed greater than five miles per hour in the no wake area within the channel north of the island located between river mile 15.2 and river mile 14.7, which includes the upstream and downstream entrances to Castaway Cove.

City Owned Waterfront Properties

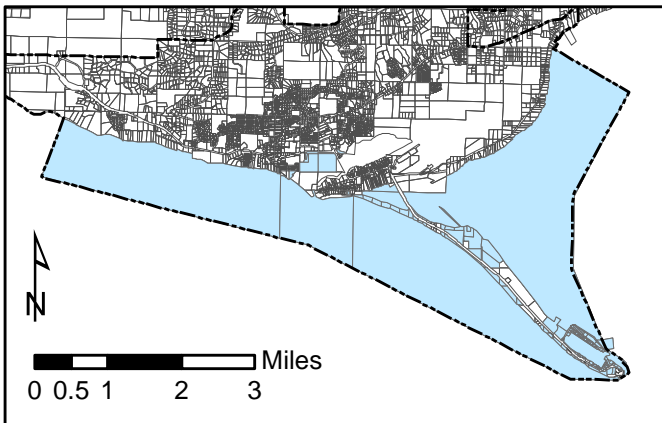
Beluga Slough

Mariner Park

Mud Bay

Louie's Lagoon

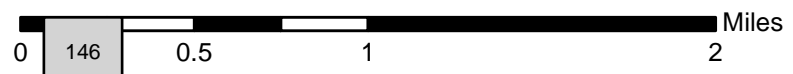
Harbormaster



Legend

- City Limits
- City Tidelands and waterfront properties

Disclaimer:
It is expressly understood the City of Homer, its council, board, departments, employees and agents are not responsible for any errors or omissions contained herein, or deductions, interpretations or conclusions drawn therefrom.



ORDINANCE REFERENCE SHEET
2021 ORDINANCE
ORDINANCE 21-36

An Ordinance of the City Council of Homer, Alaska Adopting the Fiscal Years 2022 and 2023 Capital Budget.

Sponsor: City Manager

1. City Council Regular Meeting June 14, 2021 Introduction
Memorandum 21-101 from City Manager as backup
2. City Council Regular Meeting June 28, 2021

CITY OF HOMER
HOMER, ALASKA

City Manager

ORDINANCE 21-36(S)

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
ADOPTING THE FISCAL YEARS 2022 AND 2023 CAPITAL BUDGET.

THE CITY OF HOMER ORDAINS:

Section 1. Pursuant to the authority of Alaska Statutes Title 29, the following appropriations are made for the fiscal year ending June 2022:

Capital Projects Funds:

General Fund Fleet CARMA (152)	\$461,000	
General Fund CARMA (156)	\$454,300	
Utility CARMA (256)	\$1,092,748	
Port Fleet Reserves (452)	\$107,000	
Port Reserves (456)	\$505,000	
HART Roads (160)	\$2,332,168	<u>\$2,212,168</u>
HART Trails (165)	\$350,000	
HAWSP (205)	\$884,536	<u>\$859,536</u>
Total Capital Expenditures	\$6,186,752	<u>\$6,041,752</u>

Section 2. Pursuant to the authority of Alaska Statutes Title 29, the following appropriations are made for the fiscal year ending June 2023:

Capital Projects Funds:

General Fund Fleet CARMA (152)	\$0	
General Fund CARMA (156)	\$0	
Utility CARMA (256)	\$0	
Port Fleet Reserves (452)	\$0	
Port Reserves (456)	<u>\$0</u>	
Total Capital Expenditures	\$0	

Section 3. The following transfers be made into Fund 152, Account 0375:

Transfer from:

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
--------------------	--------------------	---------------

43	152-0380	Admin	\$41,929
44	152-0381	Fire	\$120,128
45	152-0382	Police	\$19,756
46	152-0383	Public Works	\$72,700
47	152-0391	Insurance	\$139,818
48			
49	Transfer to:		
50	<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
51	152-0375	General	\$393,832
52			

53 Section 3. The amounts appropriated by this ordinance are appropriated to the
54 purposes stated in the adopted budget.

55
56 Section 4. This Ordinance is limited to approval of the Budget and appropriations for
57 Fiscal Year 2022 and 2023, is a non code Ordinance and shall become effective July 1, 2021.

58
59 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 24th day of June, 2021.

60
61 CITY OF HOMER

62
63
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65 _____
66 KEN CASTNER, MAYOR

67 ATTEST:

68
69 _____
70 MELISSA JACOBSEN, MMC, CITY CLERK

71
72 YES:

73 NO:

74 ABSTAIN:

75 ABSENT:

76
77 First Reading:

78 Public Hearing:

79 Second Reading:

80 Effective Date:

CITY OF HOMER
HOMER, ALASKA

City Manager

ORDINANCE 21-36(S-2)

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
ADOPTING THE FISCAL YEARS 2022 AND 2023 CAPITAL BUDGET.

THE CITY OF HOMER ORDAINS:

Section 1. Pursuant to the authority of Alaska Statutes Title 29, the following appropriations are made for the fiscal year ending June 2022:

Capital Projects Funds:

General Fund Fleet CARMA (152)	\$461,000
General Fund CARMA (156)	\$454,300 \$424,300
Utility CARMA (256)	\$1,092,748 \$773,248
Port Fleet Reserves (452)	\$107,000
Port Reserves (456)	\$505,000
HART Roads (160)	\$2,332,168 \$2,212,168 \$2,159,562
HART Trails (165)	\$350,000 \$340,000
HAWSP (205)	\$884,536 \$859,536 \$25,000
Total Capital Expenditures	\$6,186,752 \$6,041,752 \$4,795,110

Section 2. Pursuant to the authority of Alaska Statutes Title 29, the following appropriations are made for the fiscal year ending June 2023:

Capital Projects Funds:

General Fund Fleet CARMA (152)	\$0
General Fund CARMA (156)	\$0
Utility CARMA (256)	\$0
Port Fleet Reserves (452)	\$0
Port Reserves (456)	\$0
HART Roads (160)	\$0
HART Trails (165)	\$10,000
HAWSP (205)	\$0
Total Capital Expenditures	\$10,000

Section 3. The following transfers be made into Fund 152, Account 0375:



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Memorandum 21-122

TO: Mayor Castner and Homer City Council
FROM: Rob Dumouchel, City Manager
DATE: July 15, 2021
SUBJECT: Capital Budget Modifications

At the June 28th City Council meeting, Ordinance 21-36(S) was postponed until July 26th. The Council gave feedback on specific items within the proposed Capital Budget. Additionally, I have met with Councilmembers individually to hear any ideas they have for expansion and/or contraction of the Capital Budget.

The second substituted version of Ordinance 21-36 includes the following changes:

General CARMA (156)

- Removed the Wayfinding Implementation funding (\$40,000 total) – the intention is to wait for the wayfinding study to be completed before appropriating funds for implementation
- Removed the Outdoor Screen (\$6,000)
- Added Airport Terminal Exterior Painting (\$21,000) – there appeared to be enough support from the Council at the June 28th meeting to add this project
- Decreased request for Thermal Imaging Cameras (now \$15,000, a reduction of \$5,000) – It is likely we can acquire the requested equipment within this reduced request

Utility CARMA (256)

- Removed requests related to the following special assessment districts: Ocean Drive (\$52,606), Charles Street Sewer (\$55,000), Charles Street Water (\$178,561) – these requests will be brought back to Council at a later date when the districts are approved

HART Roads

- Removed request for Ocean Drive special assessment district (\$52,606) – this request will be brought back to Council at a later date when the district is approved

HAWSP

- Removed Hornaday Park Restroom requests (\$325,000 in total) – I anticipate that the project will be revisited in the future with a different funding source

- Removed Bishop’s Beach Restroom requests (\$425,000 in total) – I anticipate that the project will be revisited in the future with a different funding source
- Removed Charles Street Water special assessment district requests related to design (\$15,000) and construction (\$69,536)

Additional Discussion

One item that I have not modified which created some discussion at the last meeting is the \$1.1M for the Main Street Sidewalks. Administration intends to pursue grant funding to support the project and reduce the City’s share of the expense. Grants are not guaranteed and the sidewalk project is a highly ranked priority. Budgeting the full amount gives us the flexibility to complete the project if we are unable to secure additional funding.

I have had a lot of discussions regarding vehicles. We have fleet needs in the Port & Harbor, Police Department, Volunteer Fire Department, and Public Works.

The Port & Harbor is requesting to replace two vehicles, a 2004 Ford F250 and a 1993 mobile welding/shop van. The Ford F250 was originally used as a patrol vehicle and is now used as a plow truck. It was listed on the fleet replacement schedule published in the FY20/21 budget as being due for replacement in 2023. The van will be replaced with a trailer instead of a motorized vehicle which will create a significant cost savings in replacement of the mobile welding capability.

The Police Department has a request for four vehicles over two years. The general fleet replacement strategy for the Police Department has been to bring in two new vehicles per year. The plan for FY22/23 is to replace two patrol vehicles, add one new vehicle for an officer position which was added in 2020 but has not yet been filled (we have an open recruitment that, if successful, will bring us back to full staffing), and replace the jail van (this replacement had been proposed in the FY20/21 budget but we swapped that appropriation out for a patrol vehicle through Ordinance 21-09).

The Volunteer Fire Department has a request for one Deputy Command Vehicle which would be used by the Deputy Fire Chief. This would be an addition to the fleet. Command Vehicles for our Chief Officers have a great deal of strategic value for a volunteer fire department and is a standard practice all throughout the Kenai Peninsula. A larger fleet replacement strategy for other fire vehicles is in a draft stage and I expect we will be discussing it in depth at the Council level during FY22.

Public Works has the largest fleet and the largest number of vehicles requested for the two year period, they also have the largest fleet. Most vehicles requested were on the fleet replacement schedule for either FY22 or FY23. Two requests are carryovers from previous fiscal years, and one is being requested a year early due to condition. The individual vehicle replacements with schedule replacement dates are listed below.

- E101 1999 Ford Truck (Parks) – scheduled replacement in FY24
- E103 1993 Ford Van (Maint.) – scheduled replacement in FY19
- E107 2001 Chevy S10 (Parks) – scheduled replacement in FY21
- E114 1997 Ford Truck (Engineering) – scheduled replacement in FY22
- E120 1995 Ford Truck (Parks) – scheduled replacement in FY23
- E126 1998 Ford Van (Maint.) – scheduled replacement in FY23

- E129 1994 Ford Truck (Parks) – scheduled replacement in FY22
- E130 1994 Chevy Service Truck – scheduled replacement in FY22
- E131 1994 Ford Truck – scheduled replacement in FY22
- E161 1998 CAT Loader – scheduled replacement in FY22
- E170 2003 ToolCat 5600 – scheduled replacement in FY23

Staff Recommendation: Substitute Ordinance 21-36(S-2) and adopt Capital Budget for FY22/23.

Fleet CARMA - Fund 152*

Current Information					
Account Name	Account #	Current Balance	Encumbrances	Available Balance	
General	152-0375	\$ 532,320	\$ -	\$ 532,320	
Admin	152-0380		\$ -	\$ -	
Fire	152-0381	\$ 95,000	\$ 95,000	\$ -	
PD	152-0382	\$ 65,000	\$ 65,000	\$ -	
PW	152-0383	\$ 342,800	\$ 342,800	\$ -	
Insurance	152-0391		\$ -	\$ -	
		<u>\$ 1,035,120</u>	<u>\$ 502,800</u>	<u>\$ 532,320</u>	

*Assumes passage of Ord. 21-36 which reappropriates funds within 152

Open Encumbrances				
Description	Requestor	ORD #	Acct #	Amount Remaining
Fleet Brush 1 Replacement	Fire	19-51(A)	152-0381	\$ 95,000
Patrol Vehicle Replacement	HPD	21-09	152-0382	\$ 65,000
Grader and Sanding Trucks	PW	19-51(A), 21-06	152-0383	\$ 342,800
				<u>\$ 502,800</u>

Requested Projects				
Description	Requestor	Acct #	Fiscal Year	Requested Amount
Deputy Chief Command Unit	Fire	152-0375	FY22	\$ 87,000
Vehicle Lighting Upgrade	Fire	152-0375	FY22	\$ 18,000
Training Trailer Repair	Fire	152-0375	FY22	\$ 16,000
Two Patrol Vehicles	HPD	152-0375	FY22	\$ 120,000
Two Patrol Vehicles	HPD	152-0375	FY22	\$ 120,000
Replacement E-103 Bldg Maint Van	PW	152-0375	FY22	\$ 50,000
Replacement E-126 Bldg Maint Vehicle	PW	152-0375	FY22	\$ 50,000
				<u>\$ 461,000</u>

Future Fund Activity		
Activity Description	FY22 Amount	FY23 Amount
Operating Budget Transfer	\$ 20,918	

Proposed Future State							
Account Name	Acct #	Current Balance	Encumbrances	Future Activity	Projects	Available Balance	
General	152-0375	\$ 532,320	\$ -	\$ 20,918	\$ 461,000	\$ 92,239	
Admin	152-0380	\$ -	\$ -	\$ -	\$ -	\$ -	
Fire	152-0381	\$ 95,000	\$ 95,000	\$ -	\$ -	\$ -	
HPD	152-0382	\$ 65,000	\$ 65,000	\$ -	\$ -	\$ -	
PW	152-0383	\$ 342,800	\$ 342,800	\$ -	\$ -	\$ -	
Insurance	152-0391	\$ -	\$ -	\$ -	\$ -	\$ -	
		<u>\$ 1,035,120</u>	<u>\$ 502,800</u>	<u>\$ 20,918</u>	<u>\$ 461,000</u>	<u>\$ 92,239</u>	

Fleet CARMA Ending FY23 Balance (Est.): \$ 92,239

General CARMA - Fund 156*

Current Information				
Account Name	Account #	Current Balance	Encumbrances	Available Balance
Art	156-0367	\$ -	\$ -	\$ -
Seawall	156-0369	\$ 30,987	\$ 4,404	\$ 26,583
Animal Shelter	156-0370	\$ -	\$ -	\$ -
General	156-0375	\$ 515,183	\$ -	\$ 515,183
City Hall	156-0384	\$ 11,838	\$ 11,838	\$ -
Park and Rec	156-0385	\$ 58,785	\$ 58,785	\$ -
Planning	156-0387	\$ 45,000	\$ 45,000	\$ -
Airport	156-0388	\$ -	\$ -	\$ -
Library	156-0390	\$ -	\$ -	\$ -
Fire	156-0393	\$ 270,800	\$ 270,800	\$ -
Police	156-0394	\$ 63,431	\$ 63,431	\$ -
PW	156-0395	\$ 120,000	\$ 120,000	\$ -
HERC	156-0396	\$ 176,881	\$ -	\$ 176,881
Fishing Hole	156-0397	\$ 110,165	\$ -	\$ 110,165
IT	156-0398	\$ 205,000	\$ 205,000	\$ -
Sister City	156-0399	\$ -	\$ -	\$ -
ADA	156-0400	\$ 48,060	\$ 48,060	\$ -
		<u>\$ 1,656,129</u>	<u>\$ 827,318</u>	<u>\$ 828,811</u>

*Balance with passage of Ord. 21-30 which reappropriated funds within 156

Open Encumbrances				
Description	Requestor	ORD #	Acct #	Amount Remaining
Seawall Maint	Seawall	20-01, 20-84	156-0369	\$ 4,404
Records Storage Improvements	Clerk	19-51(A)	156-0384	\$ 8,000
Finance Remodel	Finance	20-77	156-0384	\$ 3,838
Lawn Maint Equip	Parks	18-44(A)	156-0385	\$ 6,635
Ball Field Maint 1 of 6	Parks	19-51(A)	156-0385	\$ 20,000
Pioneer Ave Banners	Parks	19-51(A)	156-0385	\$ 10,000
Fire Rings	Parks	19-51(A)	156-0385	\$ 7,750
Fuel Island	PW	20-35(S)	156-0385	\$ 14,400
Spit Plan	Planning	19-51(A)	156-0387	\$ 25,000
Spit Parking	Planning	19-51(A)	156-0387	\$ 20,000
SCBA	Fire	19-51(A), 21-25	156-0393	\$ 260,000
Fuel Island	PW	20-35(S)	156-0393	\$ 10,800
Microwave link replacement phase 1	HPD	19-51(A)	156-0394	\$ 11,511
Cell phone replacement	HPD	19-51(A)	156-0394	\$ 12,320
Fuel Island	PW	20-35(S)	156-0394	\$ 39,600
Mattox Road Gas Line Relocation	PW	19-51(A)	156-0395	\$ 20,000
Fuel Island	PW	19-51(A)	156-0395	\$ 85,000
Hornaday Park Main Restroom Prelim Design	PW	19-51(A)	156-0395	\$ 15,000
Licensed Microwave WAN	IT	18-44(A)	156-0398	\$ 130,000
Departmental Servers	IT	19-51(A), 21-19	156-0398	\$ 75,000
Spit Handicap/ADA Vehicle Improvement	Harbor	19-51(A)	156-0400	\$ 34,560
Spit Handicapped Parking Paving	Harbor	21-20	156-0400	\$ 13,500
				<u>\$ 827,318</u>

Requested Projects				
Description	Requestor	Acct #	Fiscal Year	Requested Amount
Mariner Park Lagoon Maintenance	Parks	156-0375	FY22	\$ 6,000
Skatepark Upkeep	Parks	156-0375	FY22	\$ 10,000
Public Computer Replacement	Library	156-0375	FY22	\$ 40,000
Wi-fi Network Replacement	Library	156-0375	FY22	\$ 20,000
Videoconference System Replacement	Library	156-0375	FY22	\$ 7,000
Extraction Tool Upgrade	Fire	156-0375	FY22	\$ 72,000
Smoke Ejection Fans	Fire	156-0375	FY22	\$ 7,000
Thermal Imaging Camera	Fire	156-0375	FY22	\$ 15,000
Computer Aided Dispatch	HPD & Fire	156-0375	FY22	\$ 135,500
Email System Upgrade	IT	156-0375	FY22	\$ 30,000
Network Switches	IT	156-0375	FY22	\$ 32,000
Airport ADA - Restrooms, Fountain, etc.	PW	156-0375	FY22	\$ 14,400
City Hall ADA - Ramp	PW	156-0375	FY22	\$ 14,400
Airport Terminal Painting (Exterior)	PW	156-0375	FY22	\$ 21,000
				<u>\$ 424,300</u>

Future Fund Activity		
Activity Description	FY22 Amount	FY23 Amount

Account Name	Acct #	Proposed Future State			Available Balance
		Current Balance	Encumbrances	Projects	
Art	156-0367	\$ -	\$ -	\$ -	\$ -
Seawall	156-0369	\$ 30,987	\$ 4,404	\$ -	\$ 26,583
Animal Shelter	156-0370	\$ -	\$ -	\$ -	\$ -
General	156-0375	\$ 515,183	\$ -	\$ 424,300	\$ 90,883
City Hall	156-0384	\$ 11,838	\$ 11,838	\$ -	\$ -
Park and Rec	156-0385	\$ 58,785	\$ 58,785	\$ -	\$ -
Planning	156-0387	\$ 45,000	\$ 45,000	\$ -	\$ -
Airport	156-0388	\$ -	\$ -	\$ -	\$ -
Library	156-0390	\$ -	\$ -	\$ -	\$ -
Fire	156-0393	\$ 270,800	\$ 270,800	\$ -	\$ -
Police	156-0394	\$ 63,431	\$ 63,431	\$ -	\$ -
PW	156-0395	\$ 120,000	\$ 120,000	\$ -	\$ -
HERC	156-0396	\$ 176,881	\$ -	\$ -	\$ 176,881
Fishing Hole	156-0397	\$ 110,165	\$ -	\$ -	\$ 110,165
IT	156-0398	\$ 205,000	\$ 205,000	\$ -	\$ -
Sister City	156-0399	\$ -	\$ -	\$ -	\$ -
ADA	156-0400	\$ 48,060	\$ 48,060	\$ -	\$ -
		<u>\$ 1,656,129</u>	<u>\$ 827,318</u>	<u>\$ 424,300</u>	<u>\$ 404,511</u>

General CARMA Ending FY23 Balance (Est.): \$ 404,511

Utility CARMA - Fund 256

Current Information

Account Name	Account #	Current Balance	Encumbrances	Available Balance
Water	256-0378	\$ 2,434,942	\$ 692,138	\$ 1,742,804
Sewer	256-0379	\$ 1,836,104	\$ 553,773	\$ 1,282,331
		<u>\$ 4,271,046</u>	<u>\$ 1,245,911</u>	<u>\$ 3,025,135</u>

Open Encumbrances

Description	Requestor	ORD #	Acct #	Amount Remaining
1/2 of Utility Financial Mgmt	Water	21-03	256-0378	\$ 12,907
Betterments on East Hill	Water	21-15	256-0378	\$ 49,000
Raw Water Transmission Line Design	Water	21-18	256-0378	\$ 33,185
Commercial Meter Replacement	Water	19-41(A)	256-0378	\$ 80,000
Dredge for WTP	Water	19-41(A)	256-0378	\$ 10,000
Million Gallon Water Tank Aeration System	Water	20-56	256-0378	\$ 172,624
Tesoro Water Vault Upgrade	Water	20-56	256-0378	\$ 100,000
Raw Water Line Replacement Design	Water	20-56	256-0378	\$ 202,222
PRV Replacement West Trunk Line	Water	20-56	256-0378	\$ 25,000
Fuel Island	PW	20-35(S)	256-0378	\$ 7,200
1/2 of Utility Financial Mgmt	Sewer	21-03	256-0379	\$ 12,907
Engineering Beluga Lift Station	Sewer	21-01	256-0379	\$ 4,463
Betterments on East Hill	Sewer	21-15	256-0379	\$ 49,000
Launch Ramp Lift Station Enclosure	Sewer	19-44(A)	256-0379	\$ 13,386
Replace Deep Shaft Air Compressor	Sewer	20-57	256-0379	\$ 85,000
Upgrade SCADA for 7 Lift Stations	Sewer	20-57	256-0379	\$ 210,900
WWTP Digester Blowers	Sewer	20-57	256-0379	\$ 170,917
Fuel Island	PW	20-35(S)	256-0379	\$ 7,200
				<u>\$ 1,245,911</u>

Requested Projects

Description	Requestor	Acct #	Fiscal Year	Requested Amount
DR 6000 UV VIS Spectrophotometer w/ RFID	Water	256-0378	FY22	\$ 9,276
Miox Chlorine Generator Cell Replacement	Water	256-0378	FY22	\$ 30,000
PR Station Hatch Improvement	Water	256-0378	FY22	\$ 35,279
Water Treatment Plant HVAC Control System Upgrade	Water	256-0378	FY22	\$ 55,955
East Trunk FPI Mag Flow Meter	Water	256-0378	FY22	\$ 9,000
Replacement Flow Meters at Main and Danview				
PR Station and East Road Monitor	Water	256-0378	FY22	\$ 15,000
Replacement of E-170 ToolCat	Water	256-0378	FY22	\$ 21,667
Replacement of E-161 CAT Loader	Water	256-0378	FY22	\$ 158,333
Replacement E-131 W/S Truck	Water	256-0378	FY22	\$ 15,000
Replacement E-130 Service Truck	Water	256-0378	FY22	\$ 26,667
Replacement of E-114 PW Truck	Water	256-0378	FY22	\$ 10,000
Computerized Maintenance Management System	PW	256-0378	FY22	\$ 23,333
Influent Station Backup Pump	Sewer	256-0379	FY22	\$ 16,136
Safety Hoist for Lift Station & Other Underground Work	Sewer	256-0379	FY22	\$ 10,282
Sewer Inspection Camera	Sewer	256-0379	FY22	\$ 57,320
Repair Pond Liner at Sewer Treatment Plant	Sewer	256-0379	FY22	\$ 25,000
Replacement of E-170 ToolCat	Sewer	256-0379	FY22	\$ 21,667
Replacement of E-161 CAT Loader	Sewer	256-0379	FY22	\$ 158,333
Replacement E-131 W/S Truck	Sewer	256-0379	FY22	\$ 15,000
Replacement E-130 Service Truck	Sewer	256-0379	FY22	\$ 26,667
Replacement of E-114 PW Truck	Sewer	256-0379	FY22	\$ 10,000
Computerized Maintenance Management System	PW	256-0379	FY22	\$ 23,333
				<u>\$ 773,248</u>

Future Fund Activity

Activity Description	FY22 Amount	FY23 Amount
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Proposed Future State

Account Name	Acct #	Current Balance	Encumbrances	Projects	Available Balance
Water	256-0378	\$ 2,434,942	\$ 692,138	\$ 409,510	\$ 1,333,294
Sewer	256-0379	\$ 1,836,104	\$ 553,773	\$ 363,738	\$ 918,593
		<u>\$ 4,271,046</u>	<u>\$ 1,245,911</u>	<u>\$ 773,248</u>	<u>\$ 2,251,887</u>

Utility CARMA Ending FY23 Balance (Est.): \$ 2,251,887

Port & Harbor Fleet - Fund 452

Current Information				
Fund Name	Fund #	Current Balance	Encumbrances	Available Balance
Harbor Fleet	452-0374	\$ 214,394		\$ 214,394

Open Encumbrances				
Description	Requestor	ORD #	Acct #	Amount Remaining
				\$ -

Requested Projects				
Description	Requestor	Acct #	Fiscal Year	Requested Amount
Port Maint. Plow Truck Replacement	Harbor	452-0374	FY22	\$ 35,000
Fire Cart Rebuild #5	Harbor	452-0374	FY22	\$ 25,000
Fish Dock Manlift Replacement	Harbor	452-0374	FY22	\$ 30,000
Port Maint. Mobile Welding Van	Harbor	452-0374	FY22	\$ 17,000
				\$ 107,000

Future Fund Activity			
Activity Description		FY22 Amount	FY23 Amount
Operating Budget Transfer		\$ 30,000	\$ 30,000
Net Activity		\$ 30,000	\$ 30,000

Proposed Future State				
Fund Name	Fund #	Current Balance	Encumbrances	Available Balance
Harbor Fleet	456-0380	\$ 214,394	\$ -	\$ 214,394
				FY22 Projects \$ (107,000)
				FY22 Net Activity \$ 30,000
				FY22 Ending Balance \$ 137,394
				FY23 Projects \$ -
				FY23 Net Activity \$ 30,000
				FY23 Ending Balance \$ 167,394

Port & Harbor Fleet Ending FY23 Balance (Est.): \$ 167,394

Port & Harbor Reserve - Fund 456

Current Information				
Account Name	Account #	Current Balance	Encumbrances	Available Balance
Harbor General	456-0380	\$ 1,808,815	\$ 75,300	\$ 1,733,515
Load and Launch	456-0380	\$ 280,180	\$ -	\$ 280,180
		<u>\$ 2,088,995</u>	<u>\$ 75,300</u>	<u>\$ 2,013,695</u>

Open Encumbrances				
Description	Requestor	ORD #	Acct #	Amount Remaining
Ramp 3 Parking Lot Drainage Improvement	Harbor	18-44(A)	456-0380	\$ 24,500
Fuel Island Replacement	PW	20-35(S)	456-0380	\$ 19,800
Commercial Barge Ramp Improvement	Harbor	19-51(A)	456-0380	\$ 6,000
Spit Plan (50%, shared with Planning)	Harbor	19-51(A)	456-0380	\$ 25,000
				<u>\$ 75,300</u>

Requested Projects				
Description	Requestor	Acct #	Fiscal Year	Requested Amount
Deep Water Dock Security Gate	Harbor	456-0380	FY22	\$ 10,000
Fish Grinder Building Replacement Design	Harbor	456-0380	FY22	\$ 15,000
Fish Carcass Trailer	Harbor	456-0380	FY22	\$ 15,000
Harbor Basin Pile Cathodic Protection	Harbor	456-0380	FY22	\$ 200,000
Harbor Office ADA Entry Door Improvements	Harbor	456-0380	FY22	\$ 10,000
Camera System Design Ramps 1-5	Harbor	456-0380	FY22	\$ 20,000
Electrical Meter Replacement Inventory	Harbor	456-0380	FY22	\$ 5,000
Fish Grinder Building Replacement	Harbor	456-0380	FY22	\$ 100,000
System 5 Re-float Engineering	Harbor	456-0380	FY22	\$ 15,000
Electrical Pedestal Replacement EE Float	Harbor	456-0380	FY22	\$ 10,000
Crane 4 Rebuild	Harbor	456-0380	FY22	\$ 90,000
Fish Carcass Trailer	Harbor	456-0380	FY22	\$ 15,000
				<u>\$ 505,000</u>

Future Fund Activity			
Activity Description	FY22 Amount	FY23 Amount	
Operating Budget Transfer - Harbor General	\$ 636,889	\$ 641,589	
Operating Budget Transfer - Load and Launch	\$ 34,201	\$ 32,486	
Net Activity	\$ 671,090	\$ 674,075	

Proposed Future State				
Account Name	Account #	Current Balance	Encumbrances	Available Balance
Harbor General	456-0380	\$ 1,808,815	\$ 75,300	\$ 1,733,515
			FY22 Projects	\$ (505,000)
			FY22 Net Activity	\$ 671,090
			FY22 Ending Balance	\$ 1,899,605
			FY23 Projects	\$ -
			FY23 Net Activity	\$ 674,075
			FY23 Ending Balance	\$ 2,573,680
Load and Launch	456-0380	\$ 280,180	\$ -	\$ 280,180
			FY22 Projects	\$ -
			FY22 Net Activity	\$ 34,201
			FY22 Ending Balance	\$ 314,381
			FY23 Projects	\$ -
			FY23 Net Activity	\$ 32,486
			FY23 Ending Balance	\$ 346,867

Port & Harbor Reserve Ending FY23 Balance (Est.): **\$ 2,920,547**

HART Roads

Current Information

Fund Name	Fund #	Current Balance	Encumbrances	Available Balance
HART Roads	160	\$ 6,577,591	\$ 1,082,073	\$ 5,495,518

Open Encumbrances

Description	Requestor	ORD #	Acct #	Amount Remaining
Ground Water Research	PW	Ord 21-16(A)	160-	\$ 50,000
Design Betterment - Main Street	PW	Ord 21-12	160-	\$ 12,700
Woodard Creek	PW	20-40(A), 21-08	160-0779	\$ 412,526
Small Works Road Program	PW	20-33	160-0780	\$ 133,909
Drainage Management Plan	PW	20-31(S)	160-0781	\$ 90,000
Main Street	PW	20-32	160-0782	\$ 28,106
Horizon Court Road Repair	PW	20-58, 20-61(A)(S)	160-0783	\$ 8,337
Mt Augustine Surface Water	PW	20-85	160-0784	\$ 89,828
Homer Soil and Water Contract	PW	20-52	160-0785	\$ 25,000
Fuel Island Replacement	PW	20-35(S)	160-	\$ 81,000
Small Works Drainage	PW	20-34	160-0786	\$ 106,150
Wayfinding-Streetscape Plan	PW	19-54(S-2)(A-2)	160-0375	\$ 25,000
Hornaday Improvements	PW	18-37, 19-36	160-0777	\$ 19,517
				<u>\$ 1,082,073</u>

Requested Projects

Description	Requestor	Acct #	Fiscal Year	Requested Amount
Grind and Pave Program	PW		FY22	\$ 177,895
Road Base Reconstruction Program	PW		FY22	\$ 240,000
Small Works Road Repair Program	PW		FY22	\$ 70,000
Snow Storage Lots	PW		FY22	\$ 20,000
Small Works Drainage Repair Program	PW		FY22	\$ 25,000
Main Street Sidewalk - Construction	PW		FY22	\$ 1,100,000
Ben Walters Way Sidewalk Design & Survey	PW		FY22	\$ 100,000
Hornaday Park Road Realignment	PW		FY22	\$ 120,000
Small Works Drainage Repair Program	PW		FY22	\$ 25,000
Replacement of E-170 ToolCat	PW		FY22	\$ 21,667
Replacement of E-161 CAT Loader	PW		FY22	\$ 158,333
Replacement E-130 Service Truck	PW		FY22	\$ 26,667
Replacement of E-114 PW Truck	PW		FY22	\$ 10,000
PW Campus Mitigation Plan	PW		FY22	\$ 16,667
Ground Water Research	PW		FY22	\$ 25,000
Computerized Maintenance Management System	PW		FY22	\$ 23,333
				<u>\$ 2,159,562</u>

Future Fund Activity

Activity Description	FY22 Amount	FY23 Amount
Sales Tax (Budgeted)	\$ 1,322,458	\$ 1,366,100
Assessment Revenue	\$ 78,834	\$ 78,834
Transfer to General Fund (ORD 17-40(A))	\$ (818,364)	\$ (849,077)
Net Activity	\$ 582,928	\$ 595,858

Proposed Future State

Fund Name	Fund #	Current Balance	Encumbrances	Available Balance
HART Roads	160	\$ 6,577,591	\$ 1,082,073	\$ 5,495,518
			FY22 Projects	\$ (2,159,562)
			FY22 Net Activity	\$ 582,928
			FY22 Ending Balance	\$ 3,918,884
			FY23 Projects	\$ -
			FY23 Net Activity	\$ 595,858
			FY23 Ending Balance	\$ 4,514,742

HART Roads Ending FY23 Balance (Est.):

\$ 4,514,742

HART Trails

Current Information

Fund Name	Fund #	Current Balance	Encumbrances	Available Balance
HART Trails	165	\$ 767,033	\$ 73,208	\$ 693,825

Open Encumbrances

Description	Requestor	ORD #	Acct #	Amount Remaining
Small Works	PW	20-36	165-0926	\$ 26,960
Wayfinding Streetscape	PW	19-54(S-2)(A-2)	165-0928	\$ 24,848
Woodard Creek/Fairview Trails	PW	19-36	165-	\$ 1,500
Poopdeck Rehab/ADA Parking Area	PW	19-29	165-	\$ 13,900
ADA Accessible Trail	PW	19-28	165-	\$ 6,000
				\$ 73,208

Requested Projects

Description	Requestor	Acct #	Fiscal Year	Requested Amount
Replacement of E-129 Parks Truck	PW		FY22	\$ 30,000
Replacement E-120 Parks Truck	PW		FY22	\$ 30,000
Replacement of E-107 Parks Truck	PW		FY22	\$ 30,000
Replacement of E-101 Parks Truck	PW		FY22	\$ 30,000
Small Works Trails Maintenance	PW		FY22	\$ 10,000
Hornaday Park - New Pedestrian Access Trail Construction	PW		FY22	\$ 150,000
Fairview Ave Trail - East - Design	PW		FY22	\$ 30,000
Fairview Ave Trail - West - Design	PW		FY22	\$ 30,000
Small Works Trails Maintenance	PW		FY23	\$ 10,000
				\$ 350,000

Future Fund Activity

Activity Description	FY22 Amount	FY23 Amount
Sales Tax (Budgeted)	\$ 146,940	\$ 151,789
Transfer to General Fund (ORD 17-40(A))	\$ (41,706)	\$ (41,706)
Net Activity	\$ 105,234	\$ 110,083

Proposed Future State

Fund Name	Fund #	Current Balance	Encumbrances	Available Balance
HART Trails	165	\$ 767,033	\$ 73,208	\$ 693,825
			FY22 Projects	\$ (340,000)
			FY22 Net Activity	\$ 105,234
			FY22 Ending Balance	\$ 459,059
			FY23 Projects	\$ (10,000)
			FY23 Net Activity	\$ 110,083
			FY23 Ending Balance	\$ 559,142

HART Trails Ending FY23 Balance (Est.): \$ 559,142

HAWSP

Current Information

Fund Name	Fund #	Current Balance	Encumbrances	Available Balance
HAWSP	205	\$ 2,901,343	\$ 625,867	\$ 2,275,476

Open Encumbrances

Description	Requestor	ORD #	Acct #	Amount Remaining
Ground Water Research	PW	21-16(A)	205-	\$ 50,000
Betterment - Tasmania Ct Water/Sewer SAD	PW	21-11	205-	\$ 88,569
Alder Lane Water Improvement	PW	20-83	205-	\$ 253,193
Tasmania Court Water Improvement	PW	20-68	205-	\$ 234,105
				\$ 625,867

Requested Projects

Description	Requestor	Acct #	Fiscal Year	Requested Amount
Ground Water Research	PW		FY22	\$ 25,000
				\$ 25,000

Future Fund Activity

Activity Description	FY22 Amount	FY23 Amount
Sales Tax (Budgeted)	\$ 1,469,398	\$ 1,517,889
Assessment Revenue	\$ 481,370	\$ 481,370
Debt Payment	\$ (989,387)	\$ (977,981)
Net Activity	\$ 961,381	\$ 1,021,278

Proposed Future State

Fund Name	Fund #	Current Balance	Encumbrances	Available Balance
HAWSP	205	\$ 2,901,343	\$ 625,867	\$ 2,275,476
			FY22 Projects	\$ (25,000)
			FY22 Net Activity	\$ 961,381
			FY22 Ending Balance	\$ 3,211,857
			FY23 Projects	\$ -
			FY23 Net Activity	\$ 1,021,278
			FY23 Ending Balance	\$ 4,233,135

HAWSP Ending FY23 Balance (Est.): \$ 4,233,135



City of Homer

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Memorandum 21-101

TO: Mayor Castner and Homer City Council
FROM: Rob Dumouchel, City Manager
DATE: June 14, 2021
SUBJECT: FY22/23 Capital Budget

A preview of the Capital Budget, broken down by funding source, was presented to Council at the May 24th meeting. After that meeting I completed one last round of review with staff before finalizing draft for introduction with the Finance Director. At the June 14th meeting, Council will be asked to introduce a Capital Budget ordinance which would then be on track for adoption at the June 28th meeting.

All capital project funding proposed in FY22/23 is carried by existing funds, no project slated for review and approval exceeds the current balances of the funding sources. The CARMA¹ Funds (152, 156, and 256) have sufficient existing funds to get a meaningful number of projects underway in FY22/23. A major goal of Administration in the project list put forward is to not fall behind in projects, fleet replacements, etc. because it will only exacerbate future needs. A concern is that the CARMA funds do not have new funds slated to refill them in the current draft operating budget, with the exception of approximately \$20,000 for Fleet CARMA. Administration believes that there is a very real chance sales tax revenues will greatly exceed forecasts which could provide surplus operating funds. The staff recommendation would be to prioritize the funding of CARMA accounts (or whatever vehicle Council chooses to use for future project funding) if those surplus funds materialize.

Table 1, at the end of this memo, includes a list of requested projects which were not included in the ordinance up for introduction. Projects were left out for various reasons such as: lack of available funds in the target funding source, a desire to wait and use a different funding source in the future (i.e. ADA projects to be funded via Alaska Community Assistance Program funds to be received in late FY22), or my belief that Council would prefer to handle a request individually instead of including it in the general Capital Budget package (i.e. HERC planning).

Accompanying the Capital Budget ordinance are a series of sheets containing the proposed capital projects which were approved for inclusion by the City Manager. These sheets are broken up by funding source (i.e. CARMA 156, Fleet CARMA 152, Port & Harbor Fleet 452, Port & Harbor Reserve 456, HART, & HAWSP). In the attached sheets you will see the following: current information, open encumbrances, requested projects, future fund activity, and proposed future state. See below for definitions/explanations of each section.

¹ CARMA = Capital Asset Repair & Maintenance Allowance

- **Current Information** – this section shows the funding source as it stands right now with its current fund balance, open encumbrances, and available balance.
- **Open Encumbrances** – this section shows projects previously approved by Council that still have unspent funds. Each project is shown with the department that requested the project, the ordinance approving the money, the applicable account number, and the amount of funds remaining. In some cases the project has not been started and the full value is remaining, in others the project is at a midway point and some money has been spent but there is more work to do with the remaining funds.
- **Requested Projects** – this section shows projects which have been sent to the City Manager by staff and approved for inclusion into the Capital Budget draft. Each project is shown with the requesting department, applicable account number, fiscal year*, and requested amount.
- **Future Fund Activity** – this section shows other expected movement within the funding source to include transfers, incoming sales tax, assessment revenue, and debt payments.
- **Proposed Future State** – this section shows how the funding source would shape up financially if all projects presented are approved by the Council and other spending and revenues occur as budgeted.

*Regarding fiscal years, staff made their requests for either FY22 or FY23. At this time I have chosen to show all requests in FY22. I’m doing this because there are a lot of disruptions in worldwide supply chains which could last months to years depending on the industry. We may find ourselves needing to order materials in FY22 to accomplish projects in FY23. I would like staff to have the flexibility to take advantage of opportunities as they arise to acquire capital items when they are available, which might not perfectly sync up with our fiscal years.

Table 1: Unfunded Capital Requests

<i>Requested Source</i>	Project Title	Requested Amount
<i>General CARMA</i>	Smoke Ejector Phase 2	\$14,000
<i>General CARMA</i>	Station 2 Fencing	\$15,000
<i>General CARMA</i>	Hornaday Park Parking Area	\$75,000
<i>General CARMA</i>	Dudiak Fishing Lagoon ADA Ramp & Retaining Wall Design	\$25,000
<i>General CARMA</i>	Dudiak Fishing Lagoon ADA Ramp & Retaining Wall Construction	\$250,000
<i>General CARMA</i>	Mural Program	\$8,000
<i>General CARMA</i>	Picnic Table Replacement Program	\$6,000
<i>General CARMA</i>	Hornaday Park Ballfield Renovation Program	\$20,000
<i>General CARMA</i>	HERC Strategic Plan	\$50,000
<i>General CARMA</i>	Airport Terminal Sidewalk & Other Enhancements	\$44,000
<i>General CARMA</i>	Airport Backup Generator	\$90,000
<i>General CARMA</i>	Airport Terminal Painting (Exterior)	\$21,000
<i>Water CARMA, Sewer CARMA, HART Road</i>	PW Campus Mitigation Plan	\$50,000
<i>Water CARMA, Sewer CARMA, HART Road</i>	PW Campus Mitigation Plan Implementation	\$5,000,000
<i>General CARMA</i>	Ionization Units in City Buildings	\$50,000
<i>General CARMA</i>	Citywide ADA Interior Signage and Restrooms	\$10,000
<i>General CARMA</i>	Parking Lot ADA Regrading Program	\$23,000

<i>General CARMA</i>	Parks ADA Transition Plan	\$30,000
<i>General CARMA</i>	Parks ADA Implementation	\$30,000
<i>Sewer CARMA</i>	Beluga Lift Station Final Design & Construction	\$900,000

ORDINANCE REFERENCE SHEET
2021 ORDINANCE
ORDINANCE 21-37

An Ordinance of the City Council of Homer, Alaska Accepting and Appropriating a State of Alaska Department of Public Safety Coronavirus Emergency Supplemental Funding Program Grant in the Amount of \$28,584.31 for Reimbursement for the Purchase of Respirators, and Cleaning and Sanitizing Equipment.

Sponsor: City Manager

1. City Council Regular Meeting June 28, 2021 Introduction

Memorandum 21-106 from Police Chief as backup
2. City Council Regular Meeting July 26, 2021 Public Hearing and Second Reading

**CITY OF HOMER
HOMER, ALASKA**

City Manager/Police Chief

ORDINANCE 21-37

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA ACCEPTING AND APPROPRIATING A STATE OF ALASKA DEPARTMENT OF PUBLIC SAFETY CORONA VIRUS EMERGENCY SUPPLEMENTAL FUNDING PROGRAM GRANT IN THE AMOUNT OF \$28,584.31 FOR REIMBURSEMENT FOR THE PURCHASE OF RESPIRATORS AND CLEANING AND SANITIZING EQUIPMENT.

WHEREAS, The Alaska Department of Public Safety (DPS) Coronavirus Emergency Supplemental Funds (CESF) are available to local public safety agencies exclusively for COVID-19 related expenses through a reimbursement grant; and

WHEREAS, Homer Police Department (HPD) the grant will be used to reimburse for the purchase of respirators for all uniformed personnel to ensure officers can safely manage encounters with COVID-19 afflicted people, as well as the ability to enter areas contaminated with bio-hazards, chemical spills and other noxious or harmful airborne substances; and

WHEREAS, Funds will also be used to reimburse for the purchase of equipment to clean and sanitize the gym floor area where personnel engage in defensive tactics training; and

WHEREAS, The required documentation was submitted to DPS and HPD received notice of the grant award from DPS.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby accepts and appropriates the Alaska Department of Public Safety (DPS) Coronavirus Emergency Supplemental Funds (CESF) Grant to the City of Homer in the amount of \$28,584.31.

Revenue:

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
	Alaska Department of Public Safety Coronavirus Emergency Supplemental Funds (CESF)	\$28,584.31

Expenditure:

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
		\$28,584.31

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

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 26th day of July, 2021.

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

Introduction:

Public Hearing:

Second Reading:

Effective Date:



City of Homer

www.cityofhomer-ak.gov

Police Department

625 Grubstake Avenue
Homer, Alaska 99603

police@cityofhomer-ak.gov

(p) 907-235-3150

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

Memorandum 21-106

TO: City Manager Dumouchel

FROM: Chief Robl

DATE: 6-9-2021

SUBJECT: Grant Acceptance

We have received a grant through a State of Alaska Department of Public Safety Coronavirus Emergency Supplemental Funding Program. This grant in the amount of \$28,584.31 will reimburse us for the purchase of respirators for all uniformed personnel and some equipment which will be used to clean and sanitize the gym floor area where we engage in defensive tactics training.

The respirators are self-contained breathing apparatus's that will enable us to safely enter areas contaminated with bio-hazards, chemical spills and other noxious or harmful airborne substances.

The equipment and sanitizing agents will allow us to keep our exercise and training areas clear of bacteria and viruses so we can continue our critically important defensive tactics and hands-on arrest trainings more safely throughout the year and during times of various outbreaks. The included gym floor scrubber safely disinfects various floor coverings include hard covered floors, mats and carpeted areas.

I request we obtain council approval to accept this grant and appropriate the funding.

ORDINANCE REFERENCE SHEET
2021 ORDINANCE
ORDINANCE 21-38

An Ordinance of the City Council of Homer, Alaska Amending the FY2021 Capital Budget by Appropriating \$150,000 from the Homer Accelerated Roads and Trails (HART) Fund for the Implementation of the Iris Court Drainage Improvement Project.

Sponsor: City Manager/Public Works Director

1. City Council Regular Meeting June 28, 2021 Introduction
Memorandum 21-107 from Public Works Director as backup
2. City Council Regular Meeting July 26, 2021 Public Hearing and Second Reading
Memorandum 21-129 from Public Works Director as backup

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

3 City Manager/
4 Public Works Director

5 **ORDINANCE 21-38**

6
7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
8 AMENDING THE FY 2021 CAPITAL BUDGET BY APPROPRIATING
9 \$150,000 FROM HOMER ACCELERATED ROADS AND TRAILS
10 (HART) FUND FOR THE IMPLEMENTATION OF THE IRIS COURT
11 DRAINAGE IMPROVEMENT PROJECT.
12

13 WHEREAS, Public Works received complaints that storm runoff from the Iris Court cul-
14 de-sac has been flowing onto private property causing glaciation and damage to private
15 property, and
16

17 WHEREAS, Public Works believes that the most cost effective method of rectifying the
18 problem is to develop a mini-storm drain that will direct water to an existing drainage
19 easement.
20

21 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:
22

23 Section 1. The Homer City Council hereby amends the FY 2021 Capital Budget by
24 appropriating \$150,000 from the Homer Accelerated Road and Trails Program for the
25 construction of the drainage improvements.
26

<u>Account</u>	<u>Description</u>	<u>Amount</u>
160-xxxx	Storm Drainage Improvements	\$150,000

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29
30 Section 2. This is a budget amendment ordinance only, is not permanent in nature, and
31 shall not be codified.
32

33 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 26th day of July, 2021.
34

35 CITY OF HOMER

36
37 _____
38 KEN CASTNER, MAYOR

39 ATTEST:

40
41 _____
42 MELISSA JACOBSEN, MMC, CITY CLERK

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

1 CITY OF HOMER
2 HOMER, ALASKA

3 City Manager/
4 Public Works Director

5 ORDINANCE 21-38(S)

6
7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
8 AMENDING THE FY 2021 CAPITAL BUDGET BY APPROPRIATING
9 \$150,000 FROM HOMER ACCELERATED ROADS AND TRAILS
10 (HART) FUND FOR THE IMPLEMENTATION OF THE IRIS COURT
11 DRAINAGE IMPROVEMENT PROJECT.

12
13 WHEREAS, Public Works received complaints that storm runoff from the Iris Court cul-
14 de-sac has been flowing onto **developed** private property **ies** causing glaciation and damage
15 to private property, and

16
17 WHEREAS, Public Works ~~believes that the most cost effective method of rectifying the~~
18 ~~problem is to develop a mini storm drain~~ **has been exploring alternative solutions** that will
19 direct water to an existing drainage easement **away from the developed lots to undeveloped**
20 **wetlands.**

21
22 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

23
24 Section 1. The Homer City Council hereby amends the FY 2021 Capital Budget by
25 appropriating \$150,000 from the Homer Accelerated Road and Trails Program for the
26 construction of the drainage improvements.

<u>Account</u>	<u>Description</u>	<u>Amount</u>
160-xxxx	Storm Drainage Improvements	\$150,000

27
28
29
30
31 Section 2. This is a budget amendment ordinance only, is not permanent in nature, and
32 shall not be codified.

33
34 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 26th day of July, 2021.

35
36 CITY OF HOMER

37
38 _____
39 KEN CASTNER, MAYOR

40 ATTEST:

41
42 _____
43 MELISSA JACOBSEN, MMC, CITY CLERK

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



City of Homer

www.cityofhomer-ak.gov

Public Works

3575 Heath Street
Homer, AK 99603

publicworks@cityofhomer-ak.gov

(p) 907-235-3170

(f) 907-235-3145

Memorandum 21-129

TO: Mayor Castner and Homer City Council

THROUGH: Rob Dumouchel, City Manager

FROM: Janette Keiser, PE, Director of Public Works

DATE: July 15, 2021

SUBJECT: Iris Court Drainage Issue – Revised Memorandum to explain Ordinance 21-38(S)

- I. **Issue.** Water from a City-owned road ditch is flowing onto private residential property, without benefit of a drainage easement, and has caused damage to the home. We propose to design and construct remedial measures that will channel the water into a mini-storm drain system laid in the ROW and a nearby existing drainage easement, so it is diverted away from the house.
- II. **Background.** Iris Court is a cul de sac located off Mattox Street. The road was built to City Standards and accepted for City maintenance around 1985. The roadside drainage ditch network includes a cross-culvert that conveys water from the north side of Iris Court to the south side. From there it sheet flows across private property, specifically Lot 22, 1293 Iris Court. There is an existing drainage easement on the east side of this lot, but not on the west side, which is where the water flows.

In 2019, the City, as part of its normal road maintenance work, dug out the ditches around Iris Court. In 2020, the owner of Lot 22 contacted the City. He said water from the roadside ditch had flowed under his house where it glaciated around his electrical duct as well as a wooden member under his house, and caused damage. We investigated the situation and determined it was more likely than not that water from the City's drainage ditch had done what he said.

Our first plan was to do some remedial ditching, using in-house forces, to direct the water away from the house. So, this project was not included in the Public Works 5-Year CIP. However, one of the neighbors strongly objected to that plan, fearing the water would backflow onto her property. So, we explored other options, including consulting with the Corps of Engineers.

One option is to direct the water to an existing drainage easement on the west side of the lot. This solution was the basis for Ordinance 21-38. However, we've been continuing to have discussions with the owners of the three impacted lots –lot 21, 22 & 23, as well as the Corps of Engineers. The fact is, we still do not have a consensus on a solution.

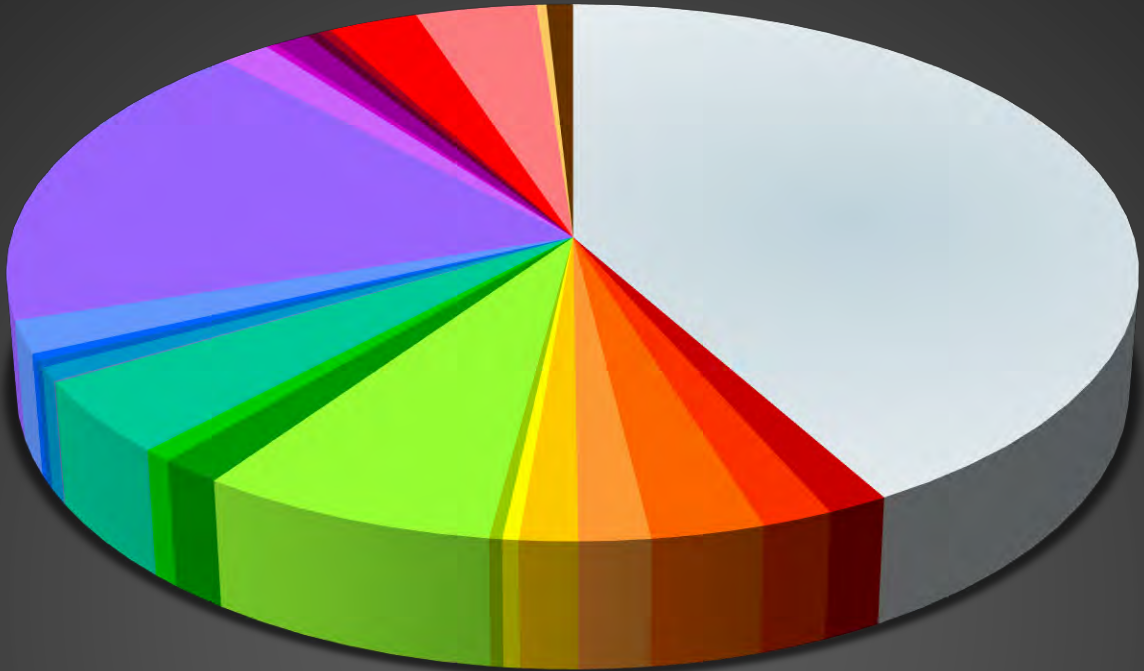
The estimated cost for any solution is approximately \$150,000. We request an appropriation so we can engage an engineer to do a detailed design of the options and work with the affected property owners as well as the Corps of Engineers, to develop a workable solution.

- III. **Funding is available.** The City Council, on April 24, 2017, passed Resolution 17-038, which adopted the Homer Accelerated Roads and Trails Program (“HART”) Manual. The HART Manual identified a set of criteria for projects that may be considered for HART funding. The criteria that would be addressed by the Iris Court Drainage Project include addressing drainage issues.

The attached Pie Chart shows what the impact of this project would be on the HART Road fund, assuming the projects listed in the PW 5-Year CIP are also funded.

- IV. **Recommendation.** That the City Council pass the proposed ordinance authorizing expenditure of \$150,000 from the HART-Roads Fund for the Iris Court Drainage Repair Project.

HART Roads Obligated



- Total Unobligated
- Fuel Island Replacement
- Small Works Drainage Improvement Program
- Small Works Road Repair Program
- Main Street Storm Drain and Sidewalk Project - Pioneer Avenue North
- Update 1979 Drainage Management Plan
- HSWCD Consulting Contract
- Horizon Court Landslide
- Woodard Creek Culvert
- Mt. Augustine Drainage Improvements
- Seawall Armor Rock City Property Assessment
- Requests for grader and two sanding trucks
- 1/3 Vac Truck Brake Mod
- Ground Water Research
- Homer Soil & Water Contract
- Wayfinding-Streetscape Plan
- Hornaday Park Road Realignment - 2022
- Main Street Storm Drain and Sidewalk Project - Construction - 2022
- Mount Augustine Drainage Improvements - Construction - 2022
- Fuel Island Replacement - 2022
- Small Works Road Repair Program - 2022
- Small Works Drainage Repair Program - 2022
- Ground Water Research - 2022
- Grind & Pave Program -2022
- Road Base Reconstruction Program - 2022
- Snow Storage Lots - 2022
- Ocean Drive SAD - 2022



Memorandum 21-017

TO: Mayor Castner and Homer City Council

THROUGH: Rob Dumouchel, City Manager

FROM: Janette Keiser, PE, Director of Public Works

DATE: June 17, 2021

SUBJECT: Iris Court Drainage Issue

-
- I. **Issue.** Water from a City-owned road ditch is flowing onto private residential property, without benefit of a drainage easement, and has caused damage to the home. We propose to design and construct remedial measures that will channel the water into a mini-storm drain system lain in the ROW and a nearby existing drainage easement, so it is diverted away from the house.
- II. **Background.** Iris Court is a cul de sac located off Mattox Street. The road was built to City Standards and accepted for City maintenance around 1985. The roadside drainage ditch network includes a cross-culvert that conveys water from the north side of Iris Court to the south side. From there it sheet flows across private property, specifically Lot 22, 1293 Iris Court. There is an existing drainage easement on the east side of this lot, but not on the west side, which is where the water flows.

In 2019, the City, as part of its normal road maintenance work, dug out the ditches around Iris Court. In 2020, the owner of Lot 22 contacted the City. He said water from the roadside ditch had flowed under his house where it glaciated around his electrical duct as well as a wooden member under his house, and caused damage. We investigated the situation and determined it was more likely than not that water from the City's drainage ditch had done what he said.

Our first plan was to do some remedial ditching, using in-house forces, to direct the water away from the house. So, this project was not included in the Public Works 5-Year CIP. However, one of the neighbors strongly objected to that plan, fearing the water would backflow onto her property. So, we explored other options, including consulting with the Corps of Engineers.

We determined the most feasible option would be to direct the water to the existing drainage easement on the west side of the lot. Even this option will be challenging because there are significant 3rd party utilities at that easement, which will need to be moved to get sufficient grade to allow the water to flow that way. The estimated cost for this solution is \$150,000, about 1/3 of which is the cost of relocating the existing utilities.

- III. **Funding is available.** The City Council, on April 24, 2017, passed Resolution 17-038, which adopted the Homer Accelerated Roads and Trails Program (“HART”) Manual. The HART Manual identified a set of criteria for projects that may be considered for HART funding. The criteria that would be addressed by the Iris Court Drainage Project include addressing drainage issues.

The attached Pie Chart shows what the impact of this project would be on the HART Road fund, assuming the projects listed in the PW 5-Year CIP are also funded.

- IV. **Recommendation.** That the City Council pass the proposed ordinance authorizing expenditure of \$150,000 from the HART-Roads Fund for the Iris Court Drainage Repair Project.

ORDINANCE REFERENCE SHEET
2021 ORDINANCE
ORDINANCE 21-39

An Ordinance of the City Council of Homer, Alaska Amending the FY 2021 Capital Budget by Appropriating an Additional \$180,657 from the Homer Accelerated Roads and Trails (HART) Fund for the Design of Phase 1 of the Mt. Augustine Road Drainage Improvement Project.

Sponsor: City Manager/Public Works Director

1. City Council Regular Meeting June 28, 2021 Introduction
Memorandum 21-108 from as Public Works Director as backup
2. City Council Regular Meeting July 26, 2021 Public Hearing and Second Reading

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

3 City Manager/
4 Public Works Director

5 **ORDINANCE 21-39**

6
7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
8 AMENDING THE FY 2021 CAPITAL BUDGET BY APPROPRIATING AN
9 ADDITIONAL \$180,657 FROM HOMER ACCELERATED ROADS AND
10 TRAILS (HART) FUND FOR THE DESIGN AND COMPLETION OF PHASE
11 I OF THE MT. AUGUSTINE ROAD DRAINAGE IMPROVEMENT
12 PROJECT.

13
14 WHEREAS, The City Council appropriated \$97,000 from the HART Roads Fund for this
15 project, via Ordinance 20-85, adopted November 9, 2020; and

16
17 WHEREAS, The City issued a contract to Nelson Engineering, a Kenai firm with extensive
18 experience in road and drainage improvement design, including projects for the City of Homer,
19 to design the project; and

20
21 WHEREAS, The City also issued a contract to Coble Geophysics to help investigate the
22 impacts that groundwater may have been having on the neighborhood; and

23
24 WHEREAS, the original concept involved taking the drainage to a ravine to the east, but
25 in the course of their work, the design team concluded the eastern solution was not a viable
26 option after all for multiple reasons:

- 27
28 • The configuration of the existing eastern ravine is steep and deep near the Sterling
29 Highway, but gradually morphs into a shallow, wider ditch/depression as the water
30 winds its way to the bluff. This flow path is not always well-defined, sometimes
31 deteriorating into sheet flow over the ground. Any additional water would likely
32 overtop the flow path and flood adjacent property.
33
34 • As new water flows over the bluff, it will increase bluff erosion. There is already a
35 pronounced problem with bluff erosion, caused by the shallow groundwater aquifer in
36 that area. As the groundwater at the bluff freezes and thaws, the soil at the edge of the
37 bluff “melts” away.
38
39 • The adjacent property downstream from the eastern ravine is privately owned and the
40 owners are opposed to introducing more water on their property.

41 WHEREAS, The ravine to the west is well-defined; that is, steep and deep all the way to
42 the bluff, meaning any new water introduced into it would stay within the ravine; and
43

44 WHEREAS, Another advantage is that the drain line could be built as a “French drain”,
45 which would increase the dewatering effect in the neighborhood; and
46

47 WHEREAS, The western option is more expensive, involving three more storm drain
48 manholes and over 700 more feet of 24” storm drain as well as a sluice directing water into the
49 ravine; and
50

51 WHEREAS, The other issue is that introducing additional flow into this ravine would
52 exacerbate erosion in the ravine unless protective measures were taken, such as installing a
53 “tight line” to convey the additional drainage flow all the way down to the bluff and protect
54 the discharge point, on the beach, with rock; and
55

56 WHEREAS, THE benefits of this project include reducing the possibility of soil instability
57 in the neighborhood by reducing the volume of water that seeps into the soil and enters the
58 shallow groundwater aquifer.
59

60 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:
61

62 Section 1. The Homer City Council hereby amends the FY 2021 Capital Budget by
63 appropriating an additional \$180,657 from the Homer Accelerated Road and Trails Program for
64 the final design and construction of the Mt. Augustine Drainage Improvements.
65

<u>Account</u>	<u>Description</u>	<u>Amount</u>
160-xxxx	Mt. Augustine Storm Drainage Improvements	\$180,657

66
67
68
69 Section 2. This is a budget amendment ordinance only, is not permanent in nature, and
70 shall not be codified.
71

72 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ___th day of _____, 2021.
73

74 CITY OF HOMER
75

76
77 _____
78 KEN CASTNER, MAYOR
79
80

81 ATTEST:

82

83 _____

84 MELISSA JACOBSEN, MMC, CITY CLERK

85

86

87 YES:

88 NO:

89 ABSTAIN:

90 ABSENT:

91

92

93 First Reading:

94 Public Reading:

95 Second Reading:

96 Effective Date:



Memorandum 21-108

TO: Mayor Castner and Homer City Council
Through: Robert Dumouchel, City Manager
FROM: Janette Keiser, PE, Director of Public Works
DATE: June 9, 2021
SUBJECT: Mt. Augustine Road Drainage Improvement Project – Update

Issue: When we updated the City Council about this project, we reported the design was at 35% completion and we were exploring downstream impacts. We also indicated we were pursuing some groundwater research to, among other things, better understand the link between groundwater and surface water in the neighborhood. The purpose of this Memorandum is to provide a further update and request additional funding.

Background: The original intent of the project was to capture surface water flowing near the intersection of Mt. Augustine Road and the Sterling Highway and convey it to a “*naturally occurring ravine, gully, watercourse or runnel*”. There were two natural ravines in the neighborhood, one to the east and one to the west. The 35% design focused on the east, since that was a shorter distance from the intersection. This solution, which included 243 feet of culvert and two storm drains, was the basis for the estimated total project cost of \$115,694.

We explored in more detail what the impact would be on downstream properties if we introduced larger quantities of water into the eastern ravine. We originally thought we could up-size a handful of existing culverts and call it good. However, we’ve discovered there are more serious issues. The bottom line is that the eastern solution is not a viable option after all for multiple reasons:

1. The configuration of the existing eastern ravine is steep and deep near the Sterling Highway, but gradually morphs into a shallow, wider ditch/depression as the water winds its way to the bluff. This flow path is not always well-defined, sometimes deteriorating into sheet flow over the ground. Any additional water would likely overtop the flow path and flood adjacent property.
2. As new water flows over the bluff, it will increase bluff erosion. There is already a pronounced problem with bluff erosion, caused by the shallow groundwater aquifer in that area. As the groundwater at the bluff freezes and thaws, the soil at the edge of the bluff “melts” away. It’s like watching the edge of a sugar cube melt when it’s dipped into a cup of tea.

3. Even if we could successfully address these two issues, there is another issue, which is a clear “deal breaker”. The adjacent property downstream from the eastern ravine is privately owned and the owners are opposed to introducing more water on their property.

We looked to the west. The ravine to the west is well-defined; that is, steep and deep all the way to the bluff. It already accepts water from the Sterling Highway. Any new water introduced into it would stay within the ravine. The other advantage is that the drain line could be built as a “French drain”, which would increase the dewatering effect in the neighborhood.

The downside is that this second option is more expensive. It involves five storm drain manholes and over 1000 feet of 24” storm drain as well as a sluice directing water into the ravine. The total project cost for the Option #2 basic storm drain is estimated at \$277,657, over twice as much as the estimate for the eastern solution.

The other issue with Option #2 is that introducing additional flow into this ravine would exacerbate erosion in the ravine unless we took protective measures. We are exploring ways to mitigate adverse consequences. For example, we could “tight line” the additional drainage flow all the way down to the bluff and protect the discharge point, on the beach, with rock. Installing such a “tight line” would significantly increase the project’s cost. However, the work could be done in phases, with Phase 1 being the storm drain to the west, along Mt. Augustine Rd, and Phase 2 being the tight line in the western ravine.

What would the benefits of this project be? According to the experts, what is happening now is that surface water is flowing from north of the Sterling Highway under the road onto private property, where it eventually seeps into the soil and enters the shallow groundwater aquifer. This water is, along with naturally occurring groundwater and water injected into the soil through septic systems, increasing the pressure head in the aquifer. This increases the possibility of soil instability. The subject project would reduce the volume of water that causes this effect, thereby better protecting the whole neighborhood.

In fact, the benefits to the whole neighborhood are projected to be so pronounced that the Council may want to consider creating a Drainage District for the neighborhood to help pay for the solution

Service Provider	Option #1	Option #2
Nelson Engineering	\$13,000	\$23,852
Ability Survey	\$ 2,000	\$ 6,200
Coble Geophysical	\$5,000	\$15,000
<u>Construction estimate</u>	<u>\$100,055</u>	<u>\$232,605</u>
Total	\$112,182	\$277,657
Existing appropriation (Ordinance 20-85)	\$ 97,000	\$ 97,000
Balance Needed	\$15,182	\$180,657

Recommendations:

- (1) We recommend
 - a. Proceeding with the design and construction of Phase 1.
 - b. We continue to investigate Phase 2, the downstream “tightline” to better understand what is needed.

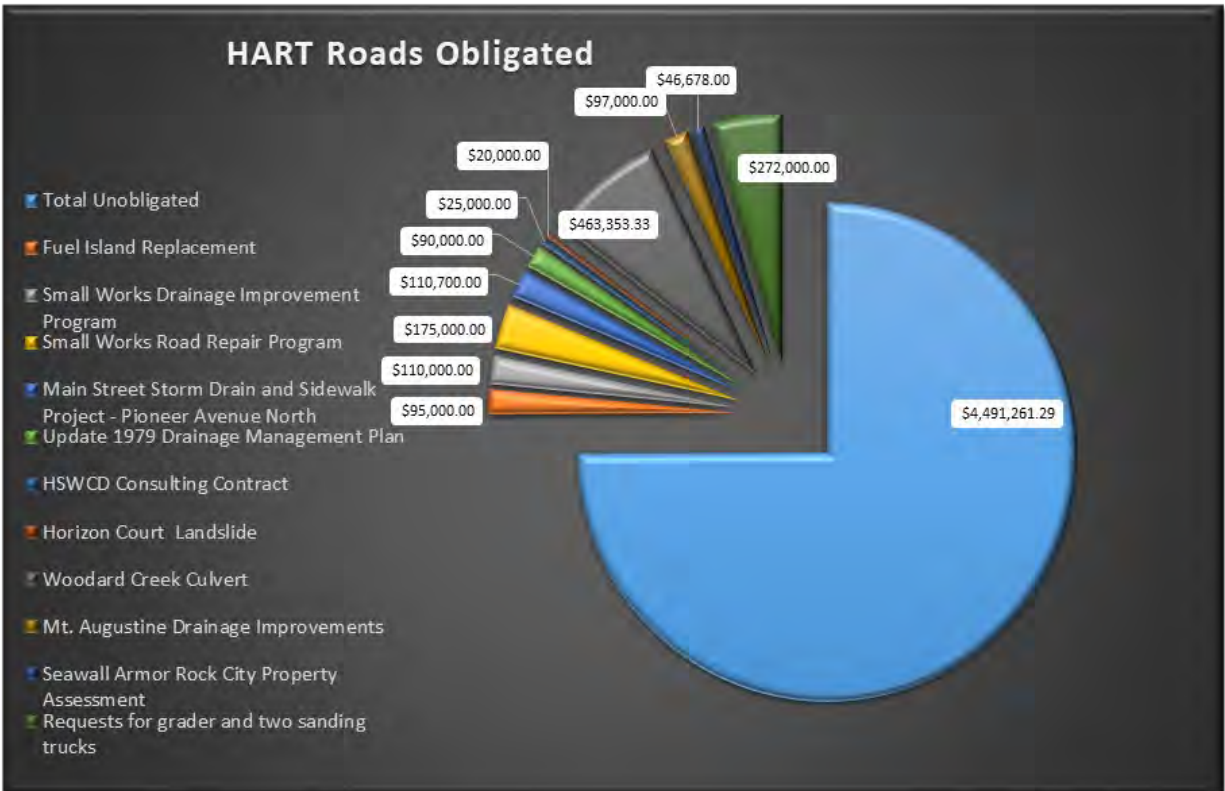
- (2) We further recommend the City explore the concept of creating a Drainage District to help fund the neighborhood-wide drainage improvements.

From: [Janette Keiser](#)
To: [Robert Dumouchel](#)
Cc: [Melissa Jacobsen](#)
Subject: FW: HART Roads Pie Chart
Date: Wednesday, June 9, 2021 2:17:54 PM
Attachments: [image001.png](#)

Rob

Here is a pie chart representing the status of the HART Road Fund, which goes with the Mt. Augustine Drainage memo/ordinance.

Regards,
Jan



Owen Meyer
Asset Management Coordinator
City of Homer
907-435-3124

ORDINANCE REFERENCE SHEET
2021 ORDINANCE
ORDINANCE 21-40

An Ordinance of the City Council of Homer, Alaska Amending Homer City Code 2.08.120 Teleconference-Limitations.

Sponsor: City Clerk

1. City Council Regular Meeting June 28, 2021 Introduction
Memorandum 21-109 from City Clerk as backup
2. City Council regular Meeting July 26, 2021 Public Hearing and Second Reading

**CITY OF HOMER
HOMER, ALASKA**

City Clerk

ORDINANCE 21-40

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
AMENDING HOMER CITY CODE 2.08.120 TELECONFERENCE-
LIMITATIONS.

WHEREAS, Ordinance 20-21(S)(A) amended Homer City Code 2.08.100 – 120 regarding telephonic procedures for city meetings; and

WHEREAS, Ordinance 20-21(S)(A) established that teleconferencing means remote participation by telephone or web-based format by an official for a meeting of the City Council which must enable the remote official, for the duration of the meeting, to clearly hear the Mayor, all Council members, the City Clerk and public testimony and to be clearly heard by the Mayor, all Council members, the City Clerk and the public in attendance; and

WHEREAS, Ordinance 20-21(S)(A) also provided for exceptions for meetings held while an emergency disaster declaration is in effect and the nature of the disaster significantly impacts a Council member’s ability to attend a Council meeting other than by teleconference or other technological means; and

WHEREAS, The current emergency declaration related to COVID-19 expires on June 28, 2019; and

WHEREAS, There is currently a situation where the council chambers is being remodeled and unavailable to hold in person city meetings; and

WHEREAS, Other situations could arise that wouldn’t require an emergency declaration but may prohibit conducting in person meetings, such as fire, water damage from pipe failure, and power failure.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. Homer City Code 2.08.120 Teleconference – limitations is hereby amended as follows:

2.08.120 Teleconference – Limitations.

a. All Council members and the Mayor should make all reasonable effort to be physically present for every meeting. Teleconference procedures may not be used as a regular means of

42 attendance at meetings except temporarily during events described in subsection (f) of this
43 section.

44
45 b. Each Council member and the Mayor may attend a maximum of three City Council meetings
46 by teleconference during the 12-month period commencing November 1st each year. If a
47 member participates in any part of a regularly scheduled meeting by teleconference, it will
48 count towards their maximum allowable teleconference participations.

49
50 c. Each Council member and the Mayor may attend additional teleconferences as a special
51 exception if expressly approved for good cause in each instance by a vote of the Council. Good
52 cause may include, but is not limited to, absence required for work-related travel or medical
53 care needed for the individual or the individual's immediate family.

54
55 d. A Council member or the Mayor may request to participate in a meeting by teleconference
56 upon notification to the City Clerk before the time scheduled for the start of the meeting as a
57 special exception if expressly approved for good cause in each instance by a vote of the
58 Council. Good cause may include, but is not limited to, absence required for work-related
59 travel or medical care needed for the individual or the individual's immediate family.

60
61 e. No Council member or the Mayor shall attend by teleconference means:

- 62 1. An executive session of the City Council.
63 2. A hearing on an ethics charge under Chapter 1.18 HCC.

64
65 f. Subsections (b) through (e) of this section do not apply to meetings held while an emergency
66 disaster declaration is in effect and the nature of the disaster significantly impacts a Council
67 member's ability to attend a Council meeting other than by teleconference or other
68 technological means, **or when circumstances arise that temporarily prohibit meetings**
69 **from being held in the City Council Chambers.**

70
71 Section 2. This ordinance is of a permanent and general character and shall be included
72 in Homer City Code.

73
74 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ___ day of ____, 2021.

75
76 CITY OF HOMER
77
78
79 _____
80 KEN CASTNER, MAYOR

81 ATTEST:
82 _____
83 MELISSA JACOBSEN, MMC, CITY CLERK

- 84
- 85 YES:
- 86 NO:
- 87 ABSENT:
- 88 ABSTAIN:
- 89
- 90 First Reading:
- 91 Public Hearing:
- 92 Second Reading:
- 93 Effective Date:



City of Homer

www.cityofhomer-ak.gov

Office of the City Clerk

491 East Pioneer Avenue
Homer, Alaska 99603

clerk@cityofhomer-ak.gov

(p) 907-235-3130

(f) 907-235-3143

Memorandum 21-109

TO: MAYOR CASTNER AND HOMER CITY COUNCIL
FROM: MELISSA JACOBSEN, MMC, CITY CLERK
DATE: JUNE 23, 2021
SUBJECT: ORDINANCE REGARDING TELEPHONIC LIMITATIONS

Homer City Code allows the ability to conduct meetings remotely while an emergency declaration is in place.

With the expiration of the disaster declaration and the remodel of the Cowles Council Chambers underway it brings to mind there may be times when we may need to meet remotely due to temporary circumstances that don't justify an emergency declaration, such as fire, water damage from pipe failure, and power failure.

Recommendations: Adopt Ordinance 21-40 amending telephonic limitations.

ORDINANCE REFERENCE SHEET
2021 ORDINANCE
ORDINANCE 21-42

An Ordinance of the City Council of Homer, Alaska Authorizing the City Manager to Expand a Non-Exclusive Public Utility Easement on the Homer Spit and Authorizing the City Manager to Negotiate and Enter into an Agreement with Alaska Communications Internet, LLC (ACS) for Payment to the City in the amount of Seventy Five Thousand (\$75,000) as Compensation for the City's Efforts in Expanding the Easement and for past use of the Property without Authorization by ACS.

Sponsor: City Manager/Port Director

1. City Council Regular Meeting June 28, 2021 Introduction
Memorandum 21-111 from Port Director as backup
2. City Council Regular Meeting July 26, 2021 Public Hearing and Second Reading

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

3 City Manager/Port Director

4 **ORDINANCE 21-42**

5
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
7 AUTHORIZING THE CITY MANAGER TO EXPAND A NON-EXCLUSIVE
8 PUBLIC UTILITY EASEMENT ON THE HOMER SPIT AND
9 AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND ENTER
10 INTO AN AGREEMENT WITH ALASKA COMMUNICATIONS
11 INTERNET, LLC (“ACS”) FOR PAYMENT TO THE CITY IN THE
12 AMOUNT OF SEVENTY-FIVE THOUSAND DOLLARS (\$75,000) AS
13 COMPENSATION FOR THE CITY’S EFFORTS IN EXPANDING THE
14 EASEMENT AND FOR PAST USE OF CITY PROPERTY WITHOUT
15 AUTHORIZATION BY ACS.
16

17 WHEREAS, “Real Property” is defined as any estate in land, easement, right-of-way,
18 lease, future interest, building, fixture, or any other right, title or interest in land or buildings,
19 per Homer City Code (HCC) 18.02.020; and
20

21 WHEREAS, A proposal to dispose of real property owned by the City may be initiated by
22 the City Manager or the Council, or in response to a request received from any person, per HCC
23 18.12.020(a); and
24

25 WHEREAS, In April of 2019, ACS informed the City of a field survey error that resulted in
26 a portion of fiber optic cable installed outside the existing non-exclusive public utility
27 easement, identified as Lot 12-A, Homer Spit No. 2 Amended, Plat No. 92-50 and Lots 13, 14,
28 15, and 16 Homer Spit Amended, Plat No. 89-34 Homer Recording District, State of Alaska,
29 without the pre-approval or permission of the City; and
30

31 WHEREAS, ACS requested an expansion to include a 10 to 20 foot strip outside of, and
32 following in parallel with, the southernmost side of the existing non-exclusive public utility
33 easement located across portions of Lots 12 – 16, along Homer Spit Road; and
34

35 WHEREAS, The land was appraised for Fifty Thousand and Three Hundred Dollars
36 (\$50,300) on June 19, 2020; and
37

38 WHEREAS, The portion of the City property that is outside the current easement is
39 property that would not otherwise be used for a permanent structure or in any way negatively
40 impacted by the expansion of a public utility easement; and
41

42 WHEREAS, It is in the best interest of the City to expand the public easement as the

43 current easement has limited space due to existing installations and the slope of the harbor;
44 and

45
46 WHEREAS, In recognition of the effort on behalf of the City to expand the public utility
47 easement and the prior use of the easement without City authorization, ACS will compensate
48 the City in the amount of \$75,000; and

49
50 WHEREAS, Disposal of real property shall be authorized by ordinance per HCC 18.12.020
51 (b).

52
53 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

54
55 Section 1. The City Manager is hereby authorized to expand the public utility easement
56 on the Homer Spit for Lots 12 through 16 of Plat 89-15 as recorded at the Homer Recording
57 District.

58
59 Section 2. The City Manager is authorized to negotiate and enter into an agreement
60 with ACS to provide payment to the City in the amount of \$75,000 for the expansion of the
61 easement and its past use of City property.

62
63 Section 3. This ordinance is general and permanent in nature and shall not be codified.

64
65 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ____ day of _____,
66 2021.

67
68 CITY OF HOMER
69
70
71 _____
72 KEN CASTNER, MAYOR

73 ATTEST:
74
75
76 _____
77 MELISSA JACOBSEN, MMC, CITY CLERK

78
79 YES:
80 NO:
81 ABSTAIN:
82 ABSENT:

83

- 84 First Reading:
- 85 Public Hearing:
- 86 Second Reading:
- 87 Effective Date:



Memorandum 21-111

TO: MAYOR CASTNER AND HOMER CITY COUNCIL
THRU: ROB DUMOUCHEL, CITY MANAGER
FROM: BRYAN HAWKINS, PORT DIRECTOR / HARBORMASTER
DATE: June 24, 2021
SUBJECT: NON-EXCLUSIVE EASEMENT EXPANSION RE: ALASKA COMMUNICATIONS INTERNET, LLC (hereinafter "ACS")

In April of 2019, ACS informed the City of a field survey error that has resulted in a portion of their recent fiber optic cable installation being built outside of the existing utility easements without the pre-approval or permission of the City. ACS requested that the City grant an extension of the easement to include the incorrectly installed fiber optic cable. City staff researched how granting this easement may affect or encumber City land and discussed with ACS the various alternatives. A proposed agreement was drafted and reviewed by City Council, who passed Resolution 19-032 on May 13, 2019. Resolution 19-32 gave the City Manager the authority to enter into an MOU where ACS provided fiber optic cable installation to the City in turn, the City would grant authorization to expand the existing public utility easement on the Homer Spit for Lots 12 through 16 of Plat 89-15 to incorporate ACS's cable that was installed outside the existing easement.

However, further review by ACS of their policies led them to believe that they did not have the authority to fulfill their side of the agreement as they had originally believed they could. It was therefore requested that the property for the additional easement be assessed for market value. On June 19, 2020, the market value of the easement was assessed for \$50,300. The following monetary agreement was reached between JDO Law (representing the City's interests) and ACS's legal team. The agreement reached is contingent upon City Council's approval of the non-exclusive easement expansion and authorization of the City Manager to negotiate and execute the settlement agreement. In addition, a Public Works utility permit is necessary.

Considerations for how granting this easement would affect long term development on these lots:

- The area in question is currently used for parking, which should not be impacted by the widening of the easement.
- The properties have not been listed as land available for lease in the City's land allocation plan.
- Overslope development has been identified in the Land Allocation Plan for a portion of this area.
- If the properties were to experience development in the future it would limit the footprint possibility of structures by the affected square footage of the expanded easement, parking or paving would still be available options.
- Non-exclusive utility easement remains under City control.

Recommendation:

- Authorization for the City Manager to expand and execute a non-exclusive public utility easement to ACS on the Homer Spit affecting the easement for Lots 12 through 16 of Plat 89-15 as recorded at the Homer Recording District. Authorization for the City Manager to negotiate and enter into an agreement with ACS for payment to

the City in the amount of seventy-five thousand dollars (\$75,000) as compensation for the City's efforts in expanding the non-exclusive public utility easement and for the past use of City property without authorization by ACS.

- Attachments:
- 1) Surveyed easement
 - 2) Proposed settlement contract

PUBLIC UTILITY EASEMENT
(Non-Exclusive Expansion of Easement for a Fiber Optic Communications Cable)

The City of Homer, Alaska, an Alaska Municipal Corporation (hereinafter "Grantor"), whose mailing address is 491 E. Pioneer Avenue, Homer, AK 99603, for good and valuable consideration, the receipt of which is hereby acknowledged, does hereby grant to Alaska Communications Internet, LLC., (hereinafter "Grantee"), whose mailing address is 600 Telephone Avenue, Anchorage AK 99503, a non-exclusive expansion of easement (the "Easement") for the installation, maintenance, repair, removal, replacement and enlargement of a fiber optic communications cable (the "Facilities") for purposes of providing fiber optic communications, on lands owned by Grantor in the Third Judicial District, State of Alaska, generally described as a 10 to 20 foot strip outside of, and following in a parallel with, the southernmost side of the existing public utility easement located along Homer Spit Road and more particularly described as Lot 12-A, Homer Spit No. 2 Amended, Plat No. 92-50 and Lots 13, 14, 15, and 16 Homer Spit Amended, Plat No. 89-34 Homer Recording District, State of Alaska, and set out in Exhibits A-1 and A-2 attached hereto and incorporated herein by this reference (hereinafter the "Premises"). This Easement is subject to the following conditions:

1. The location and boundaries of this Easement shall be as generally depicted on the maps attached hereto as Exhibit A-1 and A-2.
2. All of the activities permitted to the Grantee pursuant to this Easement shall be conducted, and all of the Facilities shall be situated or placed, within boundaries of the Easement as depicted on Exhibit A-1 and A-2.
3. Exhibit A-1 and Exhibit A-2's identification of the "new easement" means the expanded Easement area and does not change the intent of the Grantor regarding expansion.
4. All of the Facilities to be installed on this Easement shall be underground except for the required service connections and utility Pedestals necessary for the Grantee to provide service to customers gaining access to the fiber optic cables.
5. The Easement is given for the purposes of allowing Grantee to:
 - a. install, construct, reconstruct, repair, operate, alter, replace, maintain, abandon, and remove under the Easement, a Fiber Optic Communications System (the "Facilities"); and

Under no circumstances shall Grantee be permitted or allowed to use the Easement for the purposes of co-locating any utility or other service, or equipment to support any utility or other service, that are not directly related to the transmission of signals by means of an underground fiber optic cable.

{01157703}

6. Grantor agrees that all portions of the Facilities under the Easement, at the Grantee's expense shall remain the property of the Grantee, removable at the option of the Grantee.

7. The Grantee, and its successors and assigns, are hereby prohibited the right to assign all or any part of their rights in the Easement to another entity. Grantor will consider an assignment subject to an amendment and written approval by the Grantor, which shall not be unreasonably withheld.

8. Grantor reserves all rights of ownership in and to the Easement and the property surrounding the Easement which are not inconsistent with the Easement, including, without limitation, the right to grant further easements on, over or across the Easement. Grantor further reserves the right to use the Easement for all uses not interfering with the use hereby permitted to Grantee.

9. Grantee hereby agrees to indemnify, defend and hold harmless Grantor from and against all claims, charges, demands, suits, loss, liabilities, penalties, damages, costs, or expenses (including actual attorney's fees and expenses incurred in defense thereof) for injury to or death of persons, damage to or loss of property, direct or indirect economic damage or loss, or any other injury, damage or loss, arising out of or related in any way to any of the following, including without limitation all claims by Grantee's employees: (a) Grantee's activities pursuant to this Easement; (b) the presence on the Premises of the Facilities; (c) acts or omissions by Grantee or by persons or entities within Grantee's reasonable control in, on or about the Premises, including without limitation any breach of any of the provisions of this Easement by Grantee or by persons or entities within Grantee's reasonable control; or (d) conditions on the property caused by acts or omissions of the Grantee within the boundaries of the Easement. This paragraph does not in any way limit the protections afforded to Grantor under AS 09.65.070 and AS 09.65.200. Grantor covenants that it is the owner of the surface estate of the fee title of the Premises and that the Premises are subject to whatever liens, encumbrances or other easements that may be revealed by an inspection of the public records or visual inspection of the Easement.

10. Grantee shall not commit waste within the Easement, and shall keep it in good order and repair.

11. Grantee hereby acknowledges that Grantor may, in the future provide, easements to other parties or lease the Premises to one or more third parties. Grantee will construct the improvements and maintain the Facilities within the Easement in a manner: (a) that complies with all codes, laws, rules, or regulations applicable to the activities of the Grantee; (b) that does not interfere with other existing easement holder(s) rights; and (c) that minimizes interference with the use of the Easement or the Premises by the Grantor or third parties.

12. Prior to performing any construction within the Easement, Grantee will, and will cause all contractors who perform work for Grantee or Grantee's agents within the Easement to, name Grantor as an additional insured on all policies of liability insurance and to provide certificates of insurance to Grantor evidencing such coverage before Grantee or any contractor commences work within the Easement.

Memorandum Of Agreement
For Non-Exclusive Utility Easement

Recitals

1. Alaska Communications Internet, LLC., (including its affiliates, “Alaska Communications”) constructed a fiber optic conduit system across five lots on Homer Spit.
2. The five lots at issue are owned by the City of Homer (“the City”) and have a legal description of Lot 12-A, Homer Spit No. 2 Amended, Plat No. 92-50 and Lots 13, 14, 15, and 16 Homer Spit Amended, Plat No. 89-34 Homer Recording District, State of Alaska.
3. Alaska Communications mistakenly installed the conduit system outside of the existing public utility easement that crosses the five lots.
4. The City agrees to expand the non-exclusive utility easement to rectify the installation error and Alaska Communications agrees to provide the City a one-time payment of \$75,000.
5. The expanded non-exclusive easement will be managed according to all applicable current standards set forth in the Homer City Code, including but not limited to, HCC Title 11.24.
6. The Parties adopt the conditions set forth herein to govern this agreement.

Terms

Alaska Communications and the City of Homer agree as follows:

1. In exchange for the City expanding the non-exclusive utility easement, Alaska Communications will provide the City a one-time payment of \$75,000.
2. The City will include adjacent public property into a non-exclusive public utility easement managed by the City of Homer, generally described as a 10 to 20 foot strip outside of, and following in parallel with, the southernmost side of the existing public utility easement located

across portions of five City lots along Homer Spit Road as shown in Exhibit A-1 & A-2 and provided by Mullikin Surveys on May 30, 2019. This addition of public property into the existing public easement will create a widened non-exclusive public utility easement.

3. Alaska Communications and the City hereby agree that this agreement constitutes full settlement, satisfaction, and release of any and all claims, demands, rights, and causes of action of any kind, whether known or unknown, including any future claims and any claims for fees, interest, costs, and expenses, arising from, or related to the fiber installed outside the existing utility easement across the five City lots.
4. Wherefore, each party on behalf of themselves, their administrators, assigns, predecessors and successors in interest, do hereby, for good and valuable consideration, the receipt of which is hereby acknowledged, release and forever discharge the other party and its respective officials, agencies, representatives, officers, employees, agents, directors, corporate affiliates, assigns and attorneys, from any and all claims, demands, rights, causes of actions, liens, and all other liabilities whatsoever, whether known or unknown, suspected or unsuspected, that the releasing party now has or hereafter may have with respect to the same subject matter that gave rise to the above-referenced action, including claims that could have been but were not alleged.
5. The parties agree to the following terms and conditions:
 - a. The City will provide an expanded easement consistent with Exhibits A-1 and A-2, attached hereto;
 - b. Alaska Communications' payment of \$75,000 will be made simultaneously with exchange of the non-exclusive easement, which will be subsequently recorded; and
 - c. Alaska Communications and the City agree that each party will bear its own costs, expenses, and fees related to this matter.

6. Each party's representative, whose name is affixed below, acknowledges that he or she read, reviewed and understands this Memorandum of Agreement and is fully authorized to enter into its terms and conditions and that it will be bound thereby. Each party further acknowledges that it enters into this Memorandum of Agreement, freely and voluntarily.
7. This Memorandum of Agreement may be executed in several counterparts, all of which taken together will constitute one single agreement, and may be executed by electronic signature and delivered electronically. The Parties have executed this Memorandum of Agreement as of the last date indicated below.

Alaska Communications

City of Homer

By:

By:

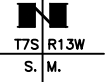
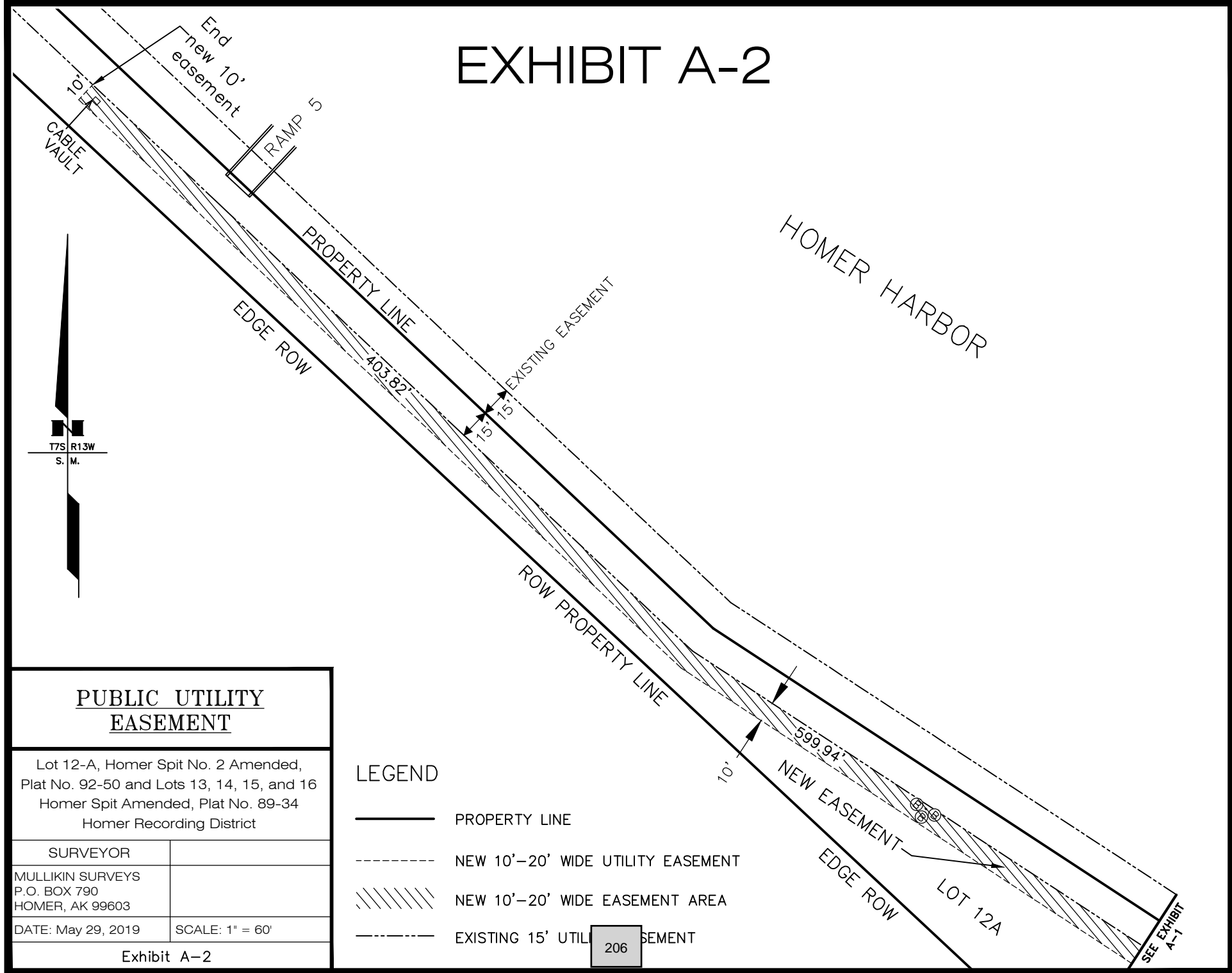
Title:

Title:

Date:

Date:

EXHIBIT A-2




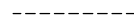
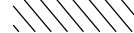

PUBLIC UTILITY EASEMENT

Lot 12-A, Homer Spit No. 2 Amended,
 Plat No. 92-50 and Lots 13, 14, 15, and 16
 Homer Spit Amended, Plat No. 89-34
 Homer Recording District

SURVEYOR	
MULLIKIN SURVEYS P.O. BOX 790 HOMER, AK 99603	
DATE: May 29, 2019	SCALE: 1" = 60'

Exhibit A-2

LEGEND

-  PROPERTY LINE
-  NEW 10'-20' WIDE UTILITY EASEMENT
-  NEW 10'-20' WIDE EASEMENT AREA
-  EXISTING 15' UTILITY EASEMENT

206

SEE EXHIBIT A-1

ORDINANCE REFERENCE SHEET
2021 ORDINANCE
ORDINANCE 21-43

An Ordinance of the City Council of Homer, Alaska Submitting a Ballot Question of Limitation of Terms for the Mayor and City Council Members at the October 5, 2021 Regular Municipal Election.

Sponsor: Evensen/Mayor

1. City Council Regular Meeting June 28, 2021 Introduction
Memorandum 21-112 from City Clerk as backup
2. City Council Regular Meeting July 26, 2021 Public Hearing and Second Reading

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

3 Evensen/Mayor

4 **ORDINANCE 21-43**

5
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
7 SUBMITTING A BALLOT QUESTION OF LIMITATION OF TERMS FOR
8 THE MAYOR AND CITY COUNCIL MEMBERS AT THE OCTOBER 5,
9 2021 REGULAR MUNICIPAL ELECTION.

10
11 WHEREAS, Currently the Mayor and City Council members can serve for an indefinite
12 number of terms; and

13
14 WHEREAS, Pursuant to Alaska Statutes 29.20.140(d) states "Except by ordinance
15 ratified by the voters, no limit may be placed on the total number of terms or number of
16 consecutive terms a voter may serve on the governing body."

17
18 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

19
20 Section 1. The Homer City Council finds it is in the best interest of the community to
21 ask the voters if they support term limits for the mayor and city council members.

22
23 Section 2. The City shall submit the following proposition to the qualified voters of the
24 City at the October 5, 2021 regular election. The proposition must receive an affirmative vote
25 from a majority of the qualified voters voting on the question to be approved.

26
27 PROPOSITION A.

28
29 Shall the term of offices of the Mayor and City Council members be limited to two
30 consecutive full terms?

31 _____ Yes _____ No

32
33 Section 3. Homer City Code 2.08.030 Composition of governing body – Terms of office
34 is hereby amended as follows:

35
36 2.08.030 Composition of governing body –Terms of office.

37
38 a. The governing body of the City of Homer shall consist of six Council members, two of whom
39 are elected at large each year ~~for three-year terms and until a successor qualifies.~~

40
41 **b. The full term of office for Council members is 3 years. Consistent with HCC 4.10.020**
42 **no person who has completed two full terms on the Council in a continuous period of**

43 service may serve another term or portion of a term until a period of two years has
44 passed since the end of their second full term of office. A full term of office means the
45 regular term of office for Council and, except as provided in paragraph (c) of this
46 section, does not include portions of a term served by appointment or election to the
47 remainder of an unexpired term vacated by another person or to a less than 3 year
48 term resulting from Council redistricting.

49 **c. In no event shall a Council member serve more than eight consecutive years without**
50 **a break in service of at least two years. For purposes of this section only, if a Council**
51 **member has served eight consecutive years or cannot serve another term without**
52 **exceeding the eight year limit, then the following shall apply:**

53 **1. For persons who have served one three-year term during their continuous**
54 **period of service, the longest term served of less than three years shall**
55 **constitute a full term, and other periods of service of less than three years shall**
56 **not be considered full terms.**

57 **2. For persons who have served no three-year terms during their continuous**
58 **period of service, then the two longest terms served shall both constitute full**
59 **terms, and other periods of service of less than three years shall not be**
60 **considered full terms.**

61
62 ~~bd.~~ **The Mayor shall be elected for a two year term and until a successor qualifies. The term**
63 **of office of the Mayor is 2 years. No person who has completed two consecutive full**
64 **terms as Mayor may serve another term or portion of a term until a period of two**
65 **years has passed since the end of their second consecutive full term of office. A full**
66 **term of office means the regular term of office for Mayor and does not include**
67 **portions of a term served by appointment or election to the remainder of an**
68 **unexpired term vacated by another person.**

69
70 ~~ee.~~ A person so elected to office under this chapter shall take office at the first regular Council
71 meeting following the election, immediately after the final certification of that election,
72 except that when HCC 4.40.010(c)(3) applies, the person shall take office at the first
73 regular Council meeting following the runoff election, immediately after the certification
74 of that election.

75
76 Section 4. Homer City Code 4.10.020 Composition of governing body – Terms of office
77 is hereby amended as follows:

78
79 4.10.020 Candidate qualifications.

80
81 a. ~~Must be a qualified voter as noted in HCC 4.05.010.~~

82 b. ~~Must meet the eligibility requirement of HCC 2.08.020.~~

~~Strike out~~ is deleted language, **bold underline** is new language

83
84 **a. A candidate for Mayor must be a qualified voter of the State of Alaska and a resident**
85 **of the City for one year immediately preceding filing for office. A person who has**
86 **served as Mayor for two consecutive full terms may not be reelected to that office**
87 **until two years has intervened.**

88
89 **b. A candidate for City Council must be a qualified voter of the State of Alaska and a**
90 **resident of the City for one year immediately preceding filing for office. As provided**
91 **in HCC 2.08.030 a person who has served on the Council for two consecutive full terms**
92 **may not be reelected to that office until two years have intervened. A full term of**
93 **office means the regular term of office for assembly and, except as provided in HCC**
94 **2.08.030(b), does not include portions of a term served by appointment or election to**
95 **the remainder of an unexpired term vacated by another person or to a less than 3-year**
96 **term resulting from redistricting.**

97
98 Section 5. Sections 3 and 4 of this ordinance are of permanent and general character and
99 shall be included in Homer City Code with the passage of ballot proposition A at the regularly
100 scheduled October 5, 2021 municipal election.

101
102 Section 6. If Ballot Proposition A passes at the regularly scheduled October 5, 2021
103 municipal election, this ordinance shall take effect January 1, 2022.

104
105 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ___ day of ____, 2021.

106
107 CITY OF HOMER

108
109
110 _____
111 KEN CASTNER, MAYOR

112
113 ATTEST:

114
115
116 _____
117 MELISSA JACOBSEN, MMC, CITY CLERK

118
119 YES:

120 NO:

121 ABSENT:

122 ABSTAIN:

123
124 First Reading:

~~Strike out~~ is deleted language, **bold underline** is new language

- 125 Public Hearing:
- 126 Second Reading:
- 127 Effective Date:

~~Strike out~~ is deleted language, **bold underline** is new language



City of Homer

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Memorandum 21-112

TO: MAYOR CASTNER AND HOMER CITY COUNCIL
FROM: MELISSA JACOBSEN, MMC, CITY CLERK
DATE: JUNE 24, 2021
SUBJECT: ORDINANCE REGARDING TERM LIMITS AND BALLOT PROPOSITION

Councilmember Evensen requested an ordinance sponsored by him and the Mayor regarding imposing term limits for the tentative agenda.

My research confirmed that term limits have to be approved by the voters per AS 29.20.140(d) which states - "Except by ordinance ratified by the voters, no limit may be placed on the total number of terms or number of consecutive terms a voter may serve on the governing body."

After discussion of options on ways to proceed with this I was requested by the Mayor to draft the ordinance in a manner that follows borough code that includes the requirement for a two year break in service before a person is eligible to run again for the same office.

ORDINANCE REFERENCE SHEET
2021 ORDINANCE
ORDINANCE 21-47

An Ordinance of the City Council of Homer, Alaska Amending the FY 2022 and FY 2023 Operating Budgets to Maintain A Balanced Budget in Response to Mayoral Line Item Reductions.

Sponsor: City Manager/Finance Director

1. City Council Regular Meeting July 26, 2021 Introduction

Memorandum 21-124 from Mayor as backup.

Memorandum 21-125 from City Manager as backup.

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

3 City Manager/
4 Finance Director

5 **ORDINANCE 21-47**

6
7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
8 AMENDING THE FY 2022 AND FY 2023 OPERATING BUDGETS TO
9 MAINTAIN BALANCED BUDGET IN RESPONSE TO MAYORAL LINE
10 ITEM REDUCTIONS.
11

12 WHEREAS, The Mayor has authority under Homer City Code 2.08.070 to veto an
13 ordinance of the City Council and may strike or reduce appropriation items; and
14

15 WHEREAS, The Mayor has used this authority to reduce line items within the FY22/23
16 operating budget approved by the Council on June 26, 2021; and
17

18 WHEREAS, Mayoral line item reductions include decreases to allocation of admin fees
19 to the Water Fund, Sewer Fund, and Port and Harbor Fund. For FY22, the admin fee allocation
20 is as follows: \$225,383 for Water Fund, \$212,977 for Sewer Fund, and \$266,626 for Port and
21 Harbor Fund. For FY23, the admin fee allocation is as follows: \$108,435 for Water Fund,
22 \$108,435 for Sewer Fund, and \$274,508 for Port and Harbor Fund; and
23

24 WHEREAS, The line item reductions were not overridden by the Council; and
25

26 WHEREAS, Homer City Code 3.05.045 requires that any action to reconsider, rescind, or
27 veto the budget which would affect a balance budget must be accompanied by an action which
28 maintains a balanced budget; and
29

30 WHEREAS, This ordinance is an action which would rebalance the FY22/23 operating
31 budget.
32

33 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:
34

35 Section 1. The City Council hereby eliminates \$20,918 transfer to General Fleet CARMA
36 and appropriates \$315,848 from General Fund Fund Balance to maintain a balanced General
37 Fund Operating Budget for FY22:
38

39 Revenue:

40 <u>Account</u>	<u>Description</u>	<u>Amount</u>
41 100-0099-4992	Transfer from Fund Balance	\$315,848

42 Expenditure:

43 <u>Account</u>	<u>Description</u>	<u>Amount</u>
44 100-0100-5990	Transfers to	\$102,106

45

46 Section 2. The City Council hereby appropriates \$630,737 from General Fund Fund
47 Balance to maintain a balanced General Fund Operating Budget for FY23:

48

49 Revenue:

50 <u>Account</u>	<u>Description</u>	<u>Amount</u>
51 100-0099-4992	Transfer from Fund Balance	\$630,737

52

53 Section 3. The City Council hereby eliminates the appropriation from Utility Operations
54 Fund Balance and appropriates \$23,367 to Water CARMA (256-0378) and \$97,092 to Sewer
55 CARMA (256-0379) to maintain a balanced Utility Operating Budget for FY22:

56

57 Revenue:

58 <u>Account</u>	<u>Description</u>	<u>Amount</u>
59 200-0000	Transfer from Fund Balance	\$0

60

61 Expenditure:

62 <u>Account</u>	<u>Description</u>	<u>Amount</u>
63 200-0400-5990	Transfer to Water CARMA	\$23,367
64 200-0500-5990	Transfer to Sewer CARMA	\$97,092

65

66 Section 4. The City Council hereby eliminates the appropriation from Utility Operations
67 Fund Balance and appropriates \$47,205 to Water CARMA (256-0378) and \$178,953 to Sewer
68 CARMA (256-0379) to maintain a balanced Utility Operating Budget for FY23:

69

70 Revenue:

71 <u>Account</u>	<u>Description</u>	<u>Amount</u>
72 200-0000	Transfer from Fund Balance	\$0

73

74 Expenditure:

75 <u>Account</u>	<u>Description</u>	<u>Amount</u>
76 200-0400-5990	Transfer to Water CARMA	\$47,205
77 200-0500-5990	Transfer to Sewer CARMA	\$178,953

78



City of Homer

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(f) 907-235-3148

Memorandum 21-125

TO: Mayor Castner and Homer City Council
FROM: Rob Dumouchel, City Manager
DATE: July 16, 2021
SUBJECT: Ordinance to Rebalance FY22/23 Budget after Mayor Line Item Reductions

Council approved Ordinance 21-32(S) for the FY22/23 Operating Budget on June 28th. The Mayor, using powers granted in Homer City Code (HCC) 2.08.070, made a series of line item reductions related to admin fees. Ordinance 21-xx sponsored by myself and the Finance Director is offered as an instrument which will allow Council to comply with HCC 3.05.045 which requires an action that affects the budget to be accompanied by an action which maintains a balanced budget.

The Council has an opportunity to consider, and possibly override, the Mayor's line item reductions at the July 26th meeting. If Council overrides the line item reductions, the staff recommendation is to not introduce this ordinance. If the Council does not override the line item reductions, the staff recommendation is to introduce Ordinance 21-47 on July 26th and adopt on August 9th.



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(f) 907-235-3148

Memorandum

TO: Mayor Castner and Homer City Council
FROM: Rob Dumouchel, City Manager
DATE: July 22, 2021
SUBJECT: City Manager's Report for July 26, 2021 Council Meeting

Emergency Response Appreciation

The Kenai Peninsula Borough (KPB) Office of Emergency Management sent our staff a plaque recognizing the efforts put forward by the City of Homer in responding to the COVID-19 pandemic. KPB was a key partner throughout our declared emergency and I appreciate them acknowledging and recognizing the contributions made by the City to mitigate the impacts of the pandemic. A letter provided by KPB is attached to this report.



Jenny Carroll, Public Information Officer; Chief Mark Kirko, Incident Commander; & Rob Dumouchel, City Manager

American Rescue Plan Act Update

After the Council passed Resolution 21-046, staff was able to complete the request to the State of Alaska for our share of the American Rescue Plan Act (ARPA) local recovery funds. The State has not yet confirmed the amount the City will receive, but it is anticipated to be between \$1.2M and \$1.4M in funding spread between two years. One of the options for the use of the funds is revenue replacement which is driven by a calculation provided by the Federal Treasury. Porter & Allison, one of the City's financial services partners, conducted the analysis and calculation for the City and has found that we are in a position to use all of the ARPA funds as revenue replacement. Staff is conferring with our a

fully understand the mechanics and limitations of revenue replacement under the ARPA legislation. Once we have a specific dollar amount from the State, we will come back to Council with recommendations on how to move forward.

FAA Outreach

At the June 28th Council meeting I received feedback from Council that they had been receiving complaints about aircraft noise and flight patterns in the City. I reached out to J&H Consulting, our lobbying partners, for help on determining the best pathways for different types of complaints. Working with the Juneau Flight Standards Office I have been able to get some more specific contacts with whom we can work to resolve local issues. After the submission of this report, I will be meeting with select staff members to discuss how we can more effectively communicate aircraft related complaints to the FAA and connect the public to the appropriate offices within the agency.

Fiber Optic Installation at Library

With Resolution 21-024, the City Council authorized upgrades to the library's data connection, taking advantage of a federal government program to offset 70% of the costs (a savings of approximately \$20,000 from the budgeted amount). GCI has now completed physical installation of a new fiber-optic cable with a capacity of 400 megabits/second in both directions, a significant increase from the current 250 Mbit/sec download and 15 Mbit/sec upload capacity. The new cable also includes an option for future upgrades without extensive site work. Configuration and testing has been underway and the connection is scheduled to go live on July 23.

911 System Update

IT has been working diligently to conform Homer's 911 system to meet the recently updated NG911 system deployed by the Kenai Peninsula Borough. This has required extensive changes to the dispatcher workstations and the routing of police "admin" phone lines. Two dispatch stations are fully functional except for minor ergonomic adjustments. The third dispatch station is awaiting delivery of the 911 hardware from the manufacturer.

Payment Kiosk Update

Self-service kiosks were installed at the RV dump station near Public Works and the airport. Service is up and running on the RV dump station. The airport station is fully connected and will be operational as soon as it successfully completes test transactions. Kiosks for the campgrounds are waiting on concrete foundations and will be configured at that time.

Kachemak Drive Speed Signs

In September 2020, Council adopted Ordinance 20-51 appropriating funds from the Police CARMA fund (156-0394) to purchase speed radar signs as a traffic calming measure for Kachemak Drive. The devices were acquired by the Police Department and arrangements were made with Alaska Department of Transportation to install the pole-mounted signs. The signs are now installed and operational on Kachemak Drive.

Better Late than Never

A man from California who camped here in Homer back in the 1970s recently wrote the City a letter. He camped in Homer for a night and didn't have the \$3 cash required to pay for his stay. He promised to make good on that debt when he returned home. As a thank you for our patience, he instead sent us a check for \$100. My office responded with a handwritten card and a City of Homer pin.

COVID Update

There has been a noticeable spike in COVID cases on the Kenai Peninsula in the last month with many cases located here in Homer. Although the emergency declaration has expired, I have an internal COVID working group focused on organizational issues which continues to meet on a regular basis. If cases continue to increase, I may move to reinstate some mitigation measures in City facilities for staff and visitors. This situation is developing.

Personnel Updates

Lead Mechanic Levi Stradling retired on July 9th, here is a brief update from the Public Works Director:

Levi Stradling retired from his job as Lead Mechanic after 19 years of service to the City. Levi was a Master Mechanic, who kept our rolling stock rolling. He was also a Master Craftsman, with an enviable ability to fabricate parts, gizmos and widgets out of seemingly thin air, often, with YouTube How-To videos as his guide. Levi's relocating to Boise, where he plans to buy a motorhome and tour the country, footloose and fancy free. We wish him happy trails!



We also recently said goodbye to Dispatcher Jed Frazier after almost five years with the Police Department. He started out as a jailer before transitioning to dispatch.



Enclosures:

1. July Employee Anniversaries
2. Letter from KPB Office of Emergency Management



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Memorandum

TO: MAYOR CASTNER AND CITY COUNCIL
FROM: Andrea Browning
DATE: July 26, 2021
SUBJECT: July Employee Anniversaries

I would like to take the time to thank the following employees for the dedication, commitment and service they have provided the City and taxpayers of Homer over the years.

John Wythe	Public Works	30	Years
Lori Sorrows	Finance	22	Years
Dan Olsen	Public Works	20	Years
Julie Engebretsen	Planning	19	Years
Rick Abboud	Planning	13	Years
Dave Welty	Public Works	13	Years
David Bernard	Library	10	Years
Jason Hoffman	Public Works	6	Years
Clinton Scritchfield	Police	3	Years
Jason Hanenberger	Public Works	2	Years
Mark Kirko	Fire	2	Years
Glenn Rauh	Public Works	1	Year



Office of Emergency Management

144 N. Binkley Street, Soldotna, Alaska 99669 • (907) 262-4910 • (907) 714-2395 Fax

Charlie Pierce
Borough Mayor

June 24, 2021

City of Homer
City Manager Rob Dumouchel
491 East Pioneer Avenue
Homer, Alaska 99603

Dear City Manager Dumouchel:

Throughout the course of the COVID-19 pandemic from early 2020 until now, the breadth and depth of work that has been accomplished on behalf of the communities across the Kenai Peninsula Borough has been nothing short of inspiring.

The COVID response initially focused on testing supplies and resource requests for personal protection equipment. Since last December, the greatest efforts have been towards COVID vaccinations as they became available in our communities.

As summer progresses into full swing, we would like to take a moment to recognize and thank you for your efforts during the pandemic response. No individual, agency, group, or organization can accomplish everything on their own. The pandemic requires strong collaboration and teamwork from multiple partners in each community.

This plaque is a small token that conveys recognition and acknowledgment of what we have accomplished in the Kenai Peninsula Borough. While the work of the COVID-19 pandemic is still ongoing, we pause for a moment to say a sincere thank you for your past work, and appreciation for what you will continue to do in the days ahead on behalf of our residents and visitors.

Sincerely,

Dan Nelson
Emergency Manager

Bud Sexton
Operations Manager

ORDINANCE REFERENCE SHEET
2021 ORDINANCE
ORDINANCE 21-41

An Ordinance of the City Council of Homer, Alaska Amending Homer City Code 21.18.020, Central Business District, 21.24.020 General Commercial 1, 21.26.020 General Commercial 2, 21.27.020 East End Mixed Use, 21.62.020 Marijuana Cultivation, Manufacturing, Testing, and Retail Facilities to Include a Consumption Endorsement as Defined by State Law.

Sponsor: Planning Commission

1. City Council Regular Meeting June 28, 2021 Postponed Introduction and Referred Back to Planning Commission

Memorandum 21-110 from City Planner as backup

2. City Council Regular Meeting July 26, 2021 Introduction

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

4 Planning Commission

5 **ORDINANCE 21-41**

6
7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
8 AMENDING HOMER CITY CODE 21.18.020, CENTRAL BUSINESS
9 DISTRICT; 21.24.020, GENERAL COMMERCIAL 1; 21.26.020,
10 GENERAL COMMERCIAL 2; 21.27.020, EAST END MIXED USE; AND
11 21.62.020, MARIJUANA CULTIVATION, MANUFACTURING,
12 TESTING, AND RETAIL FACILITIES.
13

14 WHEREAS, It is in the City’s best interest to draft comprehensive regulations regarding
15 the use of property within the City to cultivate, manufacturer marijuana or to operate a retail
16 store selling marijuana with or without a consumption endorsement; and
17

18 WHEREAS, The City is dedicated to drafting regulations that prevent the distribution of
19 marijuana to minors; prevents revenue from the sale of marijuana from going to criminal
20 enterprises, gangs, and cartels; prevents the diversion of marijuana from states where it is legal
21 under state law in some form to other states; prevents state-authorized marijuana activity
22 from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal
23 activity; prevents violence and the use of firearms in the cultivation and distribution of
24 marijuana; prevents drugged driving and the exacerbation of other adverse public health
25 consequences associated with marijuana use; prevents the growing of marijuana on public
26 lands and the attendant public safety and environmental dangers posed by marijuana
27 production on public land; and prevents marijuana possession or use on federal property.
28

29 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

30 Section 1. Homer City Code Chapter 21.18 is amended as follows:
31

32 Section 21.18.020 Permitted uses and structures.

33 The following uses are permitted outright in the Central Business District,
34 except when such use requires a conditional use permit by reason of size, traffic
35 volumes, or other reasons set forth in this chapter:

- 36 a. Retail business where the principal activity is the sale of merchandise
37 and incidental services in an enclosed building;

[**Bold and underlined added.** Deleted language stricken through.]

- 38 b. Personal service establishments;
- 39 c. Professional offices and general business offices;
- 40 d. Restaurants, clubs and drinking establishments that provide food or
- 41 drink for consumption on the premises;
- 42 e. Parking lots and parking garages, in accordance with
- 43 Chapter 21.55 HCC;
- 44 f. Hotels and motels;
- 45 g. Mortuaries;
- 46 h. Single-family, duplex, and multiple-family dwellings,
- 47 including townhouses, but not including mobile homes;
- 48 i. Floatplane tie-up facilities and air charter services;
- 49 j. Parks;
- 50 k. Retail and wholesale sales of building supplies and materials, only if
- 51 such use, including storage of materials, is wholly contained within one
- 52 or more enclosed buildings;
- 53 l. Customary accessory uses to any of the permitted uses listed in the
- 54 CBD district; provided, that a separate permit shall not be issued for the
- 55 construction of any detached accessory building prior to that of
- 56 the main building;
- 57 m. Mobile homes, provided they conform to the requirements set forth
- 58 in HCC 21.54.100;
- 59 n. Home occupations, provided they conform to the requirements of
- 60 HCC 21.51.010;
- 61 o. Ministorage;

- 62 p. Apartment units located in buildings primarily devoted to business or
63 commercial uses;
- 64 q. Religious, cultural, and fraternal assembly;
- 65 r. Entertainment establishments;
- 66 s. Public, private and commercial schools;
- 67 t. Museums and libraries;
- 68 u. Studios;
- 69 v. Plumbing, heating and appliance service shops, only if such use,
70 including the storage of materials, is wholly within an
71 enclosed building;
- 72 w. Publishing, printing and bookbinding;
- 73 x. Recreational vehicle parks only if located south of the
74 Sterling Highway (Homer Bypass) from Lake Street west to the
75 boundary of the Central Business District abutting Webber Subdivision,
76 and from Heath Street to the west side of Lakeside Village Subdivision,
77 provided they shall conform to the standards in HCC 21.54.200 and
78 following sections;
- 79 y. Taxi operation limited to a dispatch office and fleet parking of no
80 more than five vehicles; maintenance of taxis must be conducted within
81 an enclosed structure, and requires prior approval by the City Planner
82 of a site, access and parking plan;
- 83 z. Mobile food services;
- 84 aa. Itinerant merchants, provided all activities shall be limited
85 to uses permitted outright under this zoning district;
- 86 bb. Day care homes and facilities; provided, however, that outdoor play
87 areas must be fenced;

- 88 cc. Rooming house, bed and breakfast and hostel;
- 89 dd. Auto repair and auto and trailer sales or rental areas, but only on
90 Main Street from Pioneer Avenue to the Sterling Highway,
91 excluding lots with frontage on Pioneer Avenue or the Sterling Highway,
92 subject to the following additional requirements: Vehicles awaiting
93 repair or service, inoperable vehicles, vehicles for parts, and vehicles
94 awaiting customer pickup shall be parked indoors or inside a fenced
95 enclosure so as to be concealed from view, on all sides. The fence shall
96 be a minimum height of eight feet and constructed to
97 prohibit visibility of anything inside of the enclosure. The portion of any
98 vehicle exceeding eight feet in height may be visible outside of the
99 fence. Vehicle parts (usable or unusable), vehicle service supplies, and
100 any other debris created in the repair or servicing of vehicles shall also
101 be stored indoors or inside the fenced enclosure out of view of the
102 public;
- 103 ee. Farmers' market;
- 104 ff. Dormitory;
- 105 gg. Financial institutions;
- 106 hh. As an accessory use, one small wind energy system per lot having a
107 rated capacity not exceeding 10 kilowatts;
- 108 ii. One detached dwelling unit, excluding mobile homes, as
109 an accessory building to a principal single-family dwelling on a lot.
- 110 jj. Marijuana cultivation facilities, manufacturing facilities, retail
111 facilities, and testing facilities, **and consumption endorsement** as
112 defined by State law;
- 113 kk. Medical Clinics

114 Section 2. Homer City Code Chapter 21.24 is amended as follows:

115 Section 21.24.020 Permitted uses and structures.

116 The following uses are permitted outright in the General Commercial 1
117 District, except when such use requires a conditional use permit by reason of
118 size, traffic volumes, or other reasons set forth in this chapter.

119 a. Air charter operations and floatplane tie-up facilities;

120 b. General business offices and professional offices;

121 c. Dwelling units located in buildings primarily devoted to
122 business uses;

123 d. Auto repair;

124 e. Auto and trailer sales or rental areas;

125 f. Auto fueling stations and drive-in car washes;

126 g. Building supply and equipment sales and rentals;

127 h. Restaurants, including drive-in restaurants, clubs and drinking
128 establishments;

129 i. Garden supplies and greenhouses;

130 j. Heavy equipment and truck sales, rentals, service and repair;

131 k. Hotels and motels;

132 l. Lumberyards;

133 m. Boat and marine equipment sales, rentals, service and repair;

134 n. Mortuaries;

135 o. Open air businesses;

136 p. Parking lots and parking garages, in accordance with
137 Chapter 21.55 HCC;

- 138 q. Manufacturing, fabrication and assembly
- 139 r. Publishing, printing and bookbinding;
- 140 s. Recreation vehicle sales, rental, service and repair;
- 141 t. Retail businesses;
- 142 u. Trade, skilled or industrial schools;
- 143 v. Wholesale businesses, including storage and distribution services
144 incidental to the products to be sold;
- 145 w. Welding and mechanical repair;
- 146 x. Parks and open space;
- 147 y. Appliance sales and service;
- 148 z. Warehousing, commercial storage and mini-storage;
- 149 aa. Banks, savings and loans, credit unions and other financial
150 institutions;
- 151 bb. Customary accessory uses to any of the permitted uses listed in the
152 GC1 district; provided, that no separate permit shall be issued for the
153 construction of any type of accessory building prior to that of the main
154 building;
- 155 cc. Dry cleaning, laundry, and self-service laundries;
- 156 dd. Taxi operation;
- 157 ee. Mobile food services;
- 158 ff. Itinerant merchants, provided all activities shall be limited
159 to uses permitted outright under this zoning district;
- 160 gg. Recreational vehicle parks, provided they shall conform to the
161 standards in Article II of Chapter 21.54 HCC;

- 162 hh. Day care homes; provided, that a conditional use permit was
- 163 obtained for the dwelling, if required by HCC 21.24.030; all outdoor play
- 164 areas must be fenced;
- 165 ii. Rooming house and bed and breakfast;
- 166 jj. Dormitory;
- 167 kk. As an accessory use, one small wind energy system per lot.
- 168 ll. Marijuana cultivation facilities, manufacturing facilities, retail
- 169 facilities, ~~and~~ testing facilities, **and consumption endorsement** as
- 170 defined by state law.

171
172 Section 3. Homer City Code Chapter 21.26 is amended as follows:

173 Section 21.26.020 Permitted uses and structures.

174 The following uses are permitted outright in the General Commercial 2
175 District, except when such use requires a conditional use permit by reason of
176 size, traffic volumes, or other reasons set forth in this chapter:

- 177 a. Production, processing, assembly and packaging of fish, shellfish and
- 178 seafood products;
- 179 b. Construction, assembly and storage of boats and boat equipment;
- 180 c. Manufacture and assembly of pottery and ceramics, musical
- 181 instruments, toys, novelties, small molded products, electronic
- 182 instruments and equipment and electrical devices;
- 183 d. Research and development laboratories;
- 184 e. Trade, skills or industrial schools;
- 185 f. Publishing, printing and bookbinding facilities;

- 186 g. Auto, trailer, truck, recreational vehicle and heavy equipment sales,
187 rentals, service and repair, excluding storage of vehicles or equipment
188 that is inoperable or in need of repair;
- 189 h. Storage and distribution services and facilities, including truck
190 terminals, warehouses and storage buildings and yards, contractors'
191 establishments, lumberyards and sales, or similar uses;
- 192 i. Airports and air charter operations;
- 193 j. Underground bulk petroleum storage;
- 194 k. Cold storage facilities;
- 195 l. Parking lots and parking garages, in accordance with
196 Chapter 21.55 HCC;
- 197 m. Mobile commercial structures;
- 198 n. Accessory uses to the uses permitted in the GC2 district that are
199 clearly subordinate to the main use of the lot or building, such as
200 wharves, docks, restaurant or cafeteria facilities for employees; or
201 caretaker or dormitory residence if situated on a portion of the
202 principal lot; provided, that separate permits shall not be issued for the
203 construction of any type of accessory building prior to that of the main
204 building;
- 205 o. Taxi operation;
- 206 p. Mobile food services;
- 207 q. Itinerant merchants, provided all activities shall be limited
208 to uses permitted outright under this zoning district;
- 209 r. Recreational vehicle parks, provided they shall conform to the
210 standards in Chapter 21.54 HCC;
- 211 s. Hotels and motels;

- 212 t. Dormitory;
- 213 u. As an accessory use, one small wind energy system per lot;
- 214 v. Open air business.
- 215 w. Marijuana cultivation facilities, manufacturing facilities, retail
- 216 facilities, ~~and~~ testing facilities, **and consumption endorsement** as
- 217 defined by state law.

218 Section 4. Homer City Code Chapter 21.27 is amended to read as follows:

219

220 Section 21.27.020 Permitted uses and structures.

221

222 The following uses are permitted outright in the East End Mixed Use
223 District, except when such use requires a conditional use permit by reason of
224 size, traffic volumes, or other reasons set forth in this chapter:

225

a. Auto, trailer, truck, recreational vehicle and heavy equipment sales,
226 rentals, service and repair;

227

b. Drive-in car washes;

228

c. Building supply and equipment sales and rentals;

229

d. Garden supplies and greenhouses;

230

e. Boat and marine equipment sales, rentals, manufacturing, storage
231 yard, service and repair;

232

f. Welding and mechanical repair;

233

g. Restaurants, including drive-in restaurants, clubs and drinking
234 establishments;

235

h. Religious, cultural, and fraternal assembly;

236

i. Studios;

237

j. Personal services;

238

k. Agricultural activities, including general farming, truck farming,
239 nurseries, tree farms and greenhouses;

240

l. Private stables;

241

m. Storage of heavy equipment, vehicles or boats;

242

n. Plumbing, heating and appliance service shops;

243

o. Home occupations on a lot whose principal permitted use is
244 residential, provided they conform to the requirements of HCC 21.51.010;

245

p. Mortuaries and crematoriums;

246

q. Open air businesses;

247

r. Parking lots and parking garages, in accordance with Chapter 21.55
248 HCC;

249

s. Manufacturing, fabrication and assembly;

250

t. Retail businesses;

- 251 u. Trade, skilled or industrial schools;
- 252 v. Wholesale businesses, including storage and distribution services
- 253 incidental to the products to be sold;
- 254 w. Parks and open space;
- 255 x. Warehousing, commercial storage and mini-storage;
- 256 y. Recreational vehicles, subject to the standards in HCC 21.54.320(a), (b)
- 257 and (c);
- 258 z. Dry cleaning, laundry, and self-service laundries;
- 259 aa. Mobile food services;
- 260 bb. As an accessory use, one small wind energy system per lot;
- 261 cc. Production, processing, assembly and packaging of fish, shellfish and
- 262 seafood products;
- 263 dd. Research and development laboratories;
- 264 ee. Storage and distribution services and facilities, including truck
- 265 terminals, warehouses and storage buildings and yards, contractors'
- 266 establishments, lumberyards and sales, or similar uses;
- 267 ff. Cold storage facilities;
- 268 gg. Mobile commercial structures;
- 269 hh. Single-family and duplex dwellings, only as an accessory use
- 270 incidental to a permitted principal use; provided, that no permit shall be
- 271 issued for the construction of an accessory dwelling prior to the
- 272 establishment of the principal use;
- 273 ii. The repair, replacement, reconstruction or expansion of a single-
- 274 family or duplex dwelling, including a mobile home, that existed lawfully
- 275 before its inclusion in the GC1, GC2 or EEMU zoning districts,
- 276 notwithstanding any provision of Chapter 21.61 HCC to the contrary;
- 277 provided, that a mobile home may not be used to replace or expand such
- 278 a dwelling;
- 279 jj. Customary accessory uses to any of the uses permitted in the EEMU
- 280 district that are clearly subordinate to the main use of the lot or building,
- 281 including without limitation wharves, docks, storage facilities,
- 282 restaurant or cafeteria facilities for employees; or caretaker or employee
- 283 dormitory residence if situated on a portion of the same lot as the
- 284 principal use; provided, that no permit shall be issued for the
- 285 construction of any type of accessory building prior to the establishment
- 286 of the principal use;
- 287 kk. Taxi operation;
- 288 ll. Itinerant merchants, provided all activities shall be limited to uses
- 289 permitted outright under this zoning district;
- 290 mm. More than one building containing a permitted principal use on a
- 291 lot;
- 292 nn. The outdoor harboring or keeping of dogs, small animals and fowl as
- 293 an accessory use to a residential use in a manner consistent with the

294 requirements of all other provisions of the Homer City Code and as long
295 as such animals are pets of the residents of the dwelling and their
296 numbers are such as not to unreasonably annoy or disturb occupants of
297 neighboring property.
298 oo. Marijuana cultivation facilities, manufacturing facilities, retail
299 facilities, ~~and~~ testing facilities, **and consumption endorsement** as
300 defined by state law.
301
302
303

304 Section 5. Homer City Chapter 21.62 is amended as follows:
305

306
307 21.62.010 Scope
308

309 a. This chapter applies to the operation of all marijuana cultivation,
310 manufacturing, retail, ~~and~~ testing facilities, **and consumption**
311 **endorsement as defined by state law** within the city boundaries.
312

313 b. This chapter in no way protects marijuana facilities from enforcement
314 of federal law nor is it intended to sanction conduct or operations
315 prohibited by law. All persons engaged in the marijuana industry within
316 the city operate at their own risk and have no legal recourse against the
317 City in the event that city laws are preempted, negated or otherwise
318 found unenforceable based upon federal law prohibiting the sale,
319 distribution, consumption or possession of marijuana.
320

321 Section 6. This ordinance shall take effect upon its adoption by the Homer City Council.
322

323 Section 7. This ordinance is of a permanent and general character and shall be included
324 in the City code.
325

326 ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER, ALASKA, this _____ day of
327 _____ 2021.
328

329 CITY OF HOMER
330

331 _____
332 KEN CASTNER, MAYOR
333

334 ATTEST:
335

336 _____
MELISSA JACOBSEN, MMC, CITY CLERK

- 337
- 338 YES:
- 339 NO:
- 340 ABSTAIN:
- 341 ABSENT:
- 342
- 343 First Reading:
- 344 Public Reading:
- 345 Second Reading:
- 346 Effective Date:



City of Homer

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Planning

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Memorandum 21-110

TO: MAYOR CASTNER AND THE HOMER CITY COUNCIL
FROM: RICK ABOUD, AICP, CITY PLANNER
DATE: JUNE 7, 2021
SUBJECT: PROPOSED AMENDMENT TO ALLOW MARIJUANA CONSUMPTION ENDORSEMENTS

Introduction: The State of Alaska has created an allowance for a Consumption Endorsement that applies to retail marijuana stores. The endorsement is an allowance for on-site consumption of marijuana products. In addition to the myriad of rules and regulation for retail sales, the Alcohol and Marijuana Control Office (AMCO) has a newly adopted set of regulations for the operation of a Consumption Endorsement (regulations are included in backup material). A proposed ordinance was the subject of a public hearing at the June 2, 2021 meeting of the Commission.

Analysis: The Commission reviewed an ordinance that intended to allow a consumption endorsement as prescribed by the State of Alaska to any retail marijuana store, as currently allowed in the city. The Commission has many operational concerns especially about possibility of the smell of marijuana smoke offsite and the proximity of the operation to children and/or families that may frequent the area.

The Commission did ask questions of Chris Logan, a perspective consumption endorsement applicant that currently operates a retail marijuana facility in Old Town. After hearing some rebuttal about their concerns, the Planning Commission voted with two in support and three opposing the addition of a consumption endorsement to retail marijuana facility.

Recommendation: The Homer Planning Commission does not support the proposed ordinance.

Attachments:

Proposed ordinance
Planning Commission minutes



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Staff Report PL 21-35

TO: Homer Planning Commission
FROM: Rick Abboud, AICP, City Planner
DATE: June 2, 2021
SUBJECT: Marijuana consumption endorsements

Introduction

We have a local interest in providing on-site consumption of marijuana, as recently allowed by state law.

Analysis

Local Options

According to Alaska Statutes (AS) 17.38, the city may establish local control over the marijuana industry including prohibitions and operating requirements. Presently, Homer has allowances for marijuana cultivation facilities, product manufacturing, testing, and retail facilities. After a conservative interpretation of prohibited locations based on state and federal criteria, areas located out of prohibited distances in commercial zoning districts (as indicated on the attached map) are allowed to operate under the requirements of the State of Alaska. Homer has chosen to not add an additional layers of regulations on operations, outside of what is already required for local development.

State regulation in general

The consumption endorsement requires the establishment of a retail marijuana store. In addition to local regulations regarding development in general, the state has a host of rules for marijuana businesses. Without going into great detail, operational items addressed by the state outside of the new regulations regarding consumption include; security, inventory, advertising, employee training, waste disposal, delivery/transportation, limit of quantities sold, alarm systems, lock standards, video surveillance, as well as health and safety standards. Retailors are also prohibited from allowing intoxicated or drunken persons to enter or remain on the premises.

State regulations for consumption endorsement

The state has created a body of regulation dealing specifically with consumption operations. The state regulations regarding the consumption endorsement (attached) cover a lot of ground, from rules on products and amounts allowed for on-site consumption to the physical layout of the facility. These rules contain measures to help ensure public safety for patrons,

employees, and the public. The regulations include an examination of surrounding uses, a noticed area for solicitation of comments, security, ventilation, and operating requirements. Areas designated for consumption are not to be visible to those off-site.

Staff input

Since the inception of the marijuana industry a few years ago in Homer, we have not noticed an impact to public safety. As a casual but consistent reviewer of local reported crime, I have seen no significant trends in crimes that might be attributed to the legal marijuana industry. Given that our current legal marijuana industry has not introduced increases in crime, I would expect the same from a consumption endorsement. As the consumption (smoking) of marijuana is illegal in public and it is common for hotels and rentals to ban smoking, visitors may not have legal options for consumption. If it is found to be within the sensibilities of the citizens of Homer to support such a venture, we feel that state regulations regarding the marijuana industry together with our local zoning regulations support the inclusion of the consumption endorsement.

Staff Recommendation

Conduct a public hearing and formulate a recommendation to the City Council concerning the draft ordinance.

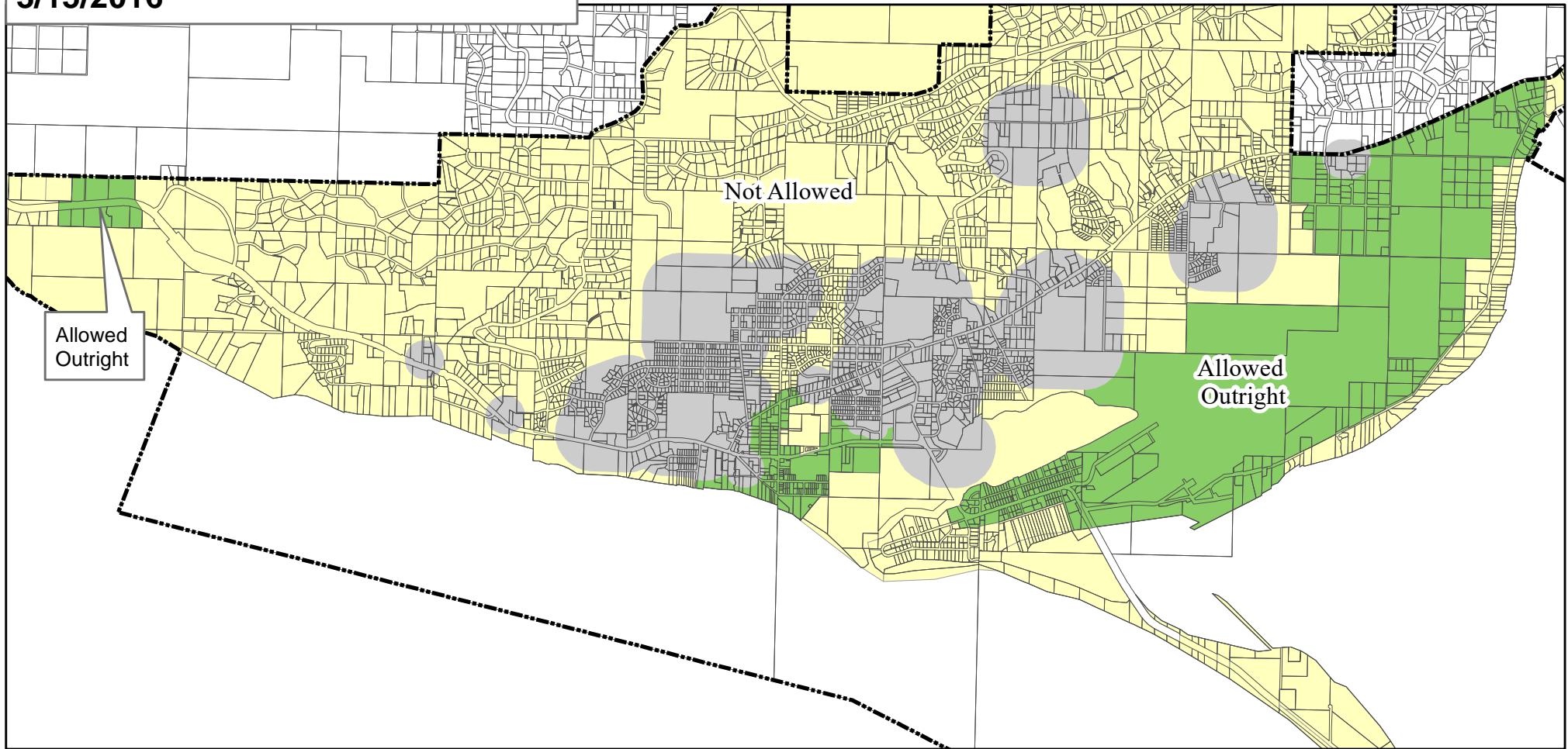
Attachments

Draft ordinance

Marijuana zoning map

3 AAC 306.370. Onsite consumption endorsement for retail marijuana stores.

Commercial Marijuana Map
Adopted Ordinance 16-04(A-2)(S-3)
3/15/2016



Legend

- City Limits** Commercial Marijuana Activities
- City Limits
 - Buffers
 - No Commercial Cannabis Businesses
 - Cultivation, Manufacturing Testing and Retail

State regulations call for buffers to be measured between the public entrance of the cannabis business, and the public entrances of churches and jails. Distances for schools and youth/rec centers are measured from the boundaries to the front door of the cannabis business. All distances are measured by the shortest pedestrian route.

the background. (Eff. 7/22/2017, Register 223)

3 AAC 306.370. Onsite consumption endorsement for retail marijuana stores

(a) Unless prohibited by local or state law, a freestanding licensed retail marijuana store with an approved onsite consumption endorsement is authorized to

(1) sell marijuana and marijuana products, excluding marijuana concentrates, to patrons for consumption on the licensed premises at the time of purchase only in an area designated as the marijuana consumption area and separated from the remainder of the premises, either by a secure door and having a separate ventilation system, or by being outdoors in compliance with (c)(4) below;

(2) sell for consumption on the premises

(A) marijuana bud or flower in quantities not to exceed one gram to any one person per day;

(B) edible marijuana products in quantities not to exceed 10 mg of THC to any one person per day; and

(C) food or beverages not containing marijuana or alcohol; and

(3) allow a person to remove from the licensed premises marijuana or marijuana product that has been purchased on the licensed premises for consumption under this section, provided it is packaged in accordance with 3 AAC 306.345.

(b) A licensed retail marijuana store with an approved onsite consumption endorsement may not

(1) sell marijuana concentrate for consumption in the marijuana consumption area or allow marijuana concentrate to be consumed in the marijuana consumption area;

(2) allow any licensee, employee, or agent of a licensee to consume marijuana or marijuana product, including marijuana concentrate, during the course of a work shift;

(3) allow a person to consume tobacco or tobacco products in the marijuana consumption area;

(4) allow a person to bring into or consume in the marijuana consumption area any marijuana or marijuana product that was not purchased at the licensed retail marijuana store;

(5) sell, offer to sell, or deliver marijuana or marijuana product at a price less than the price regularly charged for the marijuana or marijuana product during the same calendar week;

(6) sell, offer to sell, or deliver an unlimited amount of marijuana or marijuana product during a set period of time for a fixed price;

(7) sell, offer to sell, or deliver marijuana or marijuana product on any one day at prices less than those charged the general public on that day;

(8) encourage or permit an organized game or contest on the licensed premises that involves consuming marijuana or marijuana product or the awarding of marijuana or marijuana product as prizes; or

(9) advertise or promote in any way, either on or off the premises, a practice prohibited under this section.

(c) A marijuana consumption area shall have the following characteristics:

(1) the consumption area shall be isolated from the other areas of the retail marijuana store, separated by walls and a secure door, and shall have access only from the retail marijuana store;

(2) a smoke-free area for employees to monitor the marijuana consumption area;

(3) a ventilation system that directs air from the marijuana consumption area to the outside of the building through a filtration system sufficient to remove visible smoke, consistent with all applicable building codes and ordinances, and adequate to eliminate odor at the property line;

(4) if outdoors, be found by the board to be compatible with uses in the surrounding area through evaluation of

(A) neighboring uses;

(B) the location of air intake vents on neighboring buildings;

(C) a sight-obscuring wall or fence around the outdoor marijuana consumption area;

(D) objections of property owners, residents, and occupants within 250 linear feet or the notification distance required by the local government, whichever is greater; and

(E) any other information the board finds relevant.

(d) An applicant for an onsite consumption endorsement must file an application on a form the board prescribes, including the documents and endorsement fee set out in this section, which must include

(1) the applicant's operating plan, in a format the board prescribes, describing the retail marijuana store's plan for

(A) security, in addition to what is required for a retail marijuana store, including:

- (i) doors and locks;
- (ii) windows;
- (iii) measures to prevent diversion; and
- (iv) measures to prohibit access to persons under

the age of 21;

(B) ventilation. If consumption by inhalation is to be permitted, ventilation plans must be

- (i) signed and approved by a licensed mechanical engineer;
- (ii) sufficient to remove visible smoke; and
- (iii) consistent with all applicable building codes and ordinances;

(C) monitoring overconsumption;

(D) unconsumed marijuana, by disposal or by packaging in accordance with 3 AAC 306.345; and

(E) preventing introduction into the marijuana consumption area of marijuana or marijuana products not sold by the retail marijuana store, and marijuana or marijuana products not sold specifically for onsite consumption;

(2) the applicant's detailed diagram of the marijuana consumption area which must show the location of

- (A) the licensed premises of the retail marijuana store;
- (B) serving area or areas;
- (C) ventilation exhaust points, if applicable;
- (D) the employee monitoring area;
- (E) doors, windows, or other exits; and
- (F) access control points;

(3) the title, lease, or other documentation showing the applicant's sole right of possession of the proposed marijuana consumption area, if the area is not already part of the approved licensed premises for the retail marijuana store;

(4) an affidavit that notice of an outdoor marijuana consumption area has been mailed to property owners, residents, and occupants of properties within 250 linear feet of the boundaries of the property on which the onsite consumption endorsement is proposed, or the notification distance required by the local government, whichever is greater.

(e) The retail marijuana store holding an onsite consumption endorsement under this chapter shall

(1) destroy all unconsumed marijuana left abandoned or unclaimed in the marijuana consumption area in accordance with the operating plan and 3 AAC 306.740;

(2) monitor patrons in the marijuana consumption area at all times, specifically for overconsumption;

(3) display all warning signs required under 3 AAC 306.360 and 3 AAC 306.365 within the marijuana consumption area, visible to all consumers;

(4) provide written materials containing marijuana dosage and safety information for each type of marijuana or marijuana product sold for consumption in the marijuana consumption area at no cost to patrons;

(5) package and label all marijuana or marijuana product sold for consumption on the premises as required by 3 AAC 306.345; and

(6) comply with any conditions set by the local government or placed on the endorsement by the board.

(f) The holder of an onsite consumption endorsement must apply for renewal annually at the time of renewal of the underlying retail marijuana store license. (Eff. 4/11/2019, Register 230)

City Planner Abboud finalized his review of the proposed changes to Title 21.91 and 21.93

Commissioner Highland requested clarification on page 49 in the packet, section 21.93.300 regarding items coming before the Commission would not happen and the qualifications of a Hearing officer since they would not necessarily have the experience that the Planning Commission would have.

Chair Smith commented that he reviewed the draft and believed it to be incredibly thorough and very timely.

VENUTI/HIGHLAND MOVE TO RECOMMEND THE DRAFT ORDINANCE AMENDING HOMER CITY CODE 21.91 TO REMOVE BOARD OF ADJUSTMENT AND HOMER CITY CODE 21.93 ADMINISTRATIVE APPEALS, ESTABLISHING THAT ADMINISTRATIVE APPEALS FROM CERTAIN FINAL CITY PLANNING DECISIONS SHALL BE FILED BEFORE A HEARING OFFICER AND SUPPLEMENTING NOTICE REQUIREMENTS BE MOVED TO PUBLIC HEARING.

There was no further discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

B. Staff Report 21-36, Extending the No Wake Zone in City Tidelands, Closing Areas to Motorized Vessels & Funds for Regulation Changes.

Chair Smith introduced the item by reading of the title and noted that they received public comment and confirmed with the Commission that they had a chance to review the comments received

The Commissioners present did not indicate that they needed additional time for review of public comment.

City Planner Abboud reviewed Staff Report 21-36 for the Commission and noted that Port Director Hawkins was present to answer any questions.

Port Director Hawkins facilitated discussion and responded to the following topics:

- This was before the Port & Harbor Advisory Commission and they supported it as written
- The previous action taken by the Parks, Art, recreation & Culture Advisory Commission to prohibit personal watercraft from being launched from city beaches and in fact widen it to encompass any motorized watercraft to launch from city beaches without the harbormaster's approval.
- Limited the launching of watercraft to the Load and Launch Ramp in the Harbor

- City Council is directing this change to Title 10.08.210 regarding the vessel speed and no wake zones
- There has only been one recent incident of some horseplay that was immediately handled by Harbor staff.
- Contact with the Harbormasters in Seward, Whittier, Valdez regarding personal watercraft use since they have always been allowed there and they have rental companies in their communities. Seward reported having an issue with one private operator and he put a boot on the trailer and dealt with the issue.
- Clarifying the areas, using the map provided in the packet where vessels could be operated. It was noted that the map was for discussion purposes only.

City Planner Abboud responded that the purpose and intent was preemptive in nature and the issue was new for him.

Commissioner Conley questioned whether they were solving a problem or not.

VENUTI/HIGHLAND MOVED THAT THE PLANNING COMMISSION RECOMMENDS APPROVAL OF ORDINANCE 21-26 AS WRITTEN.

Discussion ensued on the nature of the ordinance addressing the issue of prohibiting motorized watercraft in these sensitive areas are a good idea; addressing the amendments proposed at the Council level; safety issues do promulgate regulations; will not negatively affect anyone to promote lower speed limits in city waters; and this is a form of zoning and planning and makes sense.

HIGHLAND/BARNWELL MOVED TO AMEND THE MOTION TO RECOMMEND CITY COUNCIL INCLUDE IN ORDINANCE CLOSING THE SLOUGH BEHIND MARINER PARK, THE AREA OF MUD BAY CLOSEST TO SHORE, AND THE NICK DUDIAK FISHING LAGOON TO MOTORIZED VESSELS.

There was a brief discussion on the verbiage in the motion as this was a recommendation to City Council and including the map for reference; and review of the amendments that were proposed by Councilmember Aderhold and Evensen.

Deputy City Clerk Krause read the proposed amendment on the floor.

Chair Smith called for further questions.

Port Director Hawkins responded to Commissioner Conley that in comparison to other harbors Homer is different in that Kachemak Bay is a critical habitat area and the other harbors do not have anything specific as far as wake speed to his knowledge. He then addressed enforcement and acknowledged that their limits are ¼ mile outside the harbor entrance and it will be difficult to have harbor employees enforce wake speed; age limits of vessel operators. He stated that he was supportive of the ordinance.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

INFORMATIONAL MATERIALS

A. City Manager's Report for May 24, 2021 City Council Meeting

Chair Smith commented in support of having the inbound EMS Patient Loading at ramp 7 stating that he has had several incidents over the last 10 years with people overboard and expressing that this was a great asset.

B. Planning Commission Calendar

City Planner Abboud commented on getting Public Works Director Keiser on the agenda to talk to them about the storm water planning and to get information from Port Director Hawkins on the Spit Parking Study.

COMMENTS OF THE AUDIENCE

COMMENTS OF THE CITY STAFF

Deputy City Clerk Krause commented that it was an interesting meeting with a variety of topics and opined that it may be time for the City to start thinking about funding for a harbor patrol or HPD in boats similar to other communities. Homer is growing and with the popularity of the beaches and such it gets more crowded each year.

COMMENTS OF THE COMMISSION

Commissioner Highland commented interesting topics and thoughtful comments.

Commissioner Venuti expressed his appreciation also for the topics and addressing the appeals process.

Commissioner Conley commented it was an interesting meeting.

Commissioner Barnwell commented that he was not a fan of PWCs and great discussions.

Chair Smith commented that he appreciated the discussions tonight, the efforts of staff and related an incident he experienced with the Coast Guard and Troopers being able to board his boat to check out his licenses.

ADJOURN

There being no further business before the Commission the meeting was adjourned at 9:00 p.m. Next Regular Meeting is Wednesday, June 16, 2021 at 6:30 p.m. A worksession is scheduled for

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KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal Note: N/A



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Memorandum 21-114

TO: Mayor Castner and Homer City Council
THROUGH: Rob Dumouchel, City Manager
FROM: Janette Keiser, Director of Public Works
DATE: June 21, 2021
SUBJECT: Resolution 20-077(S) – Water/Sewer Reserve Funds

Issue: The City Council asked us to review and make recommendations on how the City's Capital Asset Repair and Maintenance Allowance (CARMA) Funds for the Water and Sewer Utilities should be built and administered. Deliberation on Resolution 20-077(S) was postponed pending this work. We respectfully ask for one more extension.

Background:

We have, with the help of HDR consultants, created a Financial Model, which can be used to make forecasts, run sensitivity analyses and otherwise generate work products to help the City make data-based decisions regarding the financial wherewithal of the City's Water/Sewer Utilities. We have also prepared recommendations regarding the administration of the financial matters of the City's utilities, including the CARMA Fund. These two tasks are intertwined because sensible reserve fund administration is only possible with sensible data-based decision making.

We are finished with the draft work products and would like the opportunity to update the Council on this work before we finalize our recommendations. We are in the process of scheduling a work session with Council to have this discussion.

Recommendation:

That Resolution 20-077(S) be postponed until July 28, to give time for a Work Session about the proposed Financial Model and Recommendations.



Memorandum 21-074

TO: Mayor Castner and Homer City Council
Through: Rob Dumouchel, City Manager
FROM: Janette Keiser, PE, Director of Public Works
DATE: April 20, 2021
SUBJECT: Discussion about financial policies related to water/sewer utilities

Issue: The purpose of proposed Resolution 20-077(S) will be to adopt policies related to the City's water and sewer Capital Asset Repair and Maintenance Allowance Funds. This resolution has been postponed, pending HDR's research relating to the City's water/sewer utility financial matters. The goal of this research is to (a) review our existing cost accounting and other financial methodologies and (b) make recommendations that will bring us more into compliance with established industry standards. The purpose of this memo is to report on HDR's progress and move the discussion forward.

Background:

HDR has submitted the attached Discussion Paper, which identifies a set of financial policies the City needs to establish, to move forward sensibly. The Discussion Paper addresses policies related to the following topics:

- a. Operating Reserves
- b. Capital Reserves
- c. Bond Reserves
- d. Rate Stabilization Reserves
- e. Debt Issuance and Debt Management
- f. Balancing the Operating Budget
- g. Establishing Rates & Fees

Each of these topics requires City Council deliberation and decision making to establish a set of sustainable financial policies that will govern the water and sewer utilities financial management. Many of the policies will probably affect the water/sewer utility operations, capital planning and rate setting.

RECOMMENDATIONS:

We recommend that a work session be established to talk through these matters.

City of Homer Water and Sewer Discussion of the Development of the City's Financial/Rate Setting Policies

Introduction

Financial policies are an important tool for maintaining a financially healthy utility while also maintaining required and/or mandated measures. The Government Finance Officers Association (GFOA), bond rating agencies, and other industry organizations (e.g. the American Water Works Association (AWWA), the Water Environment Federation (WEF), etc.) recommend written financial/rate setting policies to provide clear policy direction and guidance.

The establishment of written financial policies is intended to:

- Institutionalize sound financial practices
- Clarify strategic intent
- Define boundaries
- Support bond ratings
- Promote long range strategic thinking
- Manage risk
- Adhere to established best practices

To be effective, the policies must be written and, if possible, adopted by the governing body; policies should furthermore be well understood by management to enable consistent and accurate application throughout the financial planning and rate setting process.

Standard & Poor's (S&P), Fitch and Moody's Rating Agencies each have unique methodologies for determining a utility's bond rating. These rating methodologies contain quantitative measures which are largely financial, as well as qualitative measures that assess a spectrum of qualities such as management and governance. A qualitative measure common to each of the rating agency's review methodologies is the presence and strength of financial policies. Generally, a strong set of written financial policies demonstrates to the rating agencies a well-managed utility which uses policies to help guide the utility in a business-like and apolitical manner.

In addition to supporting the need for written financial policies, the bond rating agencies also provide survey information (medians) on the specific financial metrics for various rated utilities (i.e. "AAA", "AA" etc.). S&P does not explicitly state their target measure for different rating levels, but rather refers to what they consider strong or good, which may be interpreted as leaning more towards being "AAA" or "AA" rating, respectively.

At the current time, the City has various documents and information that outline some of the basic financial policies and approaches to setting water and sewer rates. However, there does not appear to be a single, stand alone, document that summarizes the City's water and sewer rate setting policies and approaches.

Financial Policy Goals and Objectives

The goals of the City’s financial policies are to:

1. Maintain sufficient revenues for operating and capital needs,
2. Maintain sufficient reserves, and,
3. Provide rate stability. Notwithstanding (1) and (2) above, rates will be set to provide rate/revenue stability and avoid major periodic increases.

A detailed set of financial policies have been drafted to provide guidance and consistency in utility financial planning and rate setting decision-making for the City Council and management team.

Objective of this Discussion Paper

The purpose of this paper is to outline the City’s various policies and approaches into a more comprehensive financial framework and to establish clear financial targets based on a review of industry data and City documents. For example, in establishing a policy on minimum reserve levels, this framework provides recommendations that take into consideration the typical or median reserve levels for a “AAA” versus a “AA” rated utility. By providing this level of understanding, the City Council can make more informed decisions in establishing the financial targets contained within the financial policies.

Review and Discussion of the City's Financial/Rate Setting Policies

The following discussion provides the specific policy being proposed and then provides a brief discussion of the need for the policy, and if appropriate, the financial metrics used by the rating agencies.

1. Reserve Funds

Reserve funds shall be established for the City to properly account for the City's funds, but to also provide adequate reserve levels to address the different types of funding requirements of the City. The City's reserve policies shall be as follows:

- 1.1 Operating Reserve** – The City's operating reserve is an unrestricted reserve. The minimum operating reserve shall be established at **90** Days of annual O&M expenses (approximately 25% of O&M for both Water and Sewer Funds).

Discussion: An operating reserve is the most basic of reserves; it holds the funds used to meet the utility's day-to-day expenses. Generally, an operating reserve is an unrestricted fund and the target minimum balance is set at a level to assure liquidity is sufficient to pay liabilities as they are due for payment. A common measure for a target balance is a function of the number of days of O&M expenses, excluding depreciation, which is reflective of the lead/lag of revenues and expenses. In the case of the City, 90 days of O&M as a minimum operating reserve level would be approximately equal to \$600,000 for water and \$480,000 for sewer.

At the present time, the City does not appear to have a current target for Water and Sewer operating reserve funds. The balance of the Water Reserve Fund is reported at \$2.84 M and the Sewer Reserve Fund at \$ 2.07 M as of 3/31/20. These reserve funds appear to serve functions beyond that of a typical operating reserve to support capital projects and act as a Bond Reserve and Rate Stabilization Reserve described in Sections 1.3 and 1.4.

- 1.2 Capital Reserve** – The City currently has two different capital reserves for the water and sewer utilities. The first is the Homer Accelerated Water and Sewer Program (HAWSP). HAWSP is funded through a portion of the voter approved sales tax and assessments levied on benefited properties. The second is the Capital Asset Repair and Maintenance Allowance (CARMA). CARMA is funded annually through a rate surcharge equal to 15% of water and sewer costs and collected through the water and sewer rates. In general, HAWSP is intended to provide seed money to support expanded access to the City water and sewer system while CARMA is intended to support improvements, repairs, and replacements of the City's existing infrastructure, and may also be used for Capital Contingencies or Infrastructure Replacement. CARMA and HAWSP funds may be used jointly to fund a project where applicable.

1.2.1 Homer Accelerated Water and Sewer Program (HAWSP) – Voters in the City of

Homer established the HAWSP fund to improve the Health and Welfare of the community by funding capital improvements to the City’s water and sewer system. The HAWSP is funded by a voter approved dedicated sales tax, and assessments levied on benefited properties. (See HCC 9.16.010(b).) Specifically, the HAWSP Fund is built from a levy of ¾ of a percent on the retail sales tax. This tax was established by voters and can only be modified through another ballot measure. The key objectives of the HAWSP fund are as follows:

- Provide for water/sewer improvements without placing a heavy financial burden on individual property owners. (Resolution 99-53.)
- Increase the number of users to the system(s), thereby increasing revenues to the Water and Sewer Enterprise Funds. (Resolution 99-53.)
- Promote construction of additional improvements to the City water and sewer systems. (See Ordinance 99-14(S)(A).)
- Protect public health. (2016 HAWSP Policy Manual.)

The HAWSP is generally intended to provide “Seed Money” for major projects (projects that exceed \$1.1 million) but is not intended to be the primary source of funding. The target HAWSP fund value is to be maintained at **\$2 million** as specified in the draft HAWSP policy manual. The HAWSP fund may additionally be used to pay off HAWSP-project debt, subject to City Council approval, and may furthermore be used in conjunction with CARMA for project funding, especially where an element of the project involves extension of service, expansion of capacity, or promotion of public health.

Discussion: The HAWSP fund has a relatively narrow focus and should be thought of as a supplemental reserve to accelerate capital projects as defined above. While the HAWSP fund does not appear to provide a rate-adjustment mechanism for the City Council to balance future capital needs. Adjustments can be accomplished by augmenting HAWSP funding with funding from CARMA and the general reserve, both of which offer the City adjustment mechanisms to meet the overall planned capital needs.

1.2.2 Capital Asset Repair and Maintenance Allowance (CARMA) – The CARMA reserve was established to fund improvements, repairs, and replacements to the City’s existing water and sewer systems. CARMA is currently is funded annually through a rate surcharge equal to 15% of water and sewer costs and collected through the water and sewer rates. The level of CARMA funding can be adjusted by the City Council. “The amount of the CARMA funds shall be established by City Council in the biennial budget based on the projected maintenance and repair needs of the City.” (Ordinance 19-35(S)(A)).

The intent of the City of Homer Water and Sewer CARMA Fund is “for appropriation and expenditure for equipment replacement, fleet replacement, engineering or planning services, major maintenance of city facilities, or any other purpose as identified and recommended by the City Manager and authorized by the City Council...and to extend the life and use of taxpayer funded assets, facilities and infrastructure.” (See Ordinance 19-35(S)(A)). The City Council established similar CARMA accounts across multiple City programs and departments within the General Fund. The Water and Sewer Utilities - which operate independently - use CARMA Funds for improvements, repairs, and replacements to the City’s existing water and sewer systems. CARMA Funds may

additionally be used for capital contingencies or infrastructure replacement and can be used in conjunction with HAWSP to jointly fund a project.

Discussion: CARMA provides a mechanism through which funding levels can be adjusted to meet anticipated capital repair and replacement needs. Funding adjustments should be determined in consideration of capital needs and in conjunction with the rate setting process. Capital needs should be determined annually through an appropriate planning process (such as an asset management plan and CIP) to enable accurate forecasting. As discussed in Policy #2, a prudent practice is the develop an annual level of capital replacement funding through current rate levels. CARMA essentially provides that annual funding for ongoing renewal and replacement needs. An important concept is that if annual funds are not used in the current year, these funds are placed in reserves and can be utilized in future years where renewal and replacement needs are greater than annual CARMA funding levels. In this way, the City is continually replacing and improving the water and sewer systems on an annual basis.

- 1.3 Bond Reserve** – A bond reserve fund is a restricted reserve. A bond reserve fund shall be established, as required and in accordance with bond covenants. The minimum fund balance of the bond reserve shall be equal to bond reserve requirements set by bond covenants.

Discussion: Bond reserves are restricted funds that are generally required by bond covenants. The reserve balance, when required is set in the bond documents and is often equal to one year of debt service. For this particular reserve, the specific minimum balance is specified by each specific issuance.

- 1.4 Rate Stabilization Reserve** – A rate stabilization reserve shall be established and maintained at a level equal to approximately **10% of the annual rate revenue** derived from the water and sewer utility. These funds are unrestricted but their use shall be limited to mitigating large or unanticipated rate impacts, or emergency/catastrophe situations.

Discussion: A rate stabilization reserve can used to help mitigate the need for large rate adjustments, but it can also function as a form of an emergency reserve. In that sense, this reserve can serve in a dual roll. While these are a form of unrestricted reserves, their use should be limited and clear direction developed for when and how these funds should be used. Generally, rate stabilization funds are to be used to mitigate short term rate impact such as economic or drought-driven revenue shortfalls. Using the assumed 10% of rate revenues as the level of the rate stabilization reserve, the water utility would be \$240,000 and the sewer would be \$195,000.

When a reserve fund falls below the designated policy minimum, the City’s management team shall inform the City Council. The Council will take appropriate action to address any shortfalls. A reserve fund which falls below the minimum reserve level, on its own, shall not trigger the need for a rate adjustment.

Discussion of the Overall Reserve Policy – In considering the financial targets for this policy it is important to understand that the rating agencies do not look at specific funds within the utility, rather, they look at the purpose and whether the funds are unrestricted or restricted. One exception to this is the Rate Stabilization Reserve, where a proper and well-defined usage of the

fund can be a benefit for the utility’s rating since this is a level of funding over and above basic funding levels. Table 1 shows each rating agency’s desired level of cash reserves for an AAA/Aaa or AA/Aa rated utility.

Table 1 Days of Cash on Hand		
Rating Agency	AAA/Aaa	AA/Aa
Standard & Poor’s Ratings Services ¹	Greater than 150 days	90 to 150 days
Fitch Ratings (of Working Capital) ²	Greater than 365 days	180 to 365 days
Moody’s Investors Service ³	Greater than 250 days	150 to 250 days

Each of the rating agencies may define “days cash” or “cash on hand” in slightly different ways, but each is intended to demonstrate that the utility has a strong cash position. That is, sufficient reserves to meet all short-term liabilities while also capable of handling the variability of seasonal cash flows. Finally, the reserve levels still have cash flow sufficiency to handle unexpected events. More specifically, the definitions for these financial metrics are as follows:

Standard and Poor’s Ratings Service

***Days Cash**, all unrestricted cash and equivalents plus any reserves that are designated but ultimately available for any lawful purpose including long-term investments divided by 1/365th of operating expenditures.*

Fitch Ratings

Measure was described as “Days cash and days of working capital”

- **Days Cash on Hand.** *Current unrestricted cash and investments plus any restricted cash and investments (if available for general system purposes), divided by operating expenditures minus depreciation, and divided by 365.*
- **Days of Working Capital.** *Current unrestricted assets plus any restricted cash and investments (if available for general system purposes), minus current liabilities payable from unrestricted assets, divided by operating expenditures minus depreciation, divided by 365.*

Moody’s Investors Service

¹ Standard & Poor’s Ratings Services McGraw Hill Financial, “U.S. Public Finance Waterworks, Sanitary Sewer, and Drainage Utility System: Rating Methodology and Assumptions”, P. 26, Table 18, January 19, 2016

² Fitch Ratings, “U.S. Water and Sewer Revenue Bond Rating Criteria”, P. 6, Attributes: Financial Profile (Table), September 3, 2015

³ Moody’s Investors Service, “Rating Methodology: US municipal Utility Revenue Debt”, Page 12, Exhibit 7, December 15, 2014

Days Cash on Hand, cash and cash equivalent that is both unrestricted and liquid, excluding cash held in a debt service reserve fund unspent bond proceeds or cash restricted for capital times 365 divided by operations and maintenance expense expressed in days.

Provided below in Table 2 is a simple summary of each rating agency’s desired level of cash reserves.

Table 2 Determination of the City’s Days of Cash on Hand Using the Proposed Financial Policies			
Rating Agency	Fund Balances Included in Calculation	City’s Current Days of Cash on Hand	AA/Aa Target
S&P Ratings Services	Operating Reserve Capital Reserve Rate Stabilization Reserve	XX days	90 to 150 days
Fitch Ratings (Days of Cash)	Same as S&P + Bond Reserve	XX days	180 to 365 days
Moody’s Investors Service	Operating Reserve + Rate Stabilization Reserve	XX days	150 to 250 days

The City currently has approximately \$XX in unrestricted reserves. This is composed of approximately \$XX in operating reserves, \$XX in HAWSP reserves, and \$XX in rate CARMA reserves. This equates to approximately XX days of cash on hand.

2. Debt Issuance and Debt Management

The City, during the course of normal operations, may issue long-term debt to fund certain capital projects. The establishment of policies related to debt issuance and debt management are intended to minimize the overall long-term costs of the City and utilize long-term debt to the benefit of the City’s customers. Provided below are the debt issuance and debt management policies.

2.1 Funding of Annual Renewal and Replacement Capital Projects – The City will provide adequate annual rate funding to properly and adequately fund the City’s annual renewal and replacement capital projects. Given adequate funding from rates, as a matter of policy, the City will not issue long-term debt to fund annual renewal and replacement capital projects. The minimum annual funding from rates shall be at least equal to or greater than the City’s annual depreciation expense. The annual funding of CARMA is an example of annual renewal and replacement funding approach than can be used annually for infrastructure betterments and replacement.

Discussion: Adequate annual rate funding for renewal and replacement capital projects has two key benefits to the City. First, it helps to maintain the City’s facilities and avoid deferrals of capital projects. The other major benefit is that appropriate capital funding from rates provides a stronger debt service coverage ratio which provides a positive signal to the bond rating agencies. The use of annual depreciation expense as a target

for minimum annual funding reflects the current infrastructure in the City’s system, but it does not reflect the full replacement cost of those assets. Hence, the “equal to or greater than” portion of this policy is intended to reflect the issue of replacement cost funding.

Rating Agencies view capital funding through rates (i.e. renewal and replacement funding from rates) as important for the overall health of the system. Fitch views declining annual depreciation as an indication that the Utility is not keeping up with renewal and replacement. Moody’s considers fully funding depreciation an indication that the Utility is adequately conducting renewal and replacement of aging infrastructure. Table 3 provides Fitch and Moody’s specific measures for adequate funding for capital.

Table 3 Level of Rate Funding for Renewal and Replacement Capital Funding		
Rating Agency	AAA/Aaa	AA/Aa
S&P Ratings Services	None	None
Fitch Ratings ⁴	Free cash relative to depreciation equal to 100% or greater	Free cash relative to depreciation equal to approximately 85%
Moody’s Investors Service ⁵	Net Fixed Assets/Annual Depreciation Greater than 75 Years	Net Fixed Assets/Annual Depreciation 25 to 75 Years

As can be seen, Fitch and Moody’s each use annual depreciation expense to assess the adequacy of annual funding.

2.2 Long-Term Debt as a Funding Mechanism – The City can consider the use of long-term debt to fund significant non-reoccurring capital projects. The policy objective when issuing long-term debt is to minimize the financial and rate impacts of significant non-reoccurring capital projects.

Discussion: The intent of this policy is to signal a prudent use of long-term debt and avoidance of, or reliance upon, long-term debt for funding annual renewal and replacement activities. In that respect, this policy is a companion to Policy 2.1. Other considerations for the use of long-term debt include, but are not limited to:

- Current interest rates (costs)
- Current amount of the utility’s outstanding debt levels
- Consistency with the City’s debt policy and overall debt level

An important concept is the avoidance of an over-reliance upon debt. To assess this, the rating agencies use certain variations of debt/equity ratios. More specifically, the rating agencies may consider the measure of debt to capitalization or debt to operating revenue. These measures are a measure of leverage, rather than just the City’s ability

⁴ Fitch Ratings, P. 6, Attributes: Financial Profile (Table)

⁵ Moody’s Investors Service, P. 9 Exhibit 6

to pay. It is possible for a utility to have a high debt service coverage ratio, but be highly leveraged. Table 5 shows Standard & Poor’s and Moody’s measure of the extent the utility is leveraged.

Table 4 Rating Agency Debt Leverage Measures		
Rating Agency	AAA/Aaa	AA/Aa
S&P Ratings Services ⁶	Up-to 20% Debt to Capitalization	20% to 35% Debt to Capitalization
Fitch Ratings	None	None
Moody’s Investors Service ⁷	Less than 2.0 Debt to Operating Revenue	2.0 to 4.0 Debt to Operating Revenue

The S&P approach is the more common measure and likely more easily understood by the City Council and the Public. Given that, the City’s policy has been written to encourage a debt/equity ratio which is less than XX%.

2.3 Types of Long-Term Debt – To minimize the overall costs of debt, the City shall strive, at all times, to utilize the lowest and best available cost option for issuing debt.

Discussion: This policy is a logical perspective about the cost of debt and the City’s desire to maintain low costs of operation and funding of capital.

2.4 Bond Covenants – The City, at all times, shall adhere to and meet any bond covenants put forth by bonds issued by the City. Bond covenants are legal obligations placed upon the City. If the City is not in compliance with bond covenants, the City’s management team shall inform the City Council and appropriate action will be taken.

Discussion: This policy is not necessary since bond covenants are legal requirements associated with the issuance of debt and the City is legally obligated to meet the bond covenants or face a technical default on the bonds.

2.5 Debt Service Coverage Ratio – At all times, the City shall meet the minimum debt service coverage (DSC) requirements associated with bond covenants. For financial planning and rate setting purposes, the City shall target a minimum DSC of 1.50 times annual debt service on all outstanding debt.

Discussion: A debt service coverage (DSC) ratio is a financial measure of the City’s ability to repay the debt. The rate covenants typically require a minimum DSC of 1.25 or 1.30 on the outstanding bonds. Subordinate debt (e.g. SRF loans, etc.) typically require only a 1.00 DSC. While those are the minimum required DSC, the City should plan around a higher DSC to ensure meeting the bond covenants. Given that, a utility will establish a DSC for planning purposes which is higher than the minimums.

Ratings Agencies view debt service coverage, or similar calculation, as a critical measure. Fitch specifically speaks of conducting stress tests where there is either a

⁶ Standard & Poor’s Ratings Services, P. 28, Table 21

⁷ Moody’s Ratings Service, P. 12, Exhibit 7

drought or a key industrial customer leaves the area and views the impact to the DSC. Having a 1.0 indicates the utility has no more funds after paying debt service which would leave no room for unexpected events such as sudden economic downturn or even a drought. Table 5 provides an overview of the rating agency’s targeted debt service coverage ratio, or a relatively comparable ratio, for AAA/Aaa and AA/Aa rated utilities.

Rating Agency	AAA/Aaa	AA/Aa
S&P Ratings Services (All-in Ratio) ⁸	Equal to or Greater than 1.6	1.4 to 1.6
Fitch Ratings ⁹	Equal to or Greater than 2.0	1.5 to 2.0
Moody’s Investors Service ¹⁰	Equal to or Greater than 2.0	1.7 to 2.0

2.6 Accounting and Reporting Standards – The City will comply with all applicable accounting and reporting standards.

Discussion: This policy is a very common sense policy, but it is also typically a part of the bond covenants.

3. Balanced Operating Budget

3.1 Self-Supporting – The water and sewer utility shall be self-supporting, where current revenue fully funds current operating and capital expenditures on an annual basis.

Discussion: The City currently separates the revenues and expenses between the water and sewer utilities. This allows for the City to review the funding needs for each utility on a stand-alone basis where water revenues fund water expenses and sewer revenues fund sewer expenses. Avoidance of subsidies between the water and sewer utility should be a goal of the City.

3.2 Adequate Funding to Preserve System Assets – The City’s assets shall be properly operated and maintained to provide for a long life. Annual operating expenditures will be budgeted and funded at a level that promotes the efficient operation of and preservation of assets through the asset’s useful life.

Discussion: This policy is a companion to Policy 2.1 and is intended to provide adequate funding to support the operation and maintenance of each system.

3.3 Evaluation and Monitoring of Cost – Costs will be monitored **monthly** to ensure the utility is operated in a cost effective and economically prudent manner.

Discussion: This policy is a companion to Policy 2.6 and is intended to demonstrate the City’s commitment to managing the utility in a cost-effective and prudent manner.

⁸ Standard & Poor’s Ratings Services, P. 24, Table 17

⁹ Fitch Ratings, P. 6 Attributes: Financial Profile (Table)

¹⁰ Moody’s Investors Service, P. 12, Exhibit 7

- 3.4 Positive Annual Net Income** – The City shall plan for annual net income (total revenue less O&M, taxes or transfers, debt service, and capital projects funded from rates) greater than or equal to zero (positive balance of funds).

Discussion: This policy is a companion to Policies 3.1 and 3.2 and is intended to provide a simple financial test to demonstrate positive cash-flow for the systems.

- 3.5 Strive for Rate Stability** – The City’s rates should be stable over time while generating sufficient revenue. As a part of the annual budgeting process, the City shall review the rates to confirm the adequacy of the current rates.

Discussion: Revenue stability can be viewed from two perspectives; from the City’s perspective and from the customer’s perspective. In this case, the focus is on stable revenue from the City’s perspective.

- 3.6 Disposition of “One-Time” Revenue** – In instances of large one-time revenues (e.g. legal settlement), if not specifically earmarked, the funds will be transferred to an appropriate reserve(s) (operating, capital or rate stabilization).

Discussion: The City Council should provide clear direction to management on the use of proceeds from a large “one-time” source of revenue.

- 3.7 Alternative Funding/Revenue Diversification** – To minimize overall rates, the City should explore alternative revenue sources such as grants and direct developer contributions.

Discussion: This policy is a companion to the policies to minimize overall costs of the utility.

4. Establishing Rates and Fees

The City shall establish rates utilizing industry recognized “generally accepted” rate setting methodologies. This will provide the City with consistency in their ratemaking process, while also establishing rates which are legally defensible. The City’s policies on establishing the water and sewer rates and fees, and the general methodologies to be utilized, are as follows:

4.1 Revenue Requirement Analysis

The revenue requirement analysis provides a projection of the City’s revenues and expenditures for a defined time period. The revenue requirement analysis shall provide the City Council with the information and cost-basis to determine the size and timing of any proposed rate adjustments. The City’s revenue requirement analysis methodology shall consider the following:

4.1.1 The revenue requirement analysis will be developed for a projected five-year time period.

4.1.2 Revenue requirements will be established using the “cash basis” methodology. The “cash basis” methodology includes O&M expenses, taxes/transfer payments, debt service (P+I) and capital improvements (renewal and replacement) funded from rates. The revenue requirements may include a component for change in working capital/rate stabilization funds to manage reserve balances and mitigate rate impacts.

4.1.3 Costs shared across utilities shall be allocated to each utility based an equitable

allocation method. These may include, but not be limited to, labor ratios, number of customers, revenues, usage etc. The allocation method should be whichever method most equitably allocates the specific cost.

4.1.4 Any wholesale increases imposed upon the City by a water supplier or wastewater treatment agency will be reviewed for financial/rate impacts.

4.1.5 The City's revenue requirement analysis shall fully incorporate the City's reserve, debt and budgeting policies.

Discussion: Revenue requirements projects the City's revenues and expenses (operating and capital) to determine the overall level of rate adjustments needed.

4.2 Cost of Service Analysis

A cost of service analysis provides an equitable method to allocate the City's water and sewer revenue requirements to the customers utilizing the service. The City's cost of service analysis for the water utility shall use generally accepted cost of service methodologies as defined by the American Water Works Association (AWWA) and the analysis developed for the City's sewer utility shall use cost of service methodologies as defined by the Water Environment Federation (WEF). The City's water and sewer cost of service shall be developed to provide an equitable allocation of costs by taking into consideration a customer group's (e.g. residential, commercial) facility requirements and usage characteristics. The City's specific cost of service policies are as follows:

4.2.1 The cost of service shall be developed for a projected one-year time period or the period over which rates will be set, utilizing the revenue requirements as developed in 4.1.

4.2.2 The cost of service analysis shall be designed and developed to consider the unique and specific circumstances of the City's water and sewer system.

4.2.3 The City shall allocate costs to customer class of service based upon facility requirements and usage characteristics.

4.2.4 When necessary, the City may phase-in the cost of service results to transition to fully-cost based rates.

Discussion: A cost of service equitably allocates the City's water and sewer revenue requirements to the various customer classes of service. The City's recent rate study provides a similar approach to reviewing the differences in serving the various types of water and sewer customers served.

4.3 Rate Design Analysis

The development of cost-based rate designs concludes the City's rate setting process. The development of rate designs utilizes the results from the revenue requirement and cost of service analysis to establish the target level of revenues for each customer class of service (rate schedule). The City's rate design analysis is primarily focused on the structure of the rates. The City's rate design analysis policies are as follows:

4.3.1 The City shall utilize the results of the revenue requirement analysis and cost of service analysis in the development of final proposed rate designs.

4.3.2 Rates shall be designed to collect the overall target level of revenues for each customer class of service.

- 4.3.3 The City’s rate designs shall be reflective of the City Council’s rate design goals and objectives, while also being reflective of the greater public purpose (e.g., economic development, conservation, etc.).
- 4.3.4 The City shall take into consideration both fixed and variable costs in the development of final proposed rates. The average unit costs calculated within the cost of service analysis provides the cost-information related to fixed and variable costs.
- 4.3.4 Bill comparisons shall be developed for all proposed rate designs to illustrate the general impacts to customers across a range of consumption.
- 4.3.5 In establishing the final water and sewer rates, the City’s Council may take into consideration neighboring utility rates, but not to the financial detriment of the City.

Discussion: The final analytical step of a comprehensive rate study is the design of water and sewer rates. This policy and the sub-policies are intended to develop proposed rate designs which are based upon the findings, conclusions and recommendations from the revenue requirement and cost of service analysis.

4.4 Other Rate Setting Considerations

Provided below are other policies related to the City’s rate setting process.

- 4.4.1 At a minimum, the City shall conduct a comprehensive rate study every five (5) years to update assumptions and determine financial sustainability.

Discussion: This is a common industry best practice. Gaining an independent outside expert opinion and developing a well documented rate study is a significant document during the bond ratings process.



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Memorandum 21-042

TO: City Council
THROUGH: Rob Dumouchel, City Manager
FROM: Janette Keiser, Director of Public Works
DATE: October 6, 2020
SUBJECT: Resolution 20-077(S) – Water/Sewer Reserve Funds

Issue: The City Council asked us to review and make recommendations on how the City’s Capital Asset Repair and Maintenance Allowance Funds for the Water and Sewer Utilities should be built and administered. Deliberation on Resolution 20-077(S) was postponed pending this work. We respectfully ask for additional time.

Background:

The City Council adopted Ordinance 21-03 authorizing a contract to HDR Engineering for specialized Utility Financial Management Services, in an amount not to exceed \$35,000. We worked with HDR to identify a specific scope, which is set forth on the attached proposal and have a fully executed Task Order in place. The scope includes at least two Work Sessions with Council to update the body on findings and interim recommendations.

We need time to make progress through the proposed work in order to develop a meaningful new Policy Manual for the CARMA Funds. We ask that Resolution 20-077(S) be further postponed until we are able to come back with sensible recommendations. We will have a kick-off meeting the week of February 15 and will updated the Council through the City Manager’s Report that will be issued for the March 8 Council meeting.

Recommendation:

That Resolution 20-077(S) be tabled until April 26, which is when, according to the Budget Schedule for FY 2022 and 2023, Council is scheduled to review “Preliminary Budget Assumptions”.

TASK ORDER #6
Water/Sewer Utility Financial Services

This Task Order pertains to an Agreement by and between the City of Homer, (“OWNER”), and HDR Inc., (“ENGINEER”), dated May 8, 2017, (“the AGREEMENT”); extended December 20, 2019 to April 17, 2022. Engineer shall perform services on the project described below as provided herein and in the Agreement. This Task Order shall not be binding until it has been properly signed by both parties. Upon execution, this Task Order shall supplement the Agreement as it pertains to the project described below.

PART 1.0 - PROJECT DESCRIPTION: Review City’s financial policies and practices related to its water/sewer utilities and make recommendations for improvement

PART 2.0 - SCOPE OF SERVICES TO BE PERFORMED BY ENGINEER:

See attached HDR proposal, dated 2-3-21, which generally describes the work as:

- | | |
|---------|--|
| Task 1 | Data Collection and Review |
| Task 2 | Kick-Off Meeting |
| Task 3 | Review the City’s Past Rate Setting Approach and Key Financial Variables |
| Task 4 | Review and Development of Financial/Rate Setting Policies |
| Task 5 | Preliminary Review of the Capital Planning Approach |
| Task 6 | Development of the Preliminary Financial Plan (Revenue Requirement) |
| Task 7 | Participate in City Council Workshop |
| Task 8 | Finalize the Phase I Revenue Requirement |
| Task 9 | Review of the City’s Rate Designs |
| Task 10 | Develop written report documenting technical analysis & recommendations |
| Task 12 | Develop Computer model |

PART 3.0 - OWNER’S RESPONSIBILITIES: Owner’s representative shall provide the consultant team with direction related to City’s improvement needs and:

- 1) Provide appropriate records.
- 2) Review submittals expeditiously.
- 3) Process pay requests expeditiously.

PART 4.0 - DELIVERABLES AND TIME PERIOD: See Attached Proposal

PART 5.0 - PAYMENTS TO ENGINEER: Time and expense contract, not to exceed \$35,000.

This Task Order is executed this 9th day of February 2021.

CITY OF HOMER
“OWNER”

HDR, Inc.
“ENGINEER”

By: Rob Dumouchel

By: Tim Gallagher

Signature: _____

Title: City Manager

Signature: _____

Title: Vice President

City of Homer Water and Sewer Rate Study

Scope of Services

Task 0—Project Management

This task includes the general project management activities that are required to complete the rate study on time and within budget. This includes allocating the appropriate labor resources to the project and working with the City's Project Manager to schedule project meetings and provide monthly invoices and progress reports.

Expected City Staff Support for Task 0:

- Coordination with the HDR project manager and local liaison on scope, budget, and schedule

Deliverables as a Result of Task 0:

- Monthly invoice and progress report of project status and budget.

Task 1—Data Collection and Review

HDR will provide a written data request to City for review prior to the project kick-off meeting. The written data request will provide a detailed and organized list of the data required for the study. It is anticipated that the data should be readily accessible information. In development of this study, additional data requests may be necessary to complete each task.

Expected City Staff Support for Task 1:

- Collect the requested data as provided in the initial data request.
- Identify data constraints or unavailable data.

Deliverables as a Result of Task 1:

- An initial written data request to City.
- Additional data request identifying outstanding data needs.

Task 2—Kick-Off Meeting

The kick-off meeting will be used to discuss the key objectives to be achieved in the study. The City project team and HDR project team will review the general approach (scope of services), project time schedule, the initial data provided by the City, and identify any outstanding data needs. HDR will schedule a virtual two-hour initial project kick-off meeting.

Expected City Staff Support for Task 2:

- Have City project team members attend a two-hour kick-off meeting.
- Provide input on the study goals and objectives, challenges, and concerns for the study.

Deliverables as a Result of Task 2:

- Lead a two-hour virtual kick-off meeting attended by up to three HDR project team members.
- Summary outline of the study approach, schedule, challenges, and concerns.

Task 5—Preliminary Review of the Capital Planning Approach

A key element of the development of cost-based rates is the determination of the capital improvement needs. HDR will assist the City to evaluate annual needs (e.g., asset replacement, minimum annual depreciation expense) to provide the basis for capital improvement plan for each utility. This will include and consider the City provided data and approaches to establish the renewal and replacement needs, age and condition of the assets, and regulatory requirements of each utility.

Expected City Staff Support for Task 5:

- Provide as needed assistance to clarify the City's data and information and provide as needed additional data and information.
- Collaborate with HDR in the development of the approach to establish capital improvement needs.

Deliverables as a Result of Task 5:

- Preliminary list of capital improvement projects to be included in Task 6 – Preliminary Financial Plan.

Task 6—Development of the Preliminary Financial Plan (Revenue Requirement)

This task will develop a preliminary financial plan, or revenue requirement, to provide the City with a long-term forecast that considers the prudent and proper funding for O&M and capital expenditures and evaluates the need for rate adjustments over the time period for each utility. The various analytical steps of this task are described below.

Using generally accepted methodologies, the revenue requirement analysis for each utility will be developed for a minimum five-year projected time period. This time period allows the City to review the impacts to rates, identify future revenue short falls, and develop a transition plan to adequately fund each utility's operating and capital improvement expenses on an annual basis.

Operational costs are generally projected from historical or budgeted costs, using escalation (inflationary) factors for future costs, and adjusted for known changes in operations (e.g., changes in personnel, operating costs, growth and expansion). For each utility, HDR will begin with the City's current budget and financial results to project costs into the future using escalation factors for the various types of costs that the City incurs (e.g., labor, benefits, electricity, consumable items). Costs will also be analyzed and adjusted for changes in service levels, customer growth, and other factors.

The starting point for projecting capital expenditures will be the results of the discussion in Task 5. The goal is to develop a capital funding plan for each utility that maximizes the funds available while minimizing overall rate impacts. Consideration of internal and external source of funds will be made to minimize rate impacts to the greatest extent possible.

This framework provides the proper approach to evaluate the financial/rate implications of the necessary capital improvements for each utility. From a financial planning perspective, HDR encourages utilities to fund, at a minimum, an amount equal to or greater than a utilities annual depreciation expense. This amount of funding reflects the portion of a utility's assets that are becoming obsolete or beyond its useful life. It is important to note that annual depreciation expense is not the same as replacement cost. If the City does not collect full replacement costs

- Participation one virtual meeting or workshop.
- Develop public meeting presentation materials (i.e., PowerPoint, charts, graphs).
- Review of the data provided by the City and identification of outstanding data needs.

Task 8—Finalize the Phase I Revenue Requirement

Based on the analysis completed, and direction received from City staff and City Council, this task will develop the final revenue requirement. This will include the final operating and capital funding approaches, financial and rate setting policies, and overall rate revenue transition plan for each utility. At the completion of the draft final revenue requirement a one-hour virtual project meeting will be held to review the analysis for each utility. At the conclusion of the meeting, HDR will develop the final revenue requirement for each utility.

Expected City Staff Support for Task 8:

- Participate in a one-hour virtual project meeting to review the draft final revenue requirement.

Deliverables as a Result of Task 8:

- An electronic version of the draft final, and final revenue requirement.
- Lead a one-hour virtual project meeting to review the draft final revenue requirement.

Task 9—Review of the City's Rate Designs

Transition is an important concept when setting water and sewer rates. This applies to both the level of the rates (how much) as well as the structure of the rates (how it is collected from customers). This task will not include the development of new water or sewer rate structures. It will, however, provide the City with the information necessary to develop future rates, based the development of the prior tasks.

This task will review the current rate structures and the City's approach to establishing rates. As noted, the starting point for this task will be the results and recommendations from the prior tasks and policy direction from City staff and Council as it relates to rate design goals and objectives. From these prior discussions and technical analyses, conceptual rate structures will be developed to reflect the City's rate setting approach. HDR will provide bill comparisons to demonstrate the bill impacts to customers at various levels of consumptive use. At the conclusion of this task, HDR will provide a recommendation on the rate structure and implementation approach.

Up to two, one-hour, virtual project meetings will be held to review and discuss the alternative rate structures and recommendations.

Expected City Staff Support for Task 9:

- Participate in two virtual project meetings.
- Identification of key rate structure goals and objectives.

Deliverables as a Result of Task 9:

- Development of conceptual rate structures and implementation approach.
- Lead two virtual project meetings.

Estimated Project Time Schedule

Based on HDR’s experience in developing similar studies, the following schedule has been developed.

Exhibit B – Hourly Billing Rates and Project Fee

Project Fees

Given the hourly billing rates, and the scope of services outlined in Exhibit A, the project fee for City’s water and sewer rate study was developed on a task basis. Provided below is a summary of the project fee for City’s study.

City of Homer Water and Sewer Rate Review	
Task Description	Total
<i>Labor:</i>	
Task 0: Project Management	\$2,456
Task 1: Data Collection and Review	\$1,051
Task 2: Kick-Off Meeting	1,110
Task 3: Past Rate Setting and Financial Variables	1,975
Task 4: Financial/Rate Setting Policies	2,394
Task 5: Review of the Capital Planning Approach	5,280
Task 6: Preliminary Financial Plan	7,841
Task 7: Council Workshop	1,332
Task 8: Finalize Revenue Requirement	3,286
Task 9: Review of the City’s Rate Designs	3,294
Task 10: Public Workshops	2,122
Task 11: Written Documentation	2,815
Task 12: Computer Models	<u>0</u>
Total Phase II	\$34,956
Total Expenses	<u>44</u>
Grand Total “Not to Exceed” Fees	<u>\$35,000</u>

The above project fee is based on the scope of services previously presented as Exhibit A. Should City request any additional services under this contract, the services will be provided at the hourly billing rates stated above and as agreed to in writing between City and HDR.



Memorandum 20-205

TO: Mayor and Homer City Council
THROUGH: Rob Dumouchel, City Manager
FROM: Janette Keiser, Director of Public Works
DATE: December 3, 2020
SUBJECT: Industry Standards Relating to Water-Sewer Reserves and Q&A

I have been continuing to research benchmarks related to the financial matters for water/sewer utilities, using the Environmental Protection Agency’s Environmental Finance Service Center (“EPA”), American Water and Wastewater Association (“AWWA”) and other water/wastewater industry experts, as well as the Government Finance Officers Association (“GFOA”), as resources. In particular, I’ve been looking for answers to questions posed by the Council and staff about such matters. Here is a summary of findings and conclusions:

Question #1: What do we need reserves for?

Answer: Attached is a summary of the basic Elements of Reserves for a typical utility Fund, which identifies various categories of reserve funds, the total sum of which represents a utility’s Reserve Fund:

- Operating Reserves
- Capital Contingencies
- Equipment Replacement
- Debt Service Coverage

Question #2: How much money should we have in our Water/Sewer Reserve Funds?

Answer: There are industry standards for each element, which are identified on the attached Elements of Reserves. Obviously, the level of the City’s Reserve Funds depends on affordability and need. There are industry standard tools for measuring both factors and for guiding the gradual development of a sustainable level of funding.

Question #3: How should we build the Reserve Funds?

Answer: Usually, utilities include an element in their tariffs to build their reserve funds, because that is the only source of revenue they have, beyond grants, debtor or one-off injections of cash, such as from a sale of property. In Homer, we have another source of funding for capital projects, the HAWSP Fund, but

this is unique to Homer. And, analysis of the HAWSP Fund’s purpose and need demonstrates that Homer needs multiple sources of revenue to support its relatively expensive utility systems.

Question #4: How should we spend money from the Reserve Funds?

Answer: It is a Best Practice for utilities to have written financial policies that govern how their reserve funds are spent. Further, expenditure of reserve funds should require authorization by the governing body and be based on approved planning documents that identify project needs and project cash flow. Developing and maintaining a robust asset management system is also a Best Practice to assist with preventative maintenance and long-term planning of asset replacement.

Question #5: How do I know if our Reserve Funds are healthy?

Answer: The AWWA, EPA and GFOA all recommend that Reserve Funds be subject to oversight in accordance with Generally Accepted Accounting Practices and the municipality’s financial policies, generally through the budget process. There are Best Practices to guide these processes.

Question #6: How do we keep the Reserves from continuing to build at the expense of our rate/tax payers?

Answer: The Reserve Funds are built from the water/sewer rates, which are adjusted annually and linked to the budget and capital planning processes. This gives the governing body multiple opportunities to adjust the Reserve Funds to affordable levels, which address needs. Further, the governing body will receive financial reports, at least quarterly, which it can review in the context of the body’s established financial policies.

Question #7: What else can we do to bring some clarity to these matters?

Answer: All the resource agencies recommend as a Best Practice, that utilities have written, and codified financial policies, to guide decision making and accountability. The City of Homer has a number of financial policies, but they are not necessarily in the same place and some of the provisions are ambiguous enough to allow different interpretations, which can cause confusion and conflict. The City can review its financial policies to (1) fill in any blanks; (2) clarify any ambiguities; and (3) reconcile any conflicts.

Elements of Reserves in a Utility Fund

- **Operating Reserves** – These are cash reserves available to cushion the time lag between when billing happens and when bills are paid. Industry standards recommend having reserves totaling 60-90 days of operating and maintenance costs.

<u>Utility</u>	<u>Total Operating Costs</u>	<u>Recommended Operating Reserve</u>
Water	\$2,320,278	\$381,415 - \$572,040
Sewer	\$1,788,617	\$294,000 - \$441,000

- **Capital Contingency** – These funds pay for unexpected major repairs. Industry standards recommend an amount equal to 1-2% of the system’s fixed assets.

<u>Utility</u>	<u>Value of Fixed Assets¹</u>	<u>Recommended Capital Contingency</u>
Water	\$48,920,806	\$489,208 - \$978,416
Sewer	\$44,707,860	\$447,078 - \$894,157

- **Infrastructure Replacement Funding** – These funds are used to replace assets, in accordance with established planning documents, such as an Asset Management Plan, a Capital Improvement Plan and an Equipment Replacement Schedule. The numbers below represent numbers from the Draft Asset Management Plan.

<u>Utility</u>	<u>Reserve Required to Build Replacement Fund²</u>
Water	\$7,573,704
Sewer	\$5,280,544

- **Totals**

<u>Utility</u>	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>	<u>V</u>	<u>VI</u>
	<u>Operating Reserve</u>	<u>Capital Contingency</u>	<u>Minimum (II + III)</u>	<u>Infrastructure Replacement</u>	<u>Totals</u>	
Water	\$572,000	\$978,416	\$1,550,416	\$7,573,704	\$9,124,120	
Sewer	\$441,000	\$894,157	\$1,335,157	\$5,280,544	\$6,615,701	

¹ From AML insurance worksheet showing 2019 value of City Building Assets

² From 2020 draft Asset Management Plan prepared by JAK

- **Debt Service Coverage** – This includes payments required to service debt as well as minimum levels of reserves required to cover bond covenants.

HAWSP Fund Debt Payment – principal & interest \$1,029,766/Year

- **Debt management** – Credit agencies don't like utilities to fund all their capital improvements with debt, but prefer that no more than 60% of a project is financed with debt.

POLICY MANUAL FOR THE WATER AND SEWER CAPITAL ASSET REPAIR AND MAINTENANCE ALLOWANCE "CARMA" FUNDS

Table of Contents

- I. Purpose
- II. Definitions
- III. Maximum Spending Limit and Spending Plan
- IV. Accounting Matters

I. PURPOSE

The City Council established Capital Asset Repair and Maintenance Allowance (CARMA) accounts for multiple City programs and departments within the General Fund. The intent of the City of Homer CARMA Funds is *"for appropriation and expenditure for equipment replacement, fleet replacement, engineering or planning services, major maintenance of city facilities, or any other purpose as identified and recommended by the City Manager and authorized by the City Council...and to extend the life and use of taxpayer funded assets, facilities and infrastructure."* (See Ordinance 19-35(S)(A). It is appropriate that the Water and Sewer Utilities, which operate as independent utilities, comport with the intent and policy set forth in Ordinance 19-35(S)(A). Thus, the City Council hereby establishes CARMA Funds for the Water and Sewer Utilities to fund improvements, repairs, and replacements to the City's existing water and sewer systems; that is, to benefit existing customers by keeping the utility systems in a state of good repair. CARMA Funds may be used for Capital Contingencies or Infrastructure Replacement.

Note: In addition to the Water and Sewer CARMA Funds, the City has a Homer Accelerated Water and Sewer Program (HAWSP). HAWSP is intended to fund projects, which extend systems or otherwise expand capacity to serve new customers as well as support public health in other ways. (See HAWSP Policy Manual for more information on the HAWSP.)

II. DEFINITIONS

- a. **Capital Contingency** – These funds pay for unexpected or unplanned major repairs. Industry standards recommend an amount equal to 1-2% of the system's fixed assets.

- b. **Capital Improvement Plan (CIP)** – A multi-year document that lays out priorities for capital projects, including descriptions of each project, rationale for why each project is needed, order of magnitude cost estimate, and other information about the project.
- c. **HART** – Homer Accelerated Roads and Trails program, a fund established by the voters of the City of Homer and funded by a voter-approved dedicated sales tax, intended to improve roads, sidewalks, and trails within the City of Homer, thereby improving property values and quality of life.
- d. **HAWSP** – Homer Accelerated Water and Sewer Program, a fund established by the voters of the City of Homer and funded by a voter-approved dedicated sales tax, intended to improve the health and welfare of the Citizens of Homer by connecting residences to City water and/or sewer, thereby increasing the number of users on the system, increasing property values, and improving the quality of life; the funds may also be used on other water and sewer infrastructure that expand the systems or protect the public health.
- e. **Infrastructure Replacement** – The replacement of assets, in accordance with established planning documents, such as an Asset Management Plan, a Capital Improvement Plan and an Equipment Replacement Schedule.
- f. **Operating Reserves** – These are cash reserves available to cushion the time lag between when billing happens and when bills are paid. Industry standards recommend having reserves totaling 30-45 days of operating and maintenance costs.
- g. **Unencumbered Fund Balance** – The balance within the Water and Sewer CARMA Funds that are not allocated to a project.
- h. **Water and Sewer System Improvements** – Any work, such as planning, design, or construction, etc., that improves the City’s water and sewer infrastructure, including, but not limited to, the extension, expansion, repair, or rehabilitation of
 - 1. The City’s water supply, raw water transmission lines, water treatment facilities, water storage facilities, water distribution lines, fire-fighting devices, and related or similar appurtenances.
 - 2. The City’s sewer collection lines, sewer lift stations, RV Dump Stations, wastewater treatment facilities, discharge outfall, and related or similar appurtenances.
 - 3. Other facilities related to providing public access to clean water and the sanitary disposal of human wastes to protect public health.

III. MAXIMUM SPENDING LIMITS AND SPENDING PLAN

- a. *“The amount of the CARMA funds shall be established by City Council in the biennial budget based on the projected maintenance and repair needs of the City.” (Ordinance 19-35(S)(A)).* This means CARMA funds are supported by an appropriate planning document, which forecasts needs for repair and maintenance.
- b. The Public Works Department shall, on an annual basis, submit for City Council review, separate Capital Improvement Plans for the Water and Sewer Utilities, which shall identify Major Capital Projects required to (i) keep the utilities in a state of good repair or (ii) expand capacity. These Plans shall include cost projections and rank the projects in order of need, applying the following criteria:
 1. Expands service to currently unserved areas.
 2. Addresses public health, safety, or regulatory changes.
 3. Improves, repairs, replaces, rehabilitates, or otherwise corrects deficiencies in existing utility systems.
 4. Is listed in another planning document adopted by the City Council, such as the citywide CIP, Water/Sewer Master Plan, Parks Capital Improvement Plan, etc.
 5. Reduces maintenance costs.
 6. Other factors deemed appropriate by the City Council.
- c. As part of the budget process, the City Council shall:
 1. Assess the health of the CARMA Funds in accordance with the City’s Financial Policies.
 2. Establish by ordinance a Maximum Spending Limit and a Spending Plan for the Water and Sewer CARMA Funds for the subject year. Once adopted the Maximum Spending Limits and Spending Plans may only be changed by the City Council.

IV. ACCOUNTING MATTERS

- a. The Water/Sewer CARMA Funds are built from a commodity-based fee, contained within the water/sewer tariff, which is deposited into separate accounts and managed as Retained Earnings. These fees may vary from year to year depending on need and as adopted by Council as part of the water/sewer rate-setting process.
- b. Water/Sewer CARMA Funds should be sufficient to cover the following elements:
 1. Operating Reserves
 2. Debt Service Coverage
 3. Capital Contingencies
 4. Infrastructure Replacement Funding
 5. Funding to comply with existing or projected bond covenants
- c. Interest, if any, generated from a CARMA Fund will remain in that Fund.

- d. The Finance Department shall, on a quarterly basis, submit for City Council review, financial statements showing the status of the Water and Sewer CARMA Funds.
- e. The City may, at its discretion waive allocations of General Fund Overhead expenses for projects funded by CARMA funds.
- f. Projects may be funded through the CARMA Funds, bonds, grants, or a combination of these or other funding mechanism that may be identified by the City.
- g. All projects funded by the CARMA Funds must comply with the provisions of HCC Titles 14, City of Homer Public Utility Systems, and 17, Public Assessments.
- h. CARMA and HAWSP funds may be used to jointly fund a project. CARMA funds should be used for portions of the project that improve, repair, or replace existing water or sewer infrastructure while HAWSP funds should be used for portions of the project that expand capacity or result in new water or sewer infrastructure.
- i. The City does not expect to fully capitalize the replacement of Major Projects, but to instead, leverage debt in accordance with the City's Financial Policies.

POLICY MANUAL FOR THE WATER AND SEWER CAPITAL ASSET AND MAINTENANCE ALLOWANCE "CARMA" FUNDS

Table of Contents

- I. Purpose
- II. Definitions
- III. Qualifying Project Criteria
- IV. Financing
- V. Maximum Spending Limit and Spending Plan

I. PURPOSE

The City Council established Capital Asset and Maintenance Allowance Funds for multiple City programs and departments, including the Water and Sewer utilities. The intent of the City of Homer Water and Sewer Capital Asset and Maintenance Allowance Funds ("CARMA Funds") is to fund improvements, repairs, and replacements to the City's existing water system and sewer systems; that is, to benefit existing customers by keeping the utility systems in a state of good repair.

In addition to the Water and Sewer CARMA Funds, the City has a Homer Accelerated Water and Sewer Program (HAWSP). HAWSP is intended to fund projects, which extend systems or otherwise expand capacity to serve new customers as well as support public health in other ways. (See HAWSP Policy Manual for more information on the HAWSP.)

II. DEFINITIONS

- a. **Capital Improvement Plan (CIP)** – A multi-year document that lays out priorities for capital projects, including descriptions of each project, rationale for why each project is needed, schedule and progress to date, and estimated total cost.
- b. **HAWSP** – Homer Accelerated Water and Sewer Program, a fund established by the voters of the City of Homer and funded by a voter-approved dedicated sales tax, intended to improve the health and welfare of the Citizens of Homer by connecting residences to City water and/or sewer, thereby increasing the number of users on the system, increasing property values, and improving the quality of life; the funds may also be used on other water and sewer infrastructure that expand the systems or protect the public health.

- c. **Unencumbered Fund Balance** – The balance within the Water and Sewer CARMA Funds that are not allocated to a project.
- d. **HART** – Homer Accelerated Roads and Trails program, a fund established by the voters of the City of Homer and funded by a voter-approved dedicated sales tax, intended to improve roads, sidewalks, and trails within the City of Homer, thereby improving property values and quality of life.
- e. **Water and Sewer System Improvements** – Any work, such as planning, design or construction, etc., which improves the City’s water and sewer infrastructure, including, but not limited to, the extension, expansion, repair or rehabilitation of
 - 1. The City’s water supply, raw water transmission lines, water treatment facilities, water storage facilities, water distribution lines, fire-fighting devices, and related or similar appurtenances.
 - 2. The City’s sewer collection lines, sewer lift stations, RV Dump Stations, waste water treatment facilities, discharge outfall and related or similar appurtenances.
 - 3. Other facilities related to providing public access to clean water and the sanitary disposal of human wastes to protect public health.
- f. **Major Capital Project** – A project that exceeds \$1.1 million in value, which cannot be executed in an incremental fashion.

III. QUALIFYING PROJECT CRITERIA

- a. All projects will be authorized only after a public hearing pursuant to HCC Title 17.
- b. All projects using funds from the Water/Sewer CARMA Funds must meet at least three of the following criteria:
 - 1. Is located within the City limits.
 - 2. Addresses public health, safety or regulatory changes.
 - 3. Improve, repairs, replace, rehabilitate or otherwise correct deficiencies in existing water or sewer facilities
 - 4. Is listed a planning document adopted by the City Council, such as the citywide CIP, Water or Sewer CIPs, or Water/Sewer Master Plan.
 - 5. Reduces maintenance costs.
 - 6. Other factors deemed appropriate by the City Council.

IV. FINANCING

- a. Projects may be funded through the CARMA Funds, bonds, grants, or a combination of these or other funding mechanism that may be identified by the City.

- b. All projects funded by the CARMA Funds must comply with the provisions of HCC Titles 14 and 17.
- c. The Council shall review the CARMA Funds during the budget process.
- d. City Council shall assess the health of the CARMA Funds prior to approving a new project.
- e. Interest, if any, generated from a CARMA Fund will remain that Fund.
- f. The City shall not charge the CARMA Funds for General Fund Overhead.
- g. CARMA and HAWSP funds may be used to jointly fund a project. CARMA funds should be used for portions of the project that improve, repair, or replace existing water or sewer infrastructure while HAWSP funds should be used for portions of the project that expand capacity or result in new water or sewer infrastructure.

V. MAXIMUM SPENDING LIMITS AND SPENDING PLAN

- a. The Finance Department shall, on an annual basis, submit for City Council review, financial statements showing the status of the Water and Sewer CARMA Funds.
- b. The Public Works Department shall, on an annual basis, submit for City Council review, separate Capital Improvement Plans for the Water Utility and Sewer Utility, which shall identify Major Capital Projects required to (i) keep the utilities in a state of good repair or (ii) expand capacity. These Plans shall include cost projections and rank the projects in order with need.
- c. The City Council will, upon review of the documents described above, establish, by ordinance a Maximum Spending Limit and a Spending Plan for the Water and Sewer CARMA Funds for the subject year. Once adopted the Maximum Spending Limits and Spending Plans may only be changed by the City Council



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Memorandum 20-165

TO: Mayor Castner and Homer City Council
THROUGH: Rob Dumouchel, City Manager
FROM: Elizabeth Walton, Finance Director
DATE: October 6, 2020
SUBJECT: Water and Sewer Rate Model – Rate Scenarios

There has been some interest in performing a what-if analysis on adjusting the reserve requirement and its implications on the utility rates. Staff spent time identifying a couple different scenarios that aligned with previous council conversations. Below are descriptions on four different rate scenarios. Included as supplemental information to this memo are detailed rate models for each scenario and a comparison chart. This chart compares each of the proposed rates with our existing 2020 rate.

Scenario 1 – Maintain Current Rate Model (15% Reserve Requirement)

This scenario keeps everything status quo and utilizes a 15% reserve requirement. All other line items and definitions remain consistent with the original proposed model.

The model under these terms proposes the following rates:

Water Rates:

Commodity (per gal): \$0.0133

Bulk (per gal): \$0.0173

Monthly Fees: \$13

Sewer Rates:

Non-Lift Station: \$0.0157

Lift Station: \$0.0256

Scenario 2 – Utilize Current Rate Model, Amend to 10% Reserve Requirement

This scenario utilizes rate model, but amends the reserve requirement to 10% (instead of the original 15%). All other line items and definitions remain consistent with the original proposed model.

The model under these terms proposes the following rates:

Water Rates:

Commodity (per gal): \$0.0126

Bulk (per gal): \$0.0166

Monthly Fees: \$13

Sewer Rates:

Non-Lift Station: \$0.0149

Lift Station: \$0.0247

Scenario 3 – Utilize Current Rate Structure, Amend Inputs to match 2021 Budgeted Costs

This scenario utilizes current rate model structure, but amends inputs to match the adopted 2021 budgeted costs. The following line items in the water model were adjusted to match the budget: total revenue required, reserve requirement and service fee deduction. The hydrant rents line item is amended, as it is a fraction of the total revenue required. All other line items and definitions remain consistent with the original proposed model.

The model under these terms proposes the following rates:

Water Rates:

Commodity (per gal): \$0.0130

Bulk (per gal): \$0.0170

Monthly Fees: \$14

Sewer Rates:

Non-Lift Station: \$0.0148

Lift Station: \$0.0249

Scenario 4 – Utilize Current Rate Model, Amend to 2021 Budgeted Reserve Transfer

This scenario utilizes the current rate model, but amends the reserve requirement to match the FY21 budgeted reserve transfer (instead of the original 15%). All other line items and definitions remain consistent with the original proposed model.

The model under these terms proposes the following rates:

Water Rates:

Commodity (per gal): \$0.0127

Bulk (per gal): \$0.0167

Monthly Fees: \$13

Sewer Rates:

Non-Lift Station: \$0.0138

Lift Station: \$0.0237

Current Rates:

To provide additional context our current rates are as follows:

Water Rates:

Commodity (per gal): \$0.0132

Bulk (per gal): \$0.0172

Monthly Fees: \$13

Sewer Rates:

Non-Lift Station: \$0.0145

Lift Station: \$0.0224

Recommendation:

Without a detailed analysis on the budgetary implications of changing the inputs of the rate model it would seem to be worth considering Scenario 3, as it would further connect the model with our budget.

Future considerations should be given to adjusting the schedule of water/sewer rate passage. Some efficiencies could be found in timing the rate setting discussion around our budget schedule.

Scenario 1 - Rate Calculations

WATER Rate Model	
Revenues	
2020 Total Revenue Required - Water	\$ 1,911,348
15% Reserve Requirement	286,702
Deduct Portion Collected through Service Fee	(286,547)
Hydrant Rents (10% of Total)	(95,567)
Surplus Water Sales (Bulk) surcharge only	(67,796)
Revenue Required for Commodity Rate Calculation	\$ 1,748,140
Water Consumption (Gallons)	
Total Estimated Water Sales	131,000,000
Water Rates:	
Commodity Rate (per gal)	\$ 0.0133
Bulk Rate (per gal)	\$ 0.0173
Monthly Fees	\$ 13
Consumption Additional Information:	
FY19 Gross Meters Water Sales (Gallons)	131,478,500
SEWER Rate Model	
Revenues	
2020 Total Operating Revenue Required - Sewer	\$ 1,627,400
15% Reserve Requirement	244,110
Lift Stations Costs	(217,160)
Pumping Fee	(10,050)
Dumping Station Fees	(5,978)
Multi-Units and K-city (\$5/unit/mo.)	(70,320)
Revenue Required for Commodity Rate Calculation	\$ 1,568,002
Sewer Usage (Gallons)	
Projected Billable Volume	78,000,000
Projected Billable Volume - Lift Zone Only	22,000,000
Total Projected Billable Volume	100,000,000
Sewer Rate	
Non-Lift Station Rate	\$ 0.0157
Lift Station Rate	\$ 0.0256
Lift Station Additional Information:	
FY 19 Actually Billed Gallons (Lift Station Zone Only)	21,706,300

Scenario 2 - Rate Calculations

WATER Rate Model	
Revenues	
2020 Total Revenue Required - Water	\$ 1,911,348
10% Reserve Requirement	191,135
Deduct Portion Collected through Service Fee	(286,547)
Hydrant Rents (10% of Total)	(95,567)
Surplus Water Sales (Bulk) surcharge only	(67,796)
Revenue Required for Commodity Rate Calculation	\$ 1,652,573
Water Consumption (Gallons)	
Total Estimated Water Sales	131,000,000
Water Rates:	
Commodity Rate (per gal)	\$ 0.0126
Bulk Rate (per gal)	\$ 0.0166
Monthly Fees	\$ 13
Consumption Additional Information:	
FY19 Gross Meters Water Sales (Gallons)	131,478,500
SEWER Rate Model	
Revenues	
2020 Total Operating Revenue Required - Sewer	\$ 1,627,400
10% Reserve Requirement	162,740
Lift Stations Costs	(217,160)
Pumping Fee	(10,050)
Dumping Station Fees	(5,978)
Multi-Units and K-city (\$5/unit/mo.)	(70,320)
Revenue Required for Commodity Rate Calculation	\$ 1,486,632
Sewer Usage (Gallons)	
Projected Billable Volume	78,000,000
Projected Billable Volume - Lift Zone Only	22,000,000
Total Projected Billable Volume	100,000,000
Sewer Rate	
Non-Lift Station Rate	\$ 0.0149
Lift Station Rate	\$ 0.0247
Lift Station Additional Information:	
FY 19 Actually Billed Gallons (Lift Station Zone Only)	21,706,300

Scenario 3 - Rate Calculations

WATER Rate Model	
Revenues	
2021 Total Revenue Required - Water	\$ 1,962,599
Reserve Requirement - 2021 Budgeted Transfer	206,071
Deduct Portion Collected through Service Fee	(301,116)
Hydrant Rents (10% of Total)	(98,130)
Surplus Water Sales (Bulk) surcharge only	(67,796)
Revenue Required for Commodity Rate Calculation	\$ 1,701,629
Water Consumption (Gallons)	
Total Estimated Water Sales	131,000,000
Water Rates:	
Commodity Rate (per gal)	\$ 0.0130
Bulk Rate (per gal)	\$ 0.0170
Monthly Fees	\$ 14
Consumption Additional Information:	
FY19 Gross Meters Water Sales (Gallons)	131,478,500
SEWER Rate Model	
Revenues	
2021 Total Operating Revenue Required - Sewer	\$ 1,734,023
Reserve Requirement - 2021 Budgeted Transfer	54,594
Lift Stations Costs	(222,021)
Pumping Fee	(10,050)
Dumping Station Fees	(6,156)
Multi-Units and K-city (\$5/unit/mo.)	(70,320)
Revenue Required for Commodity Rate Calculation	\$ 1,480,070
Sewer Usage (Gallons)	
Projected Billable Volume	78,000,000
Projected Billable Volume - Lift Zone Only	22,000,000
Total Projected Billable Volume	100,000,000
Sewer Rate	
Non-Lift Station Rate	\$ 0.0148
Lift Station Rate	\$ 0.0249
Lift Station Additional Information:	
FY 19 Actually Billed Gallons (Lift Zone Only)	21,706,300

Scenario 4 - Rate Calculations

WATER Rate Model	
Revenues	
2020 Total Revenue Required - Water	\$ 1,911,348
Reserve Requirement - 2021 Budgeted Transfer	206,071
Deduct Portion Collected through Service Fee	(286,547)
Hydrant Rents (10% of Total)	(95,567)
Surplus Water Sales (Bulk) surcharge only	(67,796)
Revenue Required for Commodity Rate Calculation	\$ 1,667,509
Water Consumption (Gallons)	
Total Estimated Water Sales	131,000,000
Water Rates:	
Commodity Rate (per gal)	\$ 0.0127
Bulk Rate (per gal)	\$ 0.0167
Monthly Fees	\$ 13
Consumption Additional Information:	
FY19 Gross Meters Water Sales (Gallons)	131,478,500
SEWER Rate Model	
Revenues	
2020 Total Operating Revenue Required - Sewer	\$ 1,627,400
Reserve Requirement - 2021 Budgeted Transfer	54,594
Lift Stations Costs	(217,160)
Pumping Fee	(10,050)
Dumping Station Fees	(5,978)
Multi-Units and K-city (\$5/unit/mo.)	(70,320)
Revenue Required for Commodity Rate Calculation	\$ 1,378,486
Sewer Usage (Gallons)	
Projected Billable Volume	78,000,000
Projected Billable Volume - Lift Zone Only	22,000,000
Total Projected Billable Volume	100,000,000
Sewer Rate	
Non-Lift Station Rate	\$ 0.0138
Lift Station Rate	\$ 0.0237
Lift Station Additional Information:	
FY 19 Actually Billed Gallons (Lift Station Zone Only)	21,706,300

City of Homer
 Water and Sewer Rates Comparison
 Presented October 12, 2020

	Average Volume City Hall				High Volume Library				Lift Station (Year-Round) Port & Harbor - Maintenance			
	Scenario 1 3800	Scenario 2 3800	Scenario 3 3800	Scenario 4 3800	Scenario 1 6600	Scenario 2 6600	Scenario 3 6600	Scenario 4 6600	Scenario 1 1800	Scenario 2 1800	Scenario 3 1800	Scenario 4 1800
Consumption	Existing 3800				Existing 6600				Existing 1800			
Water Rate	0.0132	0.0133	0.0126	0.0130	0.0132	0.0133	0.0126	0.013	0.0132	0.0133	0.0126	0.013
Sewer Rate	0.0145	0.0157	0.0149	0.0148	0.0145	0.0157	0.0149	0.0148	0.0224	0.0256	0.0247	0.0237
Charges:												
Water	50.16	50.54	47.88	49.40	87.12	87.78	83.16	85.80	23.76	23.94	22.68	23.40
Sewer	55.10	59.66	56.62	56.24	95.7	103.62	98.34	97.68	40.32	46.08	44.46	44.82
Service	13	13	13	14	13	13	13	14	13	13	13	14
Total Bill	\$ 118.26	\$ 123.20	\$ 117.50	\$ 119.64	\$ 195.82	\$ 204.40	\$ 194.50	\$ 197.48	\$ 77.08	\$ 83.02	\$ 80.14	\$ 82.22
Impact		\$ 4.94	\$ (0.76)	\$ 1.38	\$	\$ 8.58	\$ (1.32)	\$ 1.66	\$	\$ 5.94	\$ 3.06	\$ 5.14
				\$ (4.56)								\$ 1.44



City of Homer

www.cityofhomer-ak.gov

Office of the City Clerk

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(f) 907-235-3143

Memorandum 21-121

TO: HOMER CITY COUNCIL

FROM: MELISSA JACOBSEN, MMC, CITY CLERK

DATE: JULY 22, 2021

SUBJECT: LETTER FROM MAYOR CASTNER REGARDING KENIA PENINSULA BOROUGH
PLANNING COMMISSION APPOINTMENTS

Mayor Castner had prepared a letter to the Kenai Peninsula Borough Assembly regarding appointments to the Borough Planning Commission Appointments.

RECOMMENDATION:
Approve the attached letter.



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July 22, 2021

Mr. Brent Hibbert, President
Kenai Peninsula Borough Assembly
144 N. Binkley Street
Soldotna, Alaska 99669

In Regards To: An Unnumbered Ordinance Amending KPB 2.40.015

Dear President Hibbert and Members of the Assembly:

On behalf of the City of Homer, I respectfully offer the following comments in regards to the proposed ordinance that would change the legal composition and representational elements of the Kenai Peninsula Planning Commission.

1. Seldovia, a first-class city located within the borough, can not lose its seat on the planning commission. While the number of seats on the commission should be determined to achieve parity for the residents outside the boundaries of the borough's home rule/first class cities, the number should be calibrated against the number of qualified cities, which is, in this case, five, not four. See AS 29.40.020.
2. While not specifically stated in the ordinance, it is the intent of the ordinance to consolidate the application process for all seats, including the home rule/first class city's seats, be generated at the borough level. We believe the cities should choose and submit the name(s) of the representative(s) that best suits the unique needs of their residents.
3. The effective date would seem to truncate the term, and immediately remove, Homer's current representative, without cause.
4. The spirit of this action reflects a general lack of comity between the home rule/first class cities and the Kenai Peninsula Borough.

Please reflect upon these comments when you consider this ordinance.

Cordially,

Ken Castner
Mayor, City of Homer, Alaska

cc: Lane Chesley, District 8 Assembly Member

Introduced by:
Date:
Hearing:
Action:
Vote:

**KENAI PENINSULA BOROUGH
ORDINANCE 2021-**

**AN ORDINANCE AMENDING KPB 2.40.015 REGARDING PLANNING COMMISSION
MEMBERSHIP AND APPORTIONMENT**

WHEREAS, Ordinance 2016-25 reduced the planning commission membership from 13 members to 11 members; and

WHEREAS, AS 29.40.020(a) requires that planning commission membership be apportioned so that the number of members from home rule and first class cities reflects the proportion of borough population residing in home rule and first class cities located in the borough; and

WHEREAS, all residents of the borough eligible to serve under KPB 2.40.030 should be able to apply for open planning commission seats; and

WHEREAS, all members are subject to appointment by the mayor and confirmation by the assembly, provided that members serving on city seats must be selected by the mayor from a list of recommendations submitted by the city council; and

WHEREAS, based on current census information the required apportionment ratio for an 11 member planning commission would be 7 at-large seats and 4 city seats; and

WHEREAS, currently code does not identify specific city seats; and

WHEREAS, it is in the best interests of all interested parties that this issue be resolved by establishing the seats apportioned according to population in compliance with state statute; and

WHEREAS, the borough recognizes the invaluable expertise and experience that residents of the City of Seldovia, through service on the borough's planning commission, have provided the entire borough community; and

WHEREAS, the borough administration expects residents of the City of Seldovia to continue to apply for open seats on the borough's planning commission to the great benefit of the entire borough community; and

WHEREAS, the borough administration anticipates that this ordinance will be a bridge toward discussing other potential intergovernmental cost savings or efficiency opportunities between the City of Seldovia, the City of Homer, and the Kenai Peninsula Borough, as well as the other cities within the borough that may be interested in such discussions;

WHEREAS, the Kenai Peninsula Borough Planning Commission at its regularly scheduled meeting of July 12, 2021 recommended _____;

NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. That KPB 2.40.015 is hereby amended as follows:

2.40.015. Membership—Apportionment.

In accordance with AS 29.40.020(a):

- A. The planning commission shall consist of a maximum of eleven members. Commission membership shall be apportioned so that the number of members from home rule and first class cities reflects the proportion of borough population residing in home rule and first class cities located in the borough. [NO MORE THAN ONE MEMBER OF THE COMMISSION MAY BE FROM ANY SINGLE HOME RULE OR FIRST CLASS CITY IN THE BOROUGH UNLESS MORE ARE REQUIRED TO SATISFY THE STATUTORY APPORTIONMENT REQUIREMENT.]
- B. City Seats. [A CITY MEMBER] Planning commissioner members serving on a city seat shall be selected by the mayor from a list of recommendations submitted by the council for the respective city seat whose seat is vacant or expiring. [OF ANY CITIES FROM WHICH NO MEMBER WILL BE ON THE COMMISSION WHEN THE VACANCY IS EFFECTIVE, UNLESS APPORTIONMENT REQUIRES MORE THAN ONE MEMBER FROM A CITY. IN THAT EVENT ALL ELIGIBLE CITY COUNCILS MAY SUBMIT A LIST OF RECOMMENDATIONS FOR THE ADDITIONAL SEAT PROVIDED THAT NO CITY MAY HAVE GREATER THAN ONE MEMBER MORE THAN ANY OTHER HOME RULE OR FIRST CLASS CITY.] Appointments shall be subject to confirmation by the assembly. The city seats are as follows:
1. Homer, which shall include the City of Seldovia, with the list of recommendations approved by the Homer City Council;
 2. Kenai, with the list of recommendations approved by the Kenai City Council;
 3. Seward, with the list of recommendations approved by the Seward City Council;
 4. Soldotna, with the list of recommendations approved by the Soldotna City Council;
- [B.]C. At-Large Seats. Planning commissioners [from outside of first class and home rule cities] for the at-large seats shall be appointed [at-large]by the mayor and confirmed by the assembly and may be as representative of the following geographic areas as practical:
1. East Peninsula;

2. Southwest Borough;
3. Anchor Point/Ninilchik/Clam Gulch/Kasilof;
4. Kalifornsky Beach;
5. Ridgeway;
6. Sterling;
7. Northwest Borough.

The geographic areas referenced in this section are depicted in the map on file at the borough clerk's office bearing the borough seal and identified as the planning commission apportionment map approved in Ordinance 2001-29.

[C.]D. All planning commission members shall be appointed for their expertise and knowledge of the community and shall represent the entire borough. All residents of the borough that are eligible to serve under KPB 2.40.030 may apply for a vacant or expiring seat. For city seats, the list of recommendations approved by the council and forwarded to the mayor to select a name for appointment is a discretionary decision of the respective city council and not subject to administrative appeal. The mayor's appointment decision is a discretionary decision and not subject to administrative appeal.

SECTION 2. That KPB 2.40.030(A) is hereby amended as follows:

2.40.030. Terms—Vacancy filling—Compensation—Voting restrictions.

Members and membership of the planning commission shall be subject to the following conditions:

- A. Members of the commission shall be qualified voters of the borough as defined in KPB 4.20.010(A) and who are duly appointed and confirmed by the assembly. [AS PROVIDED IN AS § 29.40.020(A)]. The planning department shall provide public notice of a vacancy for a 30 period after the vacancy is declared or 30 days before the term expires. All applications received for a city seats will be forwarded to the city.

....

SECTION 3. That this ordinance is effective immediately upon enactment.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH
THIS _____ DAY OF _____ 2021.**

Brent Hibbert, Assembly President

ATTEST:

Johni Blankenship, MMC, Borough Clerk



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Memorandum 21-124

TO: The Homer City Council

THROUGH: Melissa Jacobsen, City Clerk

FROM: Ken Castner, Mayor

DATE: June 30, 2021

SUBJECT: Ordinance 21-32(S) – Line Item Reductions

Under authority granted to me by AS 29.20.270, and in accordance with HCC 2.08.070, I am reducing expenditures in the Port and Harbor Fund and the Water and Sewer Fund(s). A summary is attached.

The City is fortunate to have a port facility that brings in \$5 million a year in revenue. The presence of the port also supports hundreds of small businesses that provide a selling point for the collection of sales tax. It would be difficult to find many towns of fewer than 7,000 people that have the economies to support the budgets contained in this Ordinance. Charging the port for every imaginable “share” of the City’s overhead is just shifting money from one department to another. No other departments suffer that indignity, but no other departments bring in that kind of revenue. I have attached my view of a fair apportionment and adjusted the FY 22 and 23 expenses to reflect that appraisal.

The Water and Sewer Fund was designed as a tariff to cover the costs of the delivery of potable water and the reception and processing of sewage. There have been two very intensive rate studies performed in the time I have lived here that carefully examined the costs associated with those two activities. One cost component, expansion and replacement, was not given much weight because the City voters have generously provided a stream of income to fulfill those purposes through a dedicated sales tax.

The tariff is entirely based on the budgets produced by the Council and adding an “administrative fee” above and beyond the examined budgetary cost, is another arbitrary shifting of costs to a fund that has a separate source of revenue. In any event, the Water and Sewer Funds have negative balances which do not fall within the requirements of a balanced budget and I have made a first year reduction that eliminates the negative number and a larger second year reduction. I do not support filling those negatives by raising water and sewer rates.

FY 2022 - Mayor's Budget Reductions					
Budget Line / Code	Page	Proposed	Reduced	Adj. Value	I/E
Reductions					
GF Admin Fees: Water 5541	94	300,383	(75,000)	225,383	E
GF Admin Fees: Sewer 5241	102	287,977	(75,000)	104,585	E
GF Admin Fees: P&H 5241	114	453,392	(186,766)	266,626	E
Offsets					
GF Admin Fees: Water 4981	43	300,383	(75,000)	225,383	I
GF Admin Fees: Sewer 4982	43	287,977	(75,000)	104,585	I
GF Admin Fees: P&H 4983	43	453,392	(186,766)	266,626	I
FY 2023 - Mayor's Budget Reductions					
Reductions					
GF Admin Fees: Water 5541	94	309,228	(200,793)	108,435	E
GF Admin Fees: Sewer 5241	102	296,491	(188,056)	108,435	E
GF Admin Fees: P&H 5241	114	465,339	(190,831)	274,508	E
Offsets					
GF Admin Fees: Water 4981	43	309,228	(200,793)	108,435	I
GF Admin Fees: Sewer 4982	43	296,491	(188,056)	108,435	I
GF Admin Fees: P&H 4983	43	465,339	(190,831)	274,508	I

Port and Harbor		%	2022		2023
Legal	275,000	0.068	18,700	275,000	18,700
Mayor Council	92,625	0	-	89,705	-
City Clerk	401,861	0.16	64,298	411,994	65,919
City Hall Complex	133,618	0	-	132,805	-
City Manager	514,304	0.05	25,715	525,463	26,273
Personnel	210,285	0.16	33,646	213,921	34,227
IT	373,572	0.16	59,772	390,288	62,446
Finance	873,394	0.05	43,670	909,526	45,476
Planning/Zoning	416,528	0.05	20,826	429,315	21,466
New Balance			266,626		274,508
Old Balance			453,392		465,339
Reductions			(186,766)		(190,831)
Fund 200 Water		%	2022		2023
Legal	275,000	0	-	275,000	-
Mayor Council	92,625	0	-	89,705	-
City Clerk	401,861	0.05	20,093	411,994	20,600
City Hall Complex	133,618	0	-	132,805	-
City Manager	514,304	0	-	525,463	-
Personnel	210,285	0.04	8,411	213,921	8,557
IT	373,572	0.04	14,943	390,288	15,612
Finance	873,394	0.07	61,138	909,526	63,667
Planning/Zoning	416,528	0	-	429,315	-
New Balance			104,585		108,435
Old Balance			300,383		309,228
Reductions			(195,798)		(200,793)
Fund 200 Sewer		%	2022		2023
Legal	275,000	0	-	275,000	-
Mayor Council	92,625	0	-	89,705	-
City Clerk	401,861	0.05	20,093	411,994	20,600
City Hall Complex	133,618	0	-	132,805	-
City Manager	514,304	0	-	525,463	-
Personnel	210,285	0.04	8,411	213,921	8,557
IT	373,572	0.04	14,943	390,288	15,612
Finance	873,394	0.07	61,138	909,526	63,667
Planning/Zoning	416,528	0	-	429,315	-
New Balance			104,585		108,435
Old Balance			287,977		296,491
Reductions			(183,392)		(188,056)