



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

City of Homer Agenda

City Council Regular Meeting

Monday, March 08, 2021 at 6:00 PM

City Hall Cowles Council Chambers via Zoom Webinar

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

Webinar ID: 205 093 973 Password: 610853

CALL TO ORDER, PLEDGE OF ALLEGIANCE

Councilmember Evensen requests excusal.

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

MAYORAL PROCLAMATIONS AND RECOGNITIONS

- a. Mayor's Recognition of Nona Safra
- b. Mayor's Recognition of Daisy Kettle

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 Regular Meeting Minutes of February 22, 2021. City Clerk. Recommend adoption.
- b. Memorandum 21-041 from Mayor Castner Re: Re-Appointment of Robert Archibald to the Prince William Sound Regional Citizens Advisory Council. Recommend approval.
- c. Resolution 21-019, A Resolution of the City Council of Homer, Alaska Extending the City of Homer Disaster Declaration to June 29, 2021 Due to the Current and Expected Impacts of the COVID-19 Novel Coronavirus Pandemic. Mayor. Recommend adoption.
- d. Resolution 21-020, A Resolution of the City Council Exempting Kachemak Moose Habitat, Inc. from City Property Tax; Declaring that the Organization Satisfies the Criteria of Kenai Peninsula Borough Code 5.12.100, Real Property Tax-Exemptions-Community Purposes Property – Conditions, for Lot 4, Hodnik Subdivision, Kenai

Peninsula Borough Parcel Number 17936032, Retroactive to January 1, 2021 and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. Aderhold. Recommend adoption.

VISITORS

- a. Kachemak Bay Science Conference, March 15-18 - Syverine Bentz and Beth Trowbridge (10 minutes)
- b. Unified Command Report (20 minutes)

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

- a. Committee of the Whole Report
- b. Mayor's Report
- c. Borough Report
- d. Library Advisory Board
- e. Planning Commission
 - i. Planning Commission Written Report
- f. Port and Harbor Advisory Commission
- g. Public Works Building Campus Task Force

PUBLIC HEARING(S)

- [a.](#) Ordinance 21-08, An Ordinance of the City Council of Homer, Alaska Amending the 2021 Capital Budget and Authorizing Additional Expenditure of \$113,353.33 from the HART-Road Fund for the Woodard Creek Rehabilitation Project. City Manager/Public Works Director. Introduction February 22, 2021 Public Hearing and Second Reading March 8, 2021

Ordinance 21-08(S), An Ordinance of the City Council of Homer, Alaska Amending the 2021 Capital Budget and Authorizing Additional Expenditure of up to ~~\$113,353.33~~ **\$463,353.33** from the HART-Road Fund for the Woodard Creek Rehabilitation Project. City Manager/Public Works Director.

Memorandum 21-030 from Public Works Director as backup

- [b.](#) Ordinance 21-09, An Ordinance of the City Council of Homer, Alaska, Amending the 2021 Capital Budget and Authorizing Expenditure of up to \$65,000 from the Police Fleet CARMA Account to Purchase and Outfit a Patrol Vehicle. City Manager/Police Chief. Introduction February 22, 2021 Public Hearing and Second Reading March 8, 2021

Memorandum 21-031 from Police Chief as backup

- c. Ordinance 21-10, An Ordinance of the City Council of Homer, Alaska, Amending the 2021 Capital Budget and Authorizing Expenditure of an Additional \$17,148 from the Sewer Reserve Fund to Complete the Retrofit of High Energy Lights Fixtures at the Sewer Treatment Campus. City Manager/Public Works Director. Introduction February 22, 2021 Public Hearing and Second Reading March 8, 2021

Memorandum 21-032 from Public Works Director as backup

- d. Ordinance 21-11, An Ordinance of the City Council of Homer, Alaska, Amending the 2021 Capital Budget and Authorizing an Additional \$88,569 from the HAWSP Fund to pay for a Betterment to the Tasmania Court Water and Sewer Special Assessment District Involving the Design/Construction of a Water Main Extension to Serve a Future Water Storage Tank. City Manager/Public Works Director. Introduction February 22, 2021 Public Hearing and Second Reading March 8, 2021

Memorandum 21-033 from Public Works Director as backup

- e. Ordinance 21-12, An Ordinance of the City Council of Homer, Alaska, Amending the 2021 Capital Budget and Authorizing Expenditure of \$ 12,700 from the HART-Road Fund for the Design of a Betterment to the Main Street Storm Drain and Sidewalk-Pioneer Avenue North Project that will provide for an ADA Access to Bayview Park and Associated Storm Drain Improvements. City Manager/Public Works Director. Introduction February 22, 2021 Public Hearing and Second Reading March 8, 2021

Memorandum 21-034 from Public Works Director as backup

- f. Ordinance 21-13, An Ordinance of the City Council of Homer, Alaska Appropriating an Amount not to Exceed \$2,512,000 from the Natural Gas Distribution Special Assessment Bond Sinking Fund to Retire the Debt to the Kenai Peninsula Borough that was Utilized for the Construction of the Homer Natural Gas Distribution Line. Mayor/City Manager. Introduction February 22, 2021 Public Hearing and Second Reading March 8, 2021

Memorandum 21-035 from Finance Director as backup

ORDINANCE(S)

CITY MANAGER'S REPORT

- a. City Manager's Report

PENDING BUSINESS

- a. Resolution 20-077(S), A Resolution of the City Council of Homer, Alaska Adopting a Reserve Fund Policy for the Collection and Use of Water and Sewer Depreciation Reserve Funds **Capital Asset Repair And Maintenance Allowance Fund** . Lord/Aderhold. (Postponed from December 14, 2020)

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

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, March 22, 2021 at 6:00 p.m., Committee of the Whole at 5:00 p.m. A Special Meeting is scheduled on March 9, 2021 at 5:30 and a worksession is on March 15, 2021 at 4:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska, held via Zoom.

Session 21-05 a Regular Meeting of the Homer City Council was called to order on February 22, 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: COUNCILMEMBER ADERHOLD, EVENSEN, HANSEN-CAVASOS, LORD, SMITH, VENUTI

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

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

The following changes were made: **CONSENT AGENDA** Ordinance 21-12, An Ordinance of the City Council of Homer, Alaska, Amending the 2021 Capital Budget and Authorizing Expenditure of \$ 12,700 from the HART-Road Fund for the Design of a Betterment to the Main Street Storm Drain and Sidewalk-Pioneer Avenue North Project that will provide for an ADA Access to Bayview Park and Associated Storm Drain Improvements. City Manager/Public Works Director. Written public comment; Resolution 21-018, A Resolution of the City Council of Homer, Alaska Supporting the Friends of the Homer Library Application to the National Park Service Alaska Rivers, Trails, and Conservation Assistance Program to Plan Improvements to the Library Properties, Tracts A and B, Glacier View No. 26. Venuti. Written public comment; **ANNOUNCEMENTS/PRESENTATIONS/REPORTS** Mayor's Report – Thank you letter from Kachemak Bay Family Planning Clinic; **ORDINANCES** Ordinance 21-14, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 2.08.040, Bylaws for Council Procedures to Establish that New Elected Members will be seated at a Special Meeting Following the Canvass of the Election; and 4.35.040 Certification of a Regular and Special Election. Evensen/Hansen-Cavasos. Written public comment and a Memo from City Clerk **CITY MANAGER'S REPORT** KPB Resolution 2021-15 Encouraging Alaska Representatives and Governor Dunleavy to Fully Fund the State's Budget for Abandoned Vehicle Removal within the Kenai Peninsula Borough.

LORD/VENUTI MOVED TO APPROVE THE AGENDA AS AMENDED.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

MAYORAL PROCLAMATIONS AND RECOGNITIONS

PUBLIC COMMENT ON MATTERS ALREADY ON THE AGENDA

Larry Slone commented regarding budget priorities and in support of the public worksessions proposed by the City Manager. He expressed support for Ordinance 21-11, Tasmania Court Water extension raising question about earthquake reliability, also Ordinance 21-12, Main Street Engineering, and Ordinance 21-13 KPB Loan Debt. He shared uncertainty but general support regarding Memo 21-029 regarding the State Emergency Declaration.

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 February 8, 2021. City Clerk. Recommend adoption.
- b. Memorandum 21-028 from Deputy City Planner Re: Wayfinding and Streetscape RFP. Recommend approval.
- c. Memorandum 21-029 from City Clerk Re: Approval of Letter from City Council in Support of Reinstating/Extending the State's Disaster Declaration. Recommend approval.
- d. Ordinance 21-08, An Ordinance of the City Council of Homer, Alaska Amending the 2021 Capital Budget and Authorizing Additional Expenditure of \$113,353.33 from the HART-Road Fund for the Woodard Creek Rehabilitation Project. City Manager/Public Works Director. Recommended dates Introduction February 22, 2021 Public Hearing and Second Reading March 8, 2021

Memorandum 21-030 from Public Works Director as backup

- e. Ordinance 21-09, An Ordinance of the City Council of Homer, Alaska, Amending the 2021 Capital Budget and Authorizing Expenditure of up to \$65,000 from the Police Fleet CARMA Account to Purchase and Outfit a Patrol Vehicle. City Manager/Police Chief. Recommended dates Introduction February 22, 2021 Public Hearing and Second Reading March 8, 2021

Memorandum 21-031 from Police Chief as backup

- f. Ordinance 21-10, An Ordinance of the City Council of Homer, Alaska, Amending the 2021 Capital Budget and Authorizing Expenditure of an Additional \$17,148 from the Sewer Reserve Fund to Complete the Retrofit of High Energy Lights Fixtures at the Sewer

Treatment Campus. City Manager/Public Works Director. Recommended date Introduction February 22, 2021 Public Hearing and Second Reading March 8, 2021

Memorandum 21-032 from Public Works Director as backup

- g. Ordinance 21-11, An Ordinance of the City Council of Homer, Alaska, Amending the 2021 Capital Budget and Authorizing an Additional \$88,569 from the HAWSP Fund to pay for a Betterment to the Tasmania Court Water and Sewer Special Assessment District Involving the Design/Construction of a Water Main Extension to Serve a Future Water Storage Tank. City Manager/Public Works Director. Recommended dates Introduction February 22, 2021 Public Hearing and Second Reading March 8, 2021

Memorandum 21-033 from Public Works Director as backup

- h. Ordinance 21-12, An Ordinance of the City Council of Homer, Alaska, Amending the 2021 Capital Budget and Authorizing Expenditure of \$ 12,700 from the HART-Road Fund for the Design of a Betterment to the Main Street Storm Drain and Sidewalk-Pioneer Avenue North Project that will provide for an ADA Access to Bayview Park and Associated Storm Drain Improvements. City Manager/Public Works Director. Recommended dates Introduction February 22, 2021 Public Hearing and Second Reading March 8, 2021

Memorandum 21-034 from Public Works Director as backup

- i. Ordinance 21-13, An Ordinance of the City Council of Homer, Alaska Appropriating an Amount not to Exceed \$2,512,000 from the Natural Gas Distribution Special Assessment Bond Sinking Fund to Retire the Debt to the Kenai Peninsula Borough that was Utilized for the Construction of the Homer Natural Gas Distribution Line. Mayor/City Manager. Recommended dates Introduction February 22, 2021 Public Hearing and Second Reading March 8, 2021

Memorandum 21-035 from Finance Director as backup

- j. Resolution 21-016, A Resolution of the City Council of Homer, Alaska Awarding a Term Contract to Coble Geophysical Services and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager/Public Works Director.

Memorandum 21-038 from Public Works Director as backup

- k. Resolution 21-018, A Resolution of the City Council of Homer, Alaska Supporting the Friends of the Homer Library Application to the National Park Service Alaska Rivers, Trails, and Conservation Assistance Program to Plan Improvements to the Library Properties, Tracts A and B, Glacier View No. 26. Venuti. Recommend adoption.

Memorandum 21-039 from Library Director as backup

City Clerk Jacobsen read the consent agenda and its recommendations.

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

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

VISITORS

a. Unified Command Report (20 minutes)

Fire Chief Kirko commented briefly there isn't a lot to report from City EOC but there has been a lot of activity in the point of dispensing (POD) vaccination clinics. He's pleased the infection numbers are staying low and encouraged keeping up on mitigation efforts to help keep us in a good place.

Lorne Carroll, Public Health Nurse, closed the loop on discussion regarding deaths from vaccines, according to a passive reporting system for any adverse reactions to the vaccine, the CDC recently released that review of available clinical information including death certificates, autopsies, and medical records, revealed no links of vaccination to deaths. Regarding overall status and mitigation he reported things are better, but not good, with the statewide alert level is still high with 16.3 cases per 100,000. Variants are circulating in the US, including Alaska, and the aim is to keep the numbers low in preparation for getting us through summer to better position ourselves in the future. Variants can be stopped by decreasing cases, so people should continue wearing well-fitting masks and keep up with other mitigation measures. CDC released a new guideline in the division of public health regarding how vaccination impacts quarantine and that vaccinated persons with an exposure to suspected or confirmed COVID aren't required to quarantine if they are fully vaccinated (two doses appropriately spaced), are within 3 months of receiving the second dose, and have remained asymptomatic since the exposure. Those who don't meet all three criteria should continue to follow quarantine guidance after exposure.

Derotha Ferraro, South Peninsula Hospital PIO, reported on the Southern Kenai Peninsula we've had 5 positive cases in the last 14 days. As a result of low numbers Long Term Care opened today for restricted visitation, and limited visitation continues throughout the hospital. They are still waiting for clarity of what the removal of the State emergency declaration means to the hospital. They have a long list of opportunities the declaration permitted during response, and are unsure about what's going away. The POD events are going

well, there is still energy, excitement, and commitment with everyone participating in those events. She reviewed that vaccines administered via Homer's Unified Command are at 2,700 with 1,000 people have two doses; 775 have one dose. Upcoming COVID-19 vaccine events include:

- Friday, Feb. 26 from 3-7pm at CCC
Small mass vaccination event by Homer Unified Command; approximately 250 appointments; FULL – join wait list at sphosp.org
- Friday March 5 at Homer High School - 520 Second Dose appointments – full
- *Total March allocation: 750 doses of Moderna COVID-19 vaccine*
- Friday, March 12 at Homer High School
530+ first dose appointments at a mass vaccination clinic by Homer Unified Command
125 second dose appointments - full
- March 9th, 10th, 11th, 16th and 17th
50+ appointments daily = 250 doses at the SPH Covid Test and Vaccine Clinic on Bartlett Street

Monday, March 1 at 12pm noon appointments go live for appointments at the above opportunities at www.sphosp.org or City's Vaccine Assistance Call Line 435-3188

Jenny Carroll, City of Homer PIO, thanked Council for approving the letter to the State regarding reinstating and extending the State's emergency declaration. She reported she'll be participating in a webinar regarding funding that may be available to municipalities to help with COVID-19 testing and vaccine, to get better understanding of what's available. She'll report further at the next meeting.

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

a. Committee of the Whole Report

Councilmember Lord reported Council heard from the Public Works Director with overviews of the spending ordinances on the Consent Agenda, from the City Manager on the police fleet budget amendment for a patrol car, and from the Library Director on Resolution 20-018. They reviewed the budget priorities memo from the City Manager and discussed the series of worksessions that are in the works.

b. Mayor's Report

Mayor Castner commented regarding the budgetary process in that the current 2021 budget goes through the end of June, and then we'll enter into our next two year budget cycle. The upcoming budget meetings will be related to the upcoming budget cycle. He explained administration and the Commissions each play a big part in this process and people who want to comment can address the Commission on issues related to their budgets.

c. Borough Report

Lane Chesley, Kenai Peninsula Borough Assembly member, provided an update on the roof replacement status at the high school. It will be completed in a three phase process starting with the area covering the gym and loading dock that needs the most immediate attention. The assembly authorized Mayor Pierce to submit a bond reimbursement application to the Alaska Department of Education and Early Development for reimbursement of funds from the Redoubt Elementary School project which, if approved, will bring in \$1.252 million in funds. There will be \$25,500 in interest and the borough will contribute \$522,000 for a total of \$1.8 million for the first phase. The entire project is about \$8.2 million.

d. Economic Development Advisory Commission

Karin Marks, Economic Development Advisory Commission Chair, provided a KPEDD Board report regarding new added outreach to gather information for the regional Comprehensive Economic Development Strategy (CEDS) is set for conducting a business survey, with a resident survey coming in March. This is being done in addition to gathering information from organizations, non-profits, and government. She thanked staff for getting the survey on the City website on short notice and encouraged those listing to find the survey on the City site and participate. Regarding the Commission's work, Chair Marks thanked Council for passing the Wayfaring and Streetscape RFP, there are groups who have already shown interest in branding and signage. The Commission feels the COVID-19 business survey helped increased communication between businesses and the City. There may be additional areas the EDC could help with and individual Commissioners are pursuing them to bring back at their next meeting. They continue to work on interactions with KPEDD for the CEDS and the Commission appreciates the continued presentations from Public Works and Planning to stay coordinated.

e. Parks Art Recreation and Culture Advisory Commission

Robert Archibald, Parks Art Recreation and Culture Advisory Commissioner, reported at their last meeting they heard from Public Works Director Keiser regarding the Woodard Creek Culvert and the proposed betterment for the Main Street Sidewalk project, and the Commission supports those efforts. The Karen Hornaday Park Restrooms are gone and the concession stand will follow and both will be replaced in the near future. There was discussion on a drainage in Mariner Park Slough and beach migration, Public Works has the permits in place to straighten the channel and will work with the seawall contractor on that effort if funding is approved. Recreation Manager Illg reported on the HERC usage with COVID restrictions in place, with primary reservations being for pickle ball and youth open gym. Parks Superintendent Steffy reported on his budget preparation and the goals for the two year cycle, including trail work, fostering partnerships, campground improvements, restroom replacements, beautification, moving forward with Karen Hornaday Park Master Plan, ADA Transition Plan, updating the Non-Motorized Trail and Transportation Plan, 3 party Custodial Service, adopting new protocols for sanitation, updating the park CIP list, and establishing a

multi-prong long term funding strategy for parks. The Commission discussed and made two recommendations regarding personal water craft that include personal watercraft will be launched and recovered at City of Homer Launch Ramp and motor vessels will not be launched, recovered, or beached on Homer City beaches, except by Government Agencies where authorized. The discussion is still ongoing. They also discussed a more organized system for a special use camping program for people who are financially displaced. They will be looking at the beach policy and has scheduled a spring walkthrough of access areas.

f. Public Works Campus Task Force

Councilmember Aderhold reported the Task Force met for a regular meeting and a worksession. They've set their meeting schedule for the 2nd and 4th Wednesdays at 2:30 p.m. with a monthly worksession on the 3rd Wednesday at 2:30 p.m. They received and reviewed the inundation report that includes the current 50 foot maximum inundation from a tsunami. They discussed the report and relevant areas of the City's All Hazzard Mitigation Plan and considering the methodology used for their risk evaluation related to the Public Works campus.

PUBLIC HEARING(S)

a. Budget Priorities FY22-23

Memorandum 21-040 from City Manager Re: Budget Priorities FY22-23

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

b. Ordinance 21-06, An Ordinance of the City Council of Homer, Alaska, Amending the 2021 Capital Budget and Authorizing Expenditure of \$142,800 from the Public Works Fleet CARMA Account and \$272,200 from the HART Road Fund to Purchase a Replacement Grader with Snow Gate and Snow Blade and Two Replacement Sanding Trucks. City Manager/Public Works Director. Introduction February 8, 2021, Public Hearing and Second Reading February 22, 2021.

Memorandum 21-023 from Public Works Director as backup.

Mayor Castner opened the public hearing.

Larry Slone commented in support of Ordinance 21-06.

There were no further comments and the hearing was closed.

LORD/VENUTI MOVED TO ADOPT ORDINANCE 21-06 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

Councilmember Aderhold expressed support for the ordinance. She noted during their last budget cycle they discussed a replacement schedule for the Public Works fleet she hopes they see that again for this upcoming budget cycle. There are a lot of old vehicles in the City's fleet and it's important to get them closer to the current era.

Councilmember Venuti said she appreciates Public Works provided the number of hours the City mechanics have put into keeping these machines running.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- c. Ordinance 21-07, An Ordinance of the City Council of Homer, Alaska, Amending the 2021 Operating Budget by Appropriating Funds in the Amount of \$98,700 from the Port Reserves Fund for the Purpose of Haul out and Disposal of the Derelict Vessel *North Pacific* in preparation for Safe Disposal. City Manager/Port Director. Introduction February 8, 2021 Public Hearing and Second Reading February 22, 2021.

Memorandum 21-024 from Port Director as backup.

Mayor Castner opened the public hearing.

Larry Slone, city resident, commented in support of Ordinance 21-07 and shared concerns about derelict vessels in the harbor.

There were no further comments and the hearing was closed.

LORD/ADERHOLD MOVED TO ADOPT ORDINANCE 21-07 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

Councilmember Lord commented in support of the ordinance. She's worked 10 years with the Harbormaster and other ports on the issue of derelict vessels around the State. There are similar stories around the State and she thanked Harbormaster Hawkins for the amount of effort he's put in and the dedication he has to figuring out how to deal with this issue, and the inevitable need for cradle to grave solution for boats.

Councilmember Venuti noted the work done with the Coast Guard in this and shared her appreciation for the Coast Guard and the work they do, we're very fortunate to have them here.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

ORDINANCE(S)

- a. Ordinance 21-14, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 2.08.040, Bylaws for Council Procedures to Establish that New Elected Members will be seated at a Special Meeting Following the Canvass of the Election; and 4.35.040 Certification of a Regular and Special Election. Evensen/Hansen-Cavasos. Introduction February 22, 2021 Public Hearing and Second Reading March 8, 2021

Memorandum 21-036 from City Manager as backup

LORD/VENUTI MOVED TO INTRODUCE ORDINANCE 21-14 BY READING OF TITLE ONLY.

Councilmembers Evensen and Hansen-Cavasos expressed their support explaining this is an effort to find a solution to get away from election certification later in the night like in 2019. This is in relation to being able to celebrate newly elected officials, and also in light of seeing various State and National legislature going against findings of election commissions or boards. Related to the 2019 certification, he thinks putting the certification at the end of the meeting opens it up for debate and public comment that doesn't match with certifying what is a factual finding from canvass board. A solution is to have certification at a special meeting in place of a worksession, or put it at the front of a regular meeting. Councilmember Evensen supports it at a special meeting because it gives a proper forum for thanking outgoing Councilmembers, congratulate incoming members, and thank the Canvass Board.

Councilmember Aderhold appreciates the chance to discuss this topic. She agrees it's important to be able to celebrate outgoing and incoming Councilmembers. She noted changes made in Ordinance 16-01 following a run-off elections and shared some history behind those amendments.

Councilmember Smith noted this originally came up after the 2019 election referenced by Councilmember Evensen, but that was far from a normal meeting and he isn't going to use that as they standard by which they govern. He doesn't see a benefit to this change. He talked to other municipalities about their process and shared the processes they follow including the term starting at midnight after election certification, or at the meeting following election certification, and others similar. He doesn't think it's unreasonable for a term to end at the end of the certification meeting.

Councilmember Venuti noted KBBI can't cover a special meeting at 4:00 p.m. so wouldn't be able to broadcast election certification if it happened then. KBBI is how many people listen to the meeting.

Councilmember Lord agrees that having the certification at the regular meeting is the proper place to congratulate outgoing members and welcome incoming members.

VOTE: YES: EVENSEN, HANSEN-CAVASOS

NO: VENUTI, SMITH, ADERHOLD, LORD

Motion failed.

CITY MANAGER'S REPORT

a. City Manager's Report

City Manager Dumouchel noted the memorandums included from the Public Works Director and the Harbormaster with updates on projects that are happening. He reported the Council Chambers remodel is still underway, the electrician has been in, parts are coming in this week, the last thing there's supply chain issues with is the microphones, which are being worked through. He's working on scheduling off-cycle worksession for budget discussions. There's also work being done to update special event's code and he asked if any Councilmembers are interesting in helping with this. Councilmembers Venuti and Hansen-Cavasos offered to participate.

Councilmember Venuti offered to assist with any necessary legislation needed for the future Coast Guard Vessel small boat station.

Councilmember Aderhold appreciates the reports and updates from the Manager and staff. She's happy about the Share the Road signage and looks forward to seeing it up on our local roads and hopes we can work with DOT to get on our State roads also. She's happy to see the unusable restrooms at Hornaday Park are gone and she looks forward to the plan to replace them.

At the request of the Mayor, Public Works Director Keiser provided an update on the Seawall Project. She reported the rock is being manufactured in the Moose River area at the Department of Natural Resources quarry, it gets trucked to Homer and laid out in the Mariner Park area until tide facilitates its transport over to the wall. She reviewed the process of laying out filter fabric, small bedding stone, and then the big rock. They've had no major problems, the biggest challenge is the tide schedule, and they're expected to finish on time.

PENDING BUSINESS

NEW BUSINESS

RESOLUTIONS

- a. Resolution 21-017, A Resolution of the City Council of Homer, Alaska Amending the Council Operating Manual to add Process for Filling a Council Vacancy. Evensen.

Memorandum 21-037 from City Manager as backup

LORD/VENUTI MOVED TO ADOPT RESOLUTION 21-017 BY READING OF TITLE ONLY.

Councilmember Evensen explained this brings public into the process in a solid way by being able to nominate themselves to be considered for a seat that is vacated. He likes that it helps reduce the appearance of conflicts by Council nominating an interim Councilmember. This improves the optics by adding checks and balances. It doesn't take away from what Council can do, but it adds the step where the public member would nominate themselves.

There were comments supporting the way this clarifies the appointment process.

ADERHOLD/LORD MOVED TO AMEND LINE 26 TO REMOVE TITLE 29 AND REPLACE IT WITH AS 29.20.180.

There was brief comment this clarifies the relevant section of Title 29.

VOTE (amendment): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

There was brief comment regarding the timeline for making an appointment.

City Clerk Jacobsen read HCC 2.08.050 (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.

City Manager Dumouchel noted the Homer City Code language is consistent with what's outlined in Title 29.

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

Motion carried.

COMMENTS OF THE AUDIENCE

COMMENTS OF THE CITY ATTORNEY

City Attorney Gatti had no comment.

COMMENTS OF THE CITY CLERK

City Clerk Jacobsen announced openings on the Library Advisory Board and the Economic Development Advisory Commission.

COMMENTS OF THE CITY MANAGER

City Manager Dumouchel had no comment.

COMMENTS OF THE MAYOR

Mayor Castner reported a Board of Adjustment meeting is being scheduled to review their draft decision on Griswold vs. the City. He sent good wishes to everyone going back to Palmer this weekend for State Championships. Lastly, the Alaska Conference of Mayors has a contest coming up called “If I were Mayor” where anyone in high school can write an essay about what they would do if they were Mayor, and there are cash prizes. He’ll send the details to Special Projects and Communications Coordinator Carroll for posting on the City website.

COMMENTS OF THE CITY COUNCIL

Councilmember Smith shared about talking to his sister who’s in Mexico about taking the vaccine there. The one they’re using has been discontinued because it isn’t affective against the variant. He noted Ms. Ferrarro’s report about Long Term Care and commented about his friend and a resident there Ilse Lee who passed recently, and what breaks his heart is that they’ve been isolated from family and friends who would have loved to visited over the last year. He hopes people will visit now that they’re open. He congratulated the Mariners for their State Championship.

Councilmember Aderhold noted we’ve passed a milestone of half a million people in our country have died from COVID. She thinks about it in the context of the people in Alaska and its mind boggling. These were all beautiful lives that have been lost. She feels as a nation and as a community we need to pause and reflect on that. She feels blessed to be in this community where we’ve had a glancing blow with COVID. Our remoteness and early measures at the State level have helped. She hope everyone thinks about what this pandemic means, and continue our mitigation measures, and remember the people we’ve lost.

Councilmember Lord encouraged everyone to keep up the long process of wearing masks, washing hands, keeping distance, and get vaccinated as your eligible. She congratulated the hockey team and to all kids playing sports. She noted three scholarships available through the Statewide Harbormaster’s Association at alaskaharbors.org and the deadline is the end of March.

Councilmember Venuti congratulated the Mariners and saw in the paper players Green, Strong, Reutov, and Otis and their nice representation and wearing their masks. She shared about an editorial in the Anchorage paper emphasizing the importance of the University of Alaska Anchorage. She encouraged taking classes at the Kachemak Bay Campus here in Homer.

Councilmember Evensen had no comments.

Councilmember Hansen-Cavasos commented she always looks forward to the meetings and she'll see everyone next time.

ADJOURN

There being no further business to come before Council Mayor Castner adjourned the meeting at 8:04 p.m. The next Regular Meeting is Monday, March 8, 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.

Melissa Jacobsen, MMC, City Clerk

Approved:_____



City of Homer

www.cityofhomer-ak.gov

Office of the Mayor

491 East Pioneer Avenue
Homer, Alaska 99603

mayor@ci.homer.ak.us

(p) 907-235-3130

(f) 907-235-3143

Memorandum 21-041

TO: HOMER CITY COUNCIL
FROM: KEN CASTNER, MAYOR
DATE: MARCH 2, 2021
SUBJECT: REAPPOINTMENT OF ROBERT ARCHIBALD AS HOMER'S REPRESENTATIVE TO
THE PRINCE WILLIAM SOUND REGIONAL CITIZENS ADVISORY COUNCIL

Robert Archibald is reappointed to the Prince William Sound Regional Citizens Advisory Council for a two year term that expires May 2023.

RECOMMENDATION:

Confirm the reappointment of Robert Archibald to the Prince William Sound Regional Citizens Advisory Council

To Mayor Ken Castner
City of Homer AK
491 E. Pioneer Ave.
Homer, AK 99603

February 22, 2021

Dear Mayor Castner,
Please accept this letter as a formal request to be reappointed to the Prince William Sound Regional Citizens Advisory Council as the Board Member representing the City of Homer.
This term would start in May, 2021 for another two year term.

Best Regards,
Robert Archibald
PO Box 2460
Homer AK. 99603
(907) 235-8214



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

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

MEMBERS February 18, 2021

Sent via email and USPS mail

Alaska State
Chamber of Commerce

Ken Castner
City of Homer
491 E. Pioneer Ave.
Homer, AK 99603

Chugach Alaska
Corporation

City of Cordova

Dear Mayor Castner:

City of Homer

The Prince William Sound Regional Citizens' Advisory Council (PWSRCAC) is writing to advise you that Robert Archibald's term on our Board of Directors expires at the upcoming May 6-7, 2021, annual meeting.

City of Kodiak

City of Seldovia

The dedicated seat for the City of Homer is its opportunity to influence decisions having profound implications for oil transportation safety in Alaska, and for the state's oil spill prevention and response capabilities. We greatly value your past participation.

City of Seward

The City of Homer is best be served by a representative who:

City of Valdez

- Understands her/his organization and/or community, its needs, concerns and perspectives;
- Has at least a rudimentary familiarity with oil transportation issues;
- Has a home and work schedule flexible enough to allow participation and travel;
- Is committed to our mission of promoting environmentally safe operation of the Alyeska terminal and associated tankers; and
- Seeks opportunities to foster cooperative and constructive relationships between citizens, industry and regulatory agencies.

City of Whittier

Community of
Chenega

Community of
Tatitlek

Cordova District
Fishermen United

PWSRCAC Board members can expect to devote an average of 25 hours a month on PWSRCAC business. The full Board conducts three 2-day meetings in January, May, and September. Other time commitments include attending annual budget and planning meetings, as well as special meetings and opportunities to participate in committees or work groups. PWSRCAC staff provides support to board members whenever possible.

Kenai Peninsula
Borough

Kodiak Island
Borough

Please notify us in writing, no later than Monday, March 31, 2021, of your selected individual for the City of Homer's next two-year term on the PWSRCAC board. Ideally, this individual will then be expected to attend our May 6-7, 2021 virtual meeting for confirmation and participation. **If Robert Archibald will continue to be your representative, we ask that you still notify PWSRCAC in writing.**

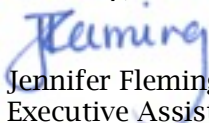
Kodiak Village Mayors
Association

Oil Spill Region
Environmental
Coalition

If you have further questions about the PWSRCAC or the responsibilities of its directors, please don't hesitate to call. Thank you for your cooperation, and we look forward to the City of Homer's continued contribution.

Port Graham
Corporation

Sincerely,


Jennifer Fleming
Executive Assistant

Prince William Sound
Aquaculture
Corporation

Cc via email: Robert Archibald

**CITY OF HOMER
HOMER, ALASKA**

Mayor

RESOLUTION 21-019

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
EXTENDING THE CITY OF HOMER DISASTER EMERGENCY
DECLARATION TO JUNE 29, 2021, DUE TO THE CURRENT AND
EXPECTED IMPACTS OF THE COVID-19 NOVEL CORONAVIRUS
PANDEMIC

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

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

WHEREAS, On March 23, 2020 the declaration was ratified and extended for a period of 90 days by Resolution 20-029 and has been further extended by Resolutions 20-055, 20-069, 20-113(A), and 20-129; and

WHEREAS, The Emergency Declaration is set to expire on March 9, 2021; and

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

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

WHEREAS, The distribution of vaccines by the Unified Command partners is underway through point of dispensing clinics and is anticipated to continue through the summer; and

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

NOW, THEREFORE, BE IT RESOLVED that the City's Disaster Emergency Declaration issued by the Mayor on December 14, 2020, is hereby extended to June 29, 2021 in order to allow for a continued response.

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PASSED AND ADOPTED by the Homer City Council on this 8th day of March 2021.

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal Note: N/A

**CITY OF HOMER
HOMER, ALASKA**

Aderhold

RESOLUTION 21-020

A RESOLUTION OF THE CITY COUNCIL EXEMPTING KACHEMAK MOOSE HABITAT, INC. FROM CITY PROPERTY TAX; DECLARING THAT THE ORGANIZATION SATISFIES THE CRITERIA OF KENAI PENINSULA BOROUGH CODE 5.12.100, REAL PROPERTY TAX-EXEMPTIONS- COMMUNITY PURPOSES PROPERTY – CONDITIONS, FOR LOT 4, HODNIK SUBDIVISION, KENAI PENINSULA BOROUGH PARCEL NUMBER 17936032, RETROACTIVE TO JANUARY 1, 2021 AND AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE THE APPROPRIATE DOCUMENTS

WHEREAS, Kachemak Moose Habitat, Inc., is a small nonprofit that has preserved more than 786 acres of moose habitat on the Southern Kenai Peninsula since 1996; and

WHEREAS, Kachemak Moose Habitat, Inc. has an emphasis on conserving land around the Beluga Flats Critical Habitat Area, allowing moose to congregate and feed during tough winters and deep snow; and

WHEREAS, Property used exclusively for community purposes is exempt from taxation under Kenai Peninsula Borough Code (KPB) 5.12.100, Real Property Tax – Exemptions – Community Purposes Property – Conditions; and

WHEREAS, Homer City Council passed Resolution 20-133(S) expressing the intent to pay the water and sewer assessments for KPB parcel number 17936032, T 06S R 13W SEC 22 Seward Meridian HM 2017050 Hodnik Sub Lot 4 when the property transferred ownership to Kachemak Moose Habitat, Inc., and a deed restriction for conservation and public use was recorded; and

WHEREAS, Homer City Council passed Ordinance 21-05 amending the FY21 capital budget and authorizing an expenditure in an amount up to \$79,000 for payment of the water and sewer assessments for Lot 4, Hodnik Subdivision KPB Parcel No. 17936032 when property ownership transferred to Kachemak Moose Habitat, Inc., and a deed restriction has been recorded regarding conservation and public access on the property; and

WHEREAS, The subject property has transferred ownership to Kachemak Moose Habitat, Inc., a deed restriction for conservation has been placed on the property, and the City of Homer has paid the water and sewer assessments; and

43 WHEREAS, Kachemak Moose Habitat, Inc. has applied for an exemption from the KPB
44 property tax and wishes to apply for and receive a similar exemption from the City property
45 tax consistent with the provisions contained in HCC 9.04.046(c) and (d); and
46

47 WHEREAS, The Homer City Council previously exempted fifteen (15) parcels owned by
48 Kachemak Moose Habitat, Inc., from property taxation via Resolution 10-72 on August 23,
49 2010 and Resolution 13-009 on January 28, 2013; and
50

51 WHEREAS, Kachemak Moose Habitat, Inc. requests formal exemption from the City of
52 Homer to address the change in property tax status on KPB parcel number 17936032, T 06S R
53 13W SEC 22 Seward Meridian HM 2017050 Hodnik Sub Lot 4, a 21.36 acre property which has
54 a 2020 assessed value of \$5,100 and a 2020 Homer tax assessment of \$58.34.
55

56 NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby exempts
57 Kachemak Moose Habitat, Inc. from City Property Tax; declaring that the organization
58 satisfies the criteria of Kenai Peninsula Borough Code 5.12.100, Real Property Tax -
59 Exemptions - Community Purposes Property – Conditions on KPB parcel number 17936032, T
60 06S R 13W SEC 22 Seward Meridian HM 2017050 Hodnik Sub Lot 4, retroactive to January 1,
61 2021, and that the City Manager is hereby authorized to execute any and all associated
62 documents.
63

64 PASSED AND ADOPTED by the City Council of Homer, Alaska, this 8th day of March, 2021.
65

66 CITY OF HOMER
67

68 _____
69 KEN CASTNER, MAYOR
70

71 ATTEST:

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

76 Fiscal Note: N/A

STATEMENT OF COMMUNITY PURPOSE – 1796032

This statement refers to a 21.36 acre parcel that was acquired by Kachemak Moose Habitat, Inc. for its wetlands value and this property's use by the communities of the lower Kenai Peninsula. This property is an important wetlands area for winter-stressed moose. This property is near to other parcels that have been preserved for their value as wildlife habitat. This property will be a functional addition to our habitat efforts and is near the existing State's critical habitat. The acquisition of this property is a result of recommendations by the Alaska Department of Fish & Game because of its proximity to the Homer Airport Critical Habitat. The intent of this acquisition is to retain this property and its habitat in perpetuity. In the past the nearby wetlands have continued to be filled and we consider this acquisition as part of a long term effort to retain at least some of the remaining habitat in an effort to help sustain the health of the Homer bench moose herd.

Additionally Lampert Lake, which is a principal attribute to this parcel is a very popular ice skating venue for local residents. The City of Homer, Kachemak Moose Habitat Inc., the land owner and some nearby land owners all worked through a complex acquisition process in order to allow this parcel to be retained for public use. Deed restrictions were written and included in this process to allow that public access.

The public benefits from this effort in several ways:

- 1) Public viewing and consumption of moose
- 2) Survivability of the herd is enhanced by providing the moose with an area where they can feed and rest relatively undisturbed.
- 3) Area residents can continue to use Lampert Lake for skating, bird watching and wildlife viewing.

Legal description:

T 06S R 13W SEC 22 SEWARD MERIDIAN HM 2017050 HODNIK SUB LOT 4
Parcel # 1796032

Homer Recording District, State of Alaska.

Lynn Whitmore
Board of Directors, President

APPLICATION FOR COMMUNITY PURPOSE EXEMPTION KPB 5.12.100

KENAI PENINSULA BOROUGH, ASSESSING DEPARTMENT
144 NORTH BINKLEY STREET, SOLDOTNA, AK 99669-7599
(907) 714-2230 OR (800) 478-4441 (within the Kenai Peninsula Borough)

FILING DEADLINE – DUE ON OR BEFORE MARCH 31 OF THE EXEMPTION YEAR

PIN: 1796032 Assessment Year: 2022
 Legal Desc: T 06S R 13W SEC 22 SEWARD MERIDIAN HM 2017050 HODNIK SUB LOT 4 Kachemak Moose Habitat, Inc.
 Owner of Record as of January 1 of Assessment Year: YES Organization Name: KMHI
 Name of Officer or Official Representative: Lynn Whitmore
 Address: PO Box 355 Phone: 907 299-1760
 City: Anchor Point State: AK ZIP: 99556

DETERMINATION CRITERIA (must be completed)

Yes	No	
<u>X</u>	_____	1. Non-profit / non-business
<u>X</u>	_____	2. Does not generate income in excess of actual cost
<u>X</u>	_____	3. Property ownership as of January 1 in applicant's name
<u>X</u>	_____	4. Actively being used exclusively for community purpose*

Membership use or participation must be open to, and not be limited or restricted to, anyone within the scope of the community.

I HEREBY APPLY FOR EXEMPTION ON THE ABOVE DESCRIBED PROPERTY AS PROVIDED IN AS.45.030 (b)(1)(A) AND KPB.12.100
 CERTIFICATION: I HEREBY CERTIFY THAT THE ANSWERS GIVEN ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE. I UNDERSTAND
 THAT WILLFUL MISSTATEMENT IS PUNISHABLE BY A FINE OR IMPRISONMENT UNDER AS11.56.210.

Lynn Whitmore PRESIDENT
 Signature of Officer or Official Representative

2/26/2021
 Date



AFTER RECORDING RETURN TO:
KACHEMAK MOOSE HABITAT, INC.
PO Box 355
Anchorage, AK 99556

STATUTORY WARRANTY DEED

The Grantor(s): VICKEY J. HODNIK, whose address is: PO Box 1836, Homer, AK 99603

for and in consideration of the sum of ten dollars (\$10.00), lawful money of the United States, and other good and valuable consideration in hand paid, the receipt and sufficiency of which is hereby acknowledged, do hereby GRANT, CONVEY and WARRANT to:

The Grantee(s): KACHEMAK MOOSE HABITAT, INC., whose address is: PO Box 355, Anchorage, AK 99556

the following described real property, together with all tenements, hereditaments, and appurtenances located in the Homer Recording District, Third Judicial District, State of Alaska:

Lot Four (4), HODNIK SUBDIVISION, according to Plat No. 2017-50, in the Homer Recording District, Third Judicial District, State of Alaska.

FURTHER SUBJECT to reservation and exceptions in U.S. Patent and otherwise of record, real property taxes, if any due, notes on plat, and covenants and restrictions of records.

FURTHER SUBJECT to the above described real property is protected, in perpetuity, primarily for the purpose as a wetland and habitat conservation area. The property shall be protected and managed in its natural condition for the preservation of its surface resources, vegetative cover, habitat for fish and wildlife, wetland hydrology and other water quality values of the property. The property shall remain available for public recreational activities provided those activities do not conflict with this primary purpose.

DATED: February 24, 2021

Grantor:

Vickey J. Hodnik
VICKEY J. HODNIK

State of Alaska)
Third Judicial District) ss.

On this 24 day of February, 2021, before me, the undersigned, a Notary Public in and for said State, personally appeared VICKEY J. HODNIK, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.

[Signature]
Notary Public in and for the State of Alaska
My Commission Expires: 10-22-2023

NOTARY PUBLIC
Heather Lewis
STATE OF ALASKA
My Commission Expires 10-22-2023



KPB 5.12.100. - Real property tax—Exemptions—Community purposes property—Conditions.

- A. Property of an organization not organized for business or profit-making purposes and used exclusively for community purposes is exempt from taxation under this chapter. Property or a part of the property from which rentals or income are derived is not exempt from taxation unless the income derived from the rentals does not exceed the actual cost to the owner of the use by the renter.
- B. No exemption under this section may be granted except upon written application on a form prescribed by the assessor. The applicant/owner must file the application no later than March 31 of the tax year for which the exemption is sought.
- C. The assessor may from time to time require such information as is reasonably necessary to determine the character of the organization and the nature of uses made. The exemption provided in this section is not applicable unless the required information is provided to the assessor.
- D. Definitions.
 - 1. For purposes of this section "community purpose" means the exclusive use of property within the borough based upon the culture and demographics of a particular area and which benefits the general public in a manner that enhances the quality of life through programs, public facilities, or services.
 - 2. For purposes of this section "used exclusively for a community purpose" means the property benefits the borough community and does not confer more than a de minimus private benefit to the non-profit organization that owns it or to the individuals that control that organization. "Exclusive use" includes a requirement for spatial apportionment if the property is used for both exempt and nonexempt purposes.
- E. In addition to the community purpose exemptions granted by the assessor, the property of the following organizations used to provide senior citizen housing shall be exempt from real property taxation under this section:
 - 1. Cooper Landing Senior Citizen Corporation, Inc.
 - 2. Homer Senior Citizens, Inc.
 - 3. Nikiski Senior Citizens, Inc.
 - 4. Sterling Area Senior Citizens, Inc.
 - 5. Soldotna Area Senior Citizens, Inc.
 - 6. Anchor Point Senior Citizens, Inc.
 - 7. Ninilchik Senior Citizens, Inc.

(Ord. No. [2016-28](#), § 7, 8-23-16; Ord. No. 2006-17, § 1, 5-16-06; Ord. No. 2005-40, § 1, 10-11-05; KPC § 25.05.050)

9.04.046 Real and personal property tax – Exemptions.

- a. The following property is exempt from the real and personal property tax imposed by this chapter:
 - 1. The first \$100,000 of assessed valuation of personal property, other than motor vehicles and watercraft, owned by each taxpayer; for taxpayers with more than one personal property tax account, this exemption shall be distributed pro rata among all of the taxpayer's accounts based on the proportion of the assessed value in each account to the total assessed value of that taxpayer's personal property;

2. Motor vehicles that are subject to a motor vehicle registration tax imposed by Chapter 5.12 KPBC, and as the same may be thereafter amended, revised, or replaced.

b. The first \$20,000 of assessed valuation of a single parcel of residential real property owned and occupied by the owner of record as the owner's permanent place of residence in the City shall be exempt from the City tax levy on real property within the City of Homer. The Borough Assessor's determination of whether property in the City qualifies for the Borough exemption under KPBC 5.12.115 shall be determinative of whether the property qualifies for the exemption under this subsection.

c. Property of an organization not organized for business or profit-making purposes and used exclusively for community purposes is exempt from taxation under this chapter. Property or a part of the property from which rentals or income is derived is not exempt from taxation unless the income derived from the rentals does not exceed the actual cost to the owner of the use by the renter. The Borough Assessor's determination of whether property in the City qualifies for the Borough exemption under KPBC 5.12.100 shall be determinative of whether the property qualifies for the exemption under this subsection.

d. This section shall be applied and construed to effectuate its general purpose to make uniform the laws of the City and the Kenai Peninsula Borough with respect to the exemptions granted by this section. [Ord. 08-49 § 1, 2008; Ord. 06-59 § 1, 2007; Ord. 01-53(S), 2001; Ord. 98-3(A) § 1, 1998].

To: Mayor Castner and Homer City Council
From: Scott Smith, Chair, Homer Planning Commission
Date: March 3, 2021
Subject: Planning Commission Report for City Council Meeting

Attending: Commissioners Conley, Highland, Venuti, Bentz, Barnwell and Smith were present. Deputy Planner Engebretsen and Deputy City Clerk Krause were in attendance. Commissioner Petska-Rubalcava was excused.

There was no **Work Session**.

Agenda was approved with the Public Works Campus Task Force Report being added to Reports, Item B.

There were no **Public Comments** nor **Reconsiderations**.

Consent Agenda was passed without objection.

Reports

A. Staff Report 21-12 City Planner's Report by Deputy Planner Julie Engebretsen highlighting the Planning Commission Annual Calendar and Coastal Bluff Hazard mapping project. Questions were fielded about eminent hazard possibilities, and how a Commissioner could participate in the financial discussions.

B. Public Works Campus Task Force Report: Commissioner Barnwell gave an exciting and thorough report with the assistance of Deputy Planner Engebretsen who produced two slides displaying the potential locations to move Public Works. Discussion included worst case tidal flood scenarios, parking challenges during Tsunami Warnings, drainage control of new locations and the process of site evaluation. Commissioner Smith reported during his visit to Japan in 2014 that the Fukushima surge was at least 52 feet high, which is almost 20 feet higher than the worst case line being used in this 2019 Inundation Report from DGGs. Commissioner Barnwell will look into why this line is where it is.

There were no **Public Hearings** nor **Plat Considerations**.

Pending Business

Staff Report 21-14, Community Design Manual Update Progress: Deputy Planner Engebretsen reported the suggested changes were largely recommended due to certain portions, phrases or words which were out of date, or were triggers for possible litigation. The recommended changes improved the Permit Application process and would hopefully lessen the potential of litigation.

New Business

Staff Report 21-12, Planning Fees: Deputy Planner Engebretsen informed the Commission about the recommended changes to the Fees charged by the Planning Office. A motion was passed unanimously for these changes to be submitted to City Council for approval.

There was a quick review of the **Informational Materials**.

Next Meetings:

Special Meeting: Appeal Hearing March 11, 2021 @ 5:30 pm
Planning Commission Meeting March 17, 2021 Worksession at 5:30 pm
Regular Meeting @ 6:30 pm. All meetings will be held virtually by Zoom.

ORDINANCE REFERENCE SHEET
2021 ORDINANCE
ORDINANCE 21-08

An Ordinance of the City Council of Homer, Alaska Amending the 2021 Capital Budget and Authorizing Additional Expenditure of \$113,353.33 from the HART-Road Fund for the Woodard Creek Rehabilitation Project.

Sponsor: City Manager/Public Works Director.

1. City Council Regular Meeting February 22, 2021 Introduction
Memorandum 21-030 from Public Works Director as backup.
2. City Council Regular Meeting March 8, 2021 Public Hearing and Second Reading

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

3 City Manager/
4 Public Works Director

5 **ORDINANCE 21-08**

6
7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
8 AMENDING THE 2021 CAPITAL BUDGET AND AUTHORIZING
9 ADDITIONAL EXPENDITURE OF \$113,353.33 FROM THE HART-
10 ROAD FUND FOR THE WOODARD CREEK CULVERT
11 REHABILITATION PROJECT.

12
13 WHEREAS, Water from Woodard Creek is conveyed under Fairview Avenue in two
14 culverts, which are owned/maintained by the City of Homer; and

15
16 WHEREAS, The culverts have experienced extensive corrosion and one them failed,
17 allowed gravel from Fairview Avenue’s road bed to fall into the culvert and get washed away,
18 thereby causing a sinkhole in Fairview Avenue; and

19
20 WHEREAS, The City made emergency repairs, but a permanent solution is necessary;
21 and

22
23 WHEREAS, A recommendation was made to install a permanent solution, which would
24 allow Woodard Creek to be “daylighted” at Fairview Avenue; that is, an arch culvert would be
25 designed and installed that would allow Woodard Creek to flow freely; and

26
27 WHEREAS, The conceptual cost estimate to design, furnish and install the large arch
28 culvert could be in the range of \$300,000 - \$500,000 and wouldn’t be completed until mid-2021;

29
30 WHEREAS, The City Council passed Ordinance 20-40(A) appropriating \$350,000 from the
31 HART Road Fund for the arch culvert solution; and

32
33 WHEREAS, The project has been designed to a 35% level and the updated cost estimate
34 shows the total expected project cost, including design, will be \$463,353.33; and

35
36 WHEREAS, An additional appropriation is necessary to complete the project.

37
38 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

39
40 Section 1. The City of Homer’s 2021 Capital Budget is hereby amended by appropriating
41 an additional \$113,353.33 from the HART-Roads Fund for the Woodard Creek Culvert
42 Rehabilitation Project.

43
44

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
45 160-0779	HART Roads	\$113,353.33

46

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

49
50 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ____ day of _____, 2021.

51
52 CITY OF HOMER
53
54 _____
55 KEN CASTNER, MAYOR

56 ATTEST:
57
58 _____
59 MELISSA JACOBSEN, MMC, CITY CLERK

60
61
62 YES:
63 NO:
64 ABSTAIN:
65 ABSENT:
66
67
68 First Reading:
69 Public Hearing:
70 Second Reading:
71 Effective Date:

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

3 City Manager/
4 Public Works Director

5 **ORDINANCE 21-08(S)**

6
7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
8 AMENDING THE 2021 CAPITAL BUDGET AND AUTHORIZING
9 ADDITIONAL EXPENDITURE OF UP TO ~~\$113,353.33~~ **\$463,353.33**
10 FROM THE HART-ROAD FUND FOR THE WOODARD CREEK
11 CULVERT REHABILITATION PROJECT.

12
13 WHEREAS, Water from Woodard Creek is conveyed under Fairview Avenue in two
14 culverts, which are owned/maintained by the City of Homer; and

15
16 WHEREAS, The culverts have experienced extensive corrosion and one them failed,
17 allowed gravel from Fairview Avenue’s road bed to fall into the culvert and get washed away,
18 thereby causing a sinkhole in Fairview Avenue; and

19
20 WHEREAS, The City made emergency repairs, but a permanent solution is necessary;
21 and

22
23 WHEREAS, A recommendation was made to install a permanent solution, which would
24 allow Woodard Creek to be “daylighted” at Fairview Avenue; that is, an arch culvert would be
25 designed and installed that would allow Woodard Creek to flow freely; and

26
27 WHEREAS, The conceptual cost estimate to design, furnish and install the large arch
28 culvert could be in the range of \$300,000 - \$500,000 and wouldn’t be completed until mid-2021;

29
30 WHEREAS, The City Council passed Emergency Ordinance 20-40(A) appropriating
31 \$350,000 from the HART Road Fund for the arch culvert solution; and

32
33 **WHEREAS, The appropriation needs to be renewed; and**

34
35 WHEREAS, The project has been designed to a 35% level and the updated cost estimate
36 shows the total expected project cost, including design, will be \$463,353.33; and

37
38 WHEREAS, An additional appropriation is necessary to complete the project.

39
40 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:
41

42 Section 1. The City of Homer’s 2021 Capital Budget is hereby amended by appropriating
43 **\$463,353.33** an additional ~~\$113,353.33~~ from the HART-Roads Fund for the Woodard Creek
44 Culvert Rehabilitation Project.

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
160-0779	HART Roads	\$113,353.33 \$463,353.33

48
49 Section 2. This is a budget amendment ordinance, is not permanent in nature, and shall
50 not be codified.

51
52 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ___ day of _____, 2021.

53
54 CITY OF HOMER

55
56 _____
57 KEN CASTNER, MAYOR

58 ATTEST:

59
60 _____
61 MELISSA JACOBSEN, MMC, CITY CLERK
62

63
64 YES:

65 NO:

66 ABSTAIN:

67 ABSENT:

68
69
70 First Reading:

71 Public Hearing:

72 Second Reading:

73 Effective Date:



Memorandum 21-030

TO: Mayor Castner and Homer City Council
Through: Robert Dumouchel, City Manager
FROM: Janette Keiser, PE, Director of Public Works/Acting City Engineer
DATE: February 2, 2021
SUBJECT: Woodard Creek Culvert Project – 35% Design

Issue: The design for the Woodard Creek Culvert Project is currently at 35% development. The purpose of this Memorandum is to discuss the cost increases we are anticipating and seek direction.

Background: The City issued a contract to design the Woodard Creek Culvert Project to Bishop Engineering, a Homer firm with extensive experience in structural engineering and local development. Bishop has progressed the design the 35% level, which is not enough to build from, but enough to envision what the project will look like and get a more reliable cost. For example, this level of design allows us to understand and work-around utility conflicts, plan for construction impacts and layout the basic dimensions of the new road/sidewalk cross-section.

The intent is to replacing the existing two 24” culverts that extend under Fairview Avenue with a single arch pipe that allows Woodard Creek to flow freely. Specifically, the smaller culverts will be replaced with 110 feet of corrugated arch pipe that is somewhat oblong, 73 inches (6’1”) wide and 55 inches (4’7”) high. This considerably increases the hydraulic capacity of the structure.

The estimated cost to construct the structure is \$417,813.33, which does not include any construction contingency. The cost of the design effort is \$45,540, bringing the total expected project cost to \$463,353.33. The Council approved, via Ordinance 20-40(A), \$350,000 for the design and construction of this project, leaving a balance of \$113,353.33.

Part of the extra cost is due to the effort to temporarily relocate the existing utilities, including a major water main, a primary gas main and a fiber optic cable. All of these utilities will need to be temporarily relocated and protected during the installation of the arch pipe. We knew these utilities existed, and we’ve added more conservative costs for their protection and relocation, to the cost estimate, in an abundance of caution. The updated cost estimate includes \$90,000 of utility protection costs. We also have a considerable cost, \$25,000, to divert the creek during construction. Obviously, this cost will depend on flow rates and we’ve taken a conservative approach. These costs for utility protection and creek diversion, would be incurred even if we replaced the two

existing culverts with the same size culverts. It's possible we could get lucky and not need to spend these amount of money on these items. We recommend continuing with the arch culvert project.

We will be sharing this information with the PARCAC at their February 4, 2021

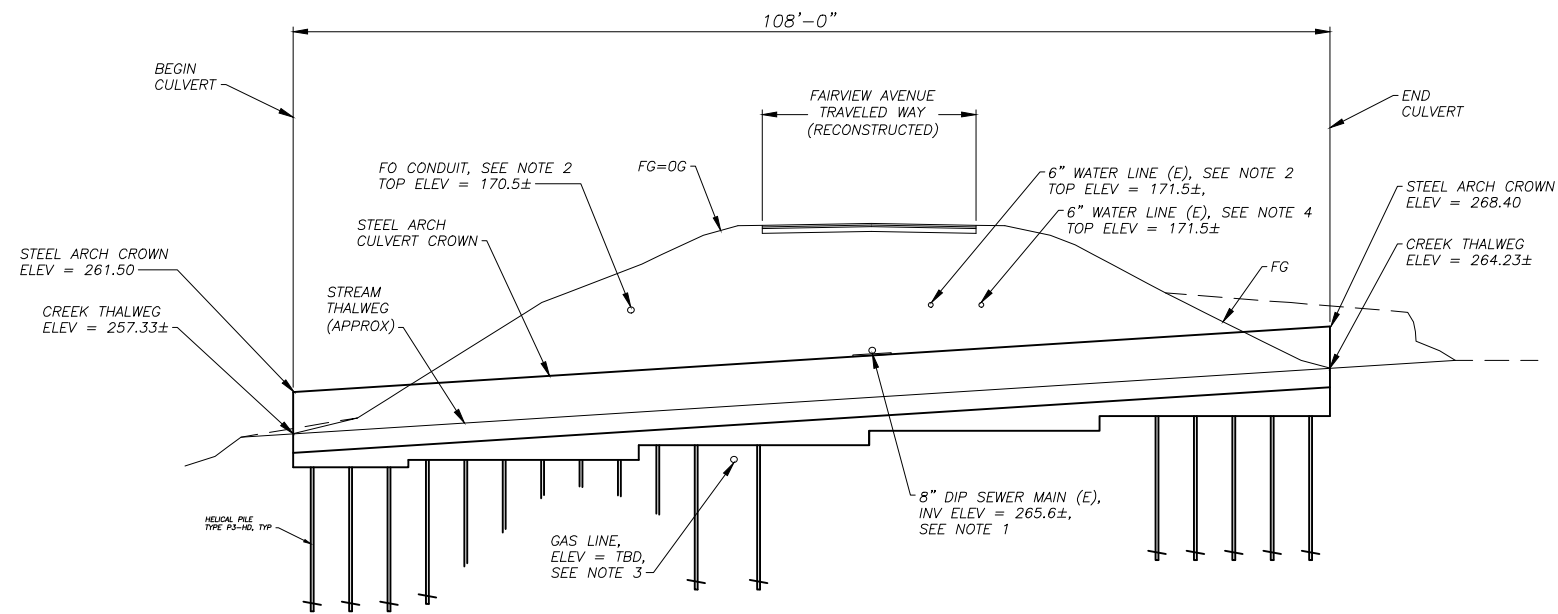
How much money is in the HART-Roads Fund? According to a report distributed by Finance Director Walton on June 3, 2020, there was \$5,995,992 in the HART Roads fund as of March 31, 2020. Since then, my records show we have spent or obligated \$1,106,678 in projects in 2020 and I've asked for \$272,000 in Fleet Replacements for 2021. With these obligations, there is \$4,617,314 in the HART Roads Fund. Finance Director Walton told me there was \$6,472,383.26 in the HART Roads Fund as of December 31, 2020, but I'm not sure is that included all the various obligations made in 2020. Even so, there is sufficient funds in the HART Road Fund to cover the anticipated extra costs.

What other plans do we have for the HART-Roads Fund? As we promised last year, we are in the process of preparing a 5-year Roads Capital Improvement Plan, using our data-based Road Assessment Plan as a guide. We've identified several paved roads, assessed at a rating of Poor (2 out of a scale of 1-5), which would benefit from grinding and repaving this year. Further, we have some gravel roads that are poorly rated because of frost boils and thin driving surfaces. Our intent is to work on the roads rated Poor or worse, first, and then move on to roads that are rated Fair, to improve their condition before they deteriorate further. We're also looking at where drainage improvements need to be made, regardless of road condition. Further, we hope to be able to construct the Main Street side walk, whether grant funding is received or not, and start design on the next priority sidewalk. In short, we are working on a plan and hope to unveil it by the next budget cycle.

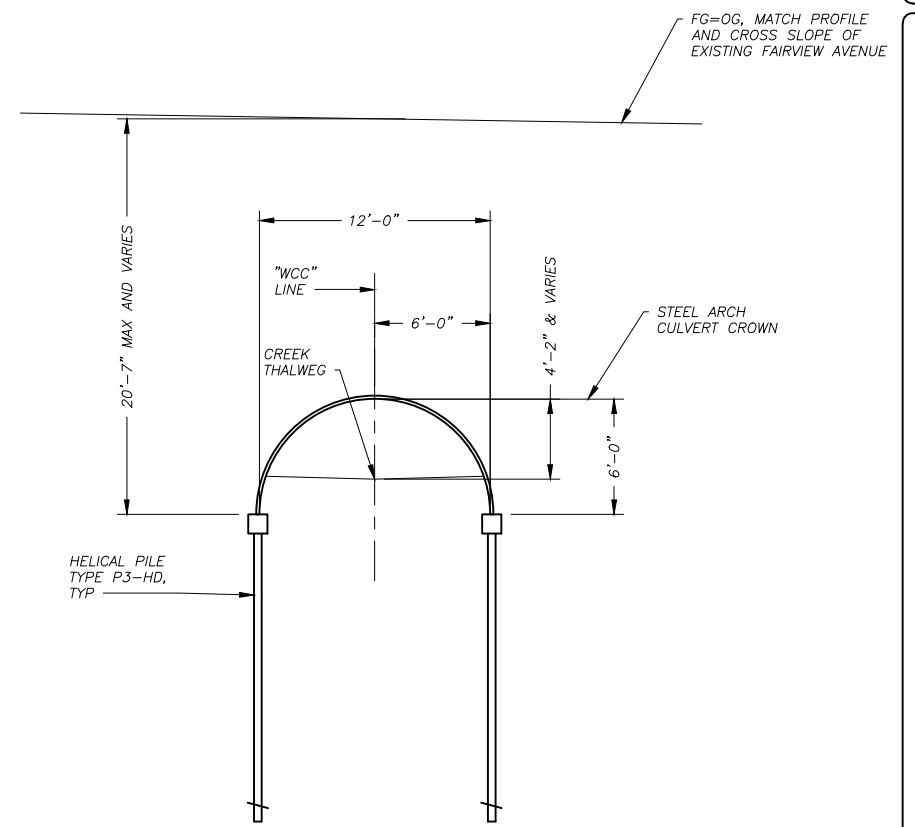
Finally, we have collected cost information from actual, local bids (Pioneer Avenue and Lake Street Reconstruction), which we will use to build a historical cost data base. This will improve our cost estimating methodology.

Recommendation:

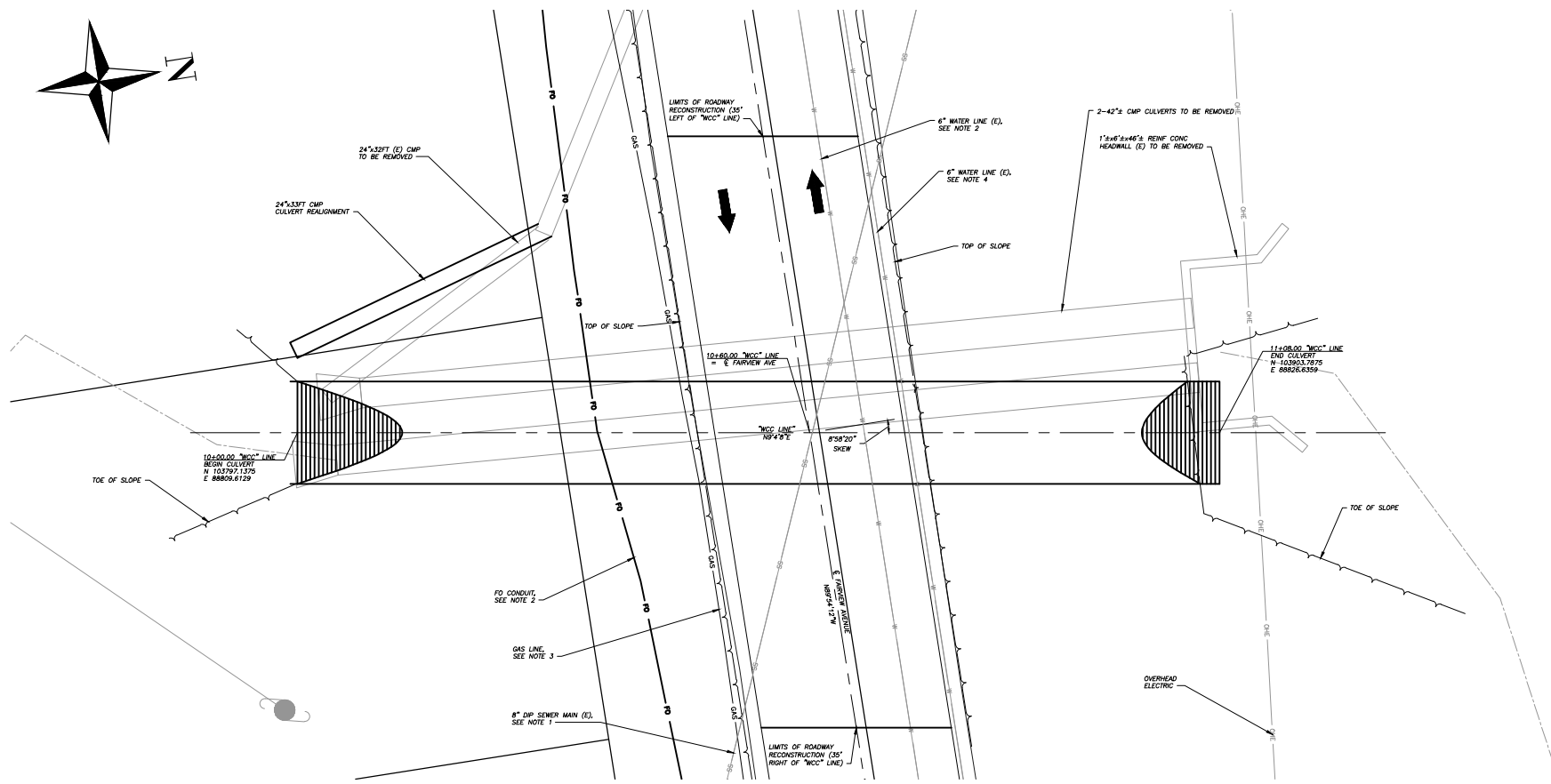
That the City Council appropriate an additional \$113,353.33 for this project, from the HART Roads Fund.



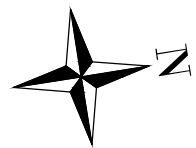
ELEVATION
1"=10'-0"



TYPICAL SECTION
1"=5'-0"



PLAN
1"=10'-0"



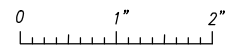
- NOTES:**
1. Utility to be relocated. Utility may be temporarily shut down during construction.
 2. Utility to be rerouted onto support bridge and remain in service during construction.
 3. Utility to be protected in place and remain in service during construction.
 4. Utility is abandoned and shall be removed within the limits of excavation.
 5. Before performing any excavations, call Alaska Digline at 811, (800) 478-3121, or (907) 278-3121.

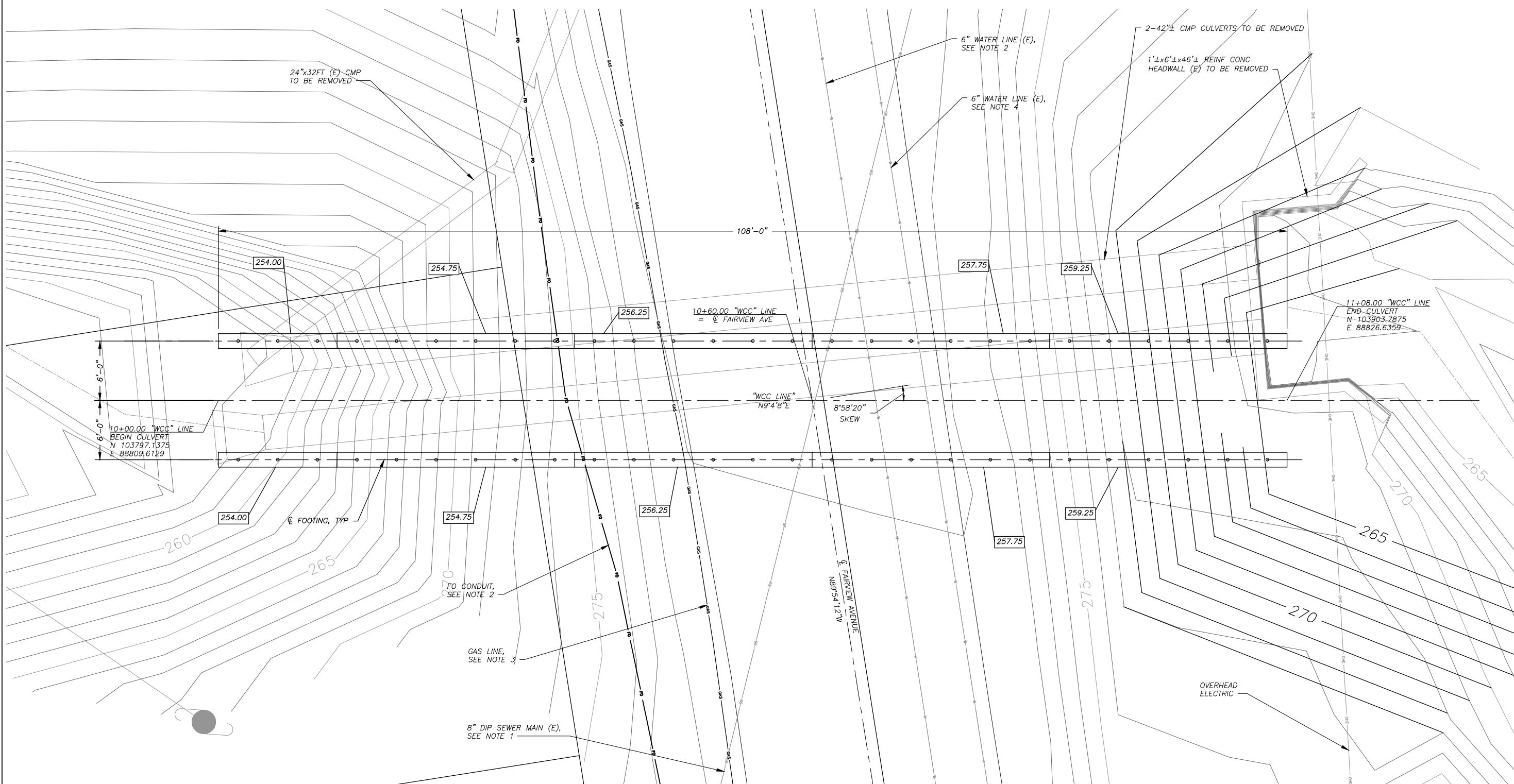
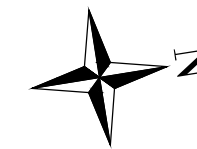
WOODARD CREEK CULVERT AT FAIRVIEW AVENUE (REPLACE)
Homer, Alaska
GENERAL PLAN

BISHOP ENGINEERING, LLC
PO BOX 2501 HOMER, ALASKA 99603
(907) 299-7609

DATE: 11/6/2020
CHK'D: JSB
SCALE: As Noted
PROJ. NO.: 2020142

SHEET NO.:
S-1

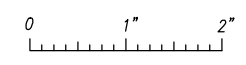




LEGEND:
 DENOTES BOTTOM OF FOOTING ELEVATION

PLAN
 1"=5'-0"

- NOTES:**
1. Utility to be relocated. Utility may be temporarily shut down during construction.
 2. Utility to be rerouted onto support bridge and remain in service during construction.
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WOODARD CREEK CULVERT AT FAIRVIEW AVENUE (REPLACE)
 Homer, Alaska
 FOUNDATION PLAN

BISHOP ENGINEERING, LLC
 PO BOX 2501 HOMER, ALASKA 99603
 (907) 299-7609

DATE: 11/6/2020
 CHK'D: JSB
 SCALE: As Noted
 PROJ. NO.: 2020142

SHEET NO.:
 S-2

ENGINEER'S CONSTRUCTION ESTIMATE

95% PLAN ESTIMATE 65% PLAN ESTIMATE GENERAL PLAN ESTIMATE (35%)

PROJECT NAME: Woodard Creek Culvert @ Fairview Avenue (Replace)
DESCRIPTION: Project Estimate - 110 feet of 73"x55" pipe arch culvert
 (3"x1" 14GA, Aluminized)
 (15% Contingencies)
PRICES BY : John S. Bishop
QUANTITIES BY: John S. Bishop
CHECKED BY:

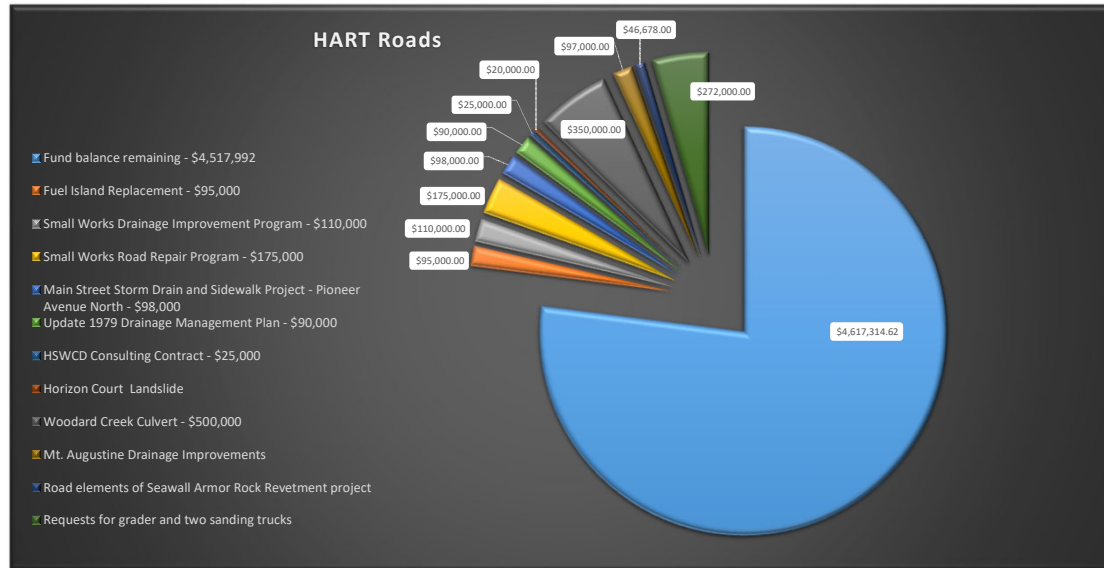
IN EST:
OUT EST:
LOCATION: Homer, Alaska
DEPTH: 4'-7"
LENGTH: 110 feet
WIDTH: 6'-1"
AREA: N/A
DATE: 1/22/2021
DATE: 1/22/2021
DATE:

CONTRACT ITEMS		QUANTITY	UNIT PRICE	UNIT	ITEM COST
1	Traffic Control	1	\$ 10,000.00	LS	\$ 10,000.00
2	Construction Survey	1	\$ 18,500.00	LS	\$ 18,500.00
3	Pavement Removal	1,500	\$ 3.00	SQFT	\$ 4,500.00
4	Remove Existing Culvert and Headwall	1	\$ 18,000.00	LS	\$ 18,000.00
5	Roadway Excavation	2,400	\$ 15.00	CY	\$ 36,000.00
6	Structure Backfill	1,600	\$ 40.00	CY	\$ 64,000.00
7	Geotextile Fabric	1,500	\$ 2.50	SQFT	\$ 3,750.00
8	Asphalt Concrete Pavement	1,500	\$ 6.00	SQFT	\$ 9,000.00
9	Creek Diversion Culvert	1	\$ 30,000.00	LS	\$ 30,000.00
10	Structural Concrete (Headwall Reconstruction)	4	\$ 1,000.00	CY	\$ 4,000.00
11	Bar Reinforcing Steel (Headwall Reconstruction)	800	\$ 2.50	LBS	\$ 2,000.00
12	Furnish Open Arch Culvert (Galvanized 12GA Multi-Plate)	8,140	\$ 3.30	LBS	\$ 26,862.00
13	Install Pipe Arch Culvert (Galvanized 12GA Multi-Plate)	8,140	\$ 3.00	LBS	\$ 24,420.00
14	Rock Slope Protection	1	\$ 25,000.00	LS	\$ 25,000.00
15	Water Line Temporary Relocation on Bridge and Reinstallation	1	\$ 40,000.00	LS	\$ 40,000.00
16	Sanitary Sewer Temporary Relocation on Bridge and Reinstallation	1	\$ 25,000.00	LS	\$ 25,000.00
17	Fiber Optic Temporary Relocation on Bridge and Reinstallation	1	\$ 15,000.00	LS	\$ 15,000.00
18	Gas Main Temporary Relocation on Bridge and Reinstallation	1	\$ 10,000.00	LS	\$ 10,000.00
19	SWPPP Construction	1	\$ 10,000.00	LS	\$ 10,000.00
20				\$	-
21				\$	-
22				\$	-
23				\$	-
24				\$	-
25				\$	-
26				\$	-
27				\$	-
28				\$	-
29				\$	-
30				\$	-

Comments	MOBILIZATION	10%	\$ 41,781.33
	SUBTOTAL		\$ 417,813.33
	CONTINGENCIES	15%	\$ 62,672.00
	TOTAL		\$ 480,000.00

DESCRIPTION	PRICE	UNIT	COST
DEMOLITION			

	HART - Roads spent or obligated
Fund Balance thru 3/31/20	\$ 5,995,992.62
Fund balance remaining - \$4,517,992	\$ 4,617,314.62
Fuel Island Replacement - \$95,000	\$ 95,000.00
Small Works Drainage Improvement Program - \$110,000	\$ 110,000.00
Small Works Road Repair Program - \$175,000	\$ 175,000.00
Main Street Storm Drain and Sidewalk Project - Pioneer Avenue North - \$98,000	\$ 98,000.00
Update 1979 Drainage Management Plan - \$90,000	\$ 90,000.00
HSWCD Consulting Contract - \$25,000	\$ 25,000.00
Horizon Court Landslide	\$ 20,000.00
Woodard Creek Culvert - \$500,000	\$ 350,000.00
Mt. Augustine Drainage Improvements	\$ 97,000.00
Road elements of Seawall Armor Rock Revetment project	\$ 46,678.00
Requests for grader and two sanding trucks	\$ 272,000.00
Total Projects Spent or Obligated	\$ 1,378,678.00



Conceptual Cost Estimate
Fairview Ave Woodard Creek Culvert Replacement

Assumptions:
 1/4 excavated material can be reused
 June-July Construction (2021)

	Units	Quantity	Unit Price	Cost
Mob/Demobilization	LS	1	\$65,000	\$65,000
Traffic Control	LS	1	\$16,500	\$16,500
Construction Survey	LS	1	\$18,500	\$18,500
Pavement Removal	SF	3000	\$3	\$9,000
Excavation (Offsite Disposal)	CY	1450	\$15	\$21,750
Remove Headwall/Existing Culvert	LS	1	\$17,500	\$17,500
F&I 60"x72" Pipe Arch Culvert	LF	65	\$300	\$19,500
Replace Headwall	LS	1	\$19,000	\$19,000
Outlet Erosion Control	LS	1	\$11,000	\$11,000
Classified Backfill	CY	1100	\$33	\$36,300
Geotextile Fabric	SF	3000	\$2.50	\$7,500
Slope Erosion Control	LS	1	\$11,000	\$11,000
Pavement Replacement	SF	3000	\$6	\$18,000
Protect Sewer Main	LS	1	\$25,000	\$25,000
Protect Water Mian	LS	1	\$40,000	\$40,000
Protect Gas main	LS	1	\$30,000	\$30,000
Protect Fiber Optic Cable	LS	1	\$15,000	\$15,000
Bypass Stream Flow	LS	1	\$30,000	\$30,000

Total Construction **\$410,550**

Design (12%) \$49,266.00

Permitting (4%) \$16,422.00

Inspection (5%) \$20,527.50

Contingency (8%) \$32,844.00

Total Project Cost **\$529,610**

43 ~~Section 1. Based on the foregoing WHEREAS clauses, which shall also function as a~~
44 ~~Statement of Facts, the Homer City Council finds that the failure of the Woodard Creek culverts~~
45 ~~under Fairview Avenue constitutes an emergency, per HCC 1.08.040.~~
46

47 ~~Section 2. The City Manager is authorized, per HCC 3.16.060, to execute an exemption~~
48 ~~to the procurement procedures set forth in Homer City Code Chapter 3.16, by issuing a sole~~
49 ~~source contract for the repair/rehabilitation of the Woodard Creek Culverts.~~
50

51 ~~Section 3: This is a budget amendment ordinance, is not permanent in nature, and shall~~
52 ~~not be codified.~~
53

54 **WHEREAS, The repairs are fragile and could be damaged by a storm event laden**
55 **with high water and debris, which could cause the road to fail again; and**
56

57 **WHEREAS, The City Council needs to decide what a permanent solution should**
58 **look like, so implementation can be expedited; and**
59

60 **WHEREAS, There are two options for implementing a permanent solution; and**
61

62 **WHEREAS, The first option is to “slip line” the existing culverts with a fiberglass**
63 **lining, which is installed in the culverts as they lay in place; and**
64

65 **WHEREAS, Frawner Corporation is the only contractor that slip lines existing**
66 **culverts, in the state of Alaska, which if this option is chosen would necessitate a sole**
67 **source contract with this contractor; and**
68

69 **WHEREAS, The City received a quote, in the amount of \$152,000, from Frawner**
70 **Corporation to design, fabricate and install slip lining for both culverts; and**
71

72 **WHEREAS, This quote did not include costs for traffic control, a**
73 **performance/payment bond, permits and other incidentals that a government public**
74 **works contract requires and we are in the process of working with Frawner to price out**
75 **these elements; and**
76

77 **WHEREAS, We estimate these “soft costs” will add approximately another 20% to**
78 **the project, bringing the estimated cost to \$182,400; and**
79

80 **WHEREAS, Frawner Corporation needs at least six weeks to design and procure**
81 **materials that are customized for our specific application; and**
82

83 WHEREAS, There is another option, which involves replacing the existing two
84 culverts with a large arch culvert, thereby allowing the creek to flow naturally and
85 increase hydraulic capacity; and
86

87 WHEREAS, The Woodard Creek Watershed Management Plan, promulgated by the
88 Woodard Creek Coalition and incorporated into the 2018 Homer Comprehensive Plan
89 identifies as a “Project for Future Consideration”, “working with the City of Homer to
90 daylight Woodard Creek at Fairview Avenue”; and
91

92 WHEREAS, Woodard Creek has already been day-lighted at Spruceview Avenue and
93 Soundview Avenue; and
94

95 WHEREAS, Now would be the best time to act on the objective of daylighting
96 Woodard Creek as part of a permanent solution to the Fairview Avenue culvert failure;
97 and
98

99 WHEREAS, The conceptual cost estimate to design, furnish and install the large
100 arch culvert could be in the range of \$300,000 --\$500,000 \$350,000 and wouldn't be
101 completed until mid-2021;
102

103 WHEREAS, The City Council adopted Resolution 17-038, on April 24, 2017,
104 amending the Homer Accelerated Roads and Trails Program (HART) Policy Manual; and
105

106 WHEREAS, The HART Manual identify various criteria for projects that may be
107 considered for HART funding; and
108

109 WHEREAS, The criteria, which would be met by repairing Fairview Avenue, include:

- 110 • Improves life, safety and traffic flow
- 111 • Corrects deficiencies of existing systems
- 112 • Corrects Drainage Problems

113 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:
114

115 Section 1. The City Council declares the failure of the Woodard Creek Culvert at
116 Fairview Avenue to constitute an emergency.
117

118 Section 2. The City Council directs the City Manager and staff to execute a
119 permanent solution to the Fairview Avenue culvert failure at Woodard Creek, which
120 Select option (a) slip lines the existing two culverts or (b) daylights the Creek.
121

122 **Section 3. The City Manager is authorized, per HCC 3.16.060, to execute**
123 **exemptions to the procurement procedures set forth in Homer City Code Chapter 3.16, to**
124 **expedite the procurement of contracts to implement the preferred option.**
125


126 **Section 4. The City of Homer's 2020 Capital Budget is hereby amended by**
127 **appropriating up to \$500,000 350,000 from the HART-Roads Fund for the Woodard Creek**
128 **Culvert Rehabilitation Project.**
129

Account No.	Description	Amount
	HART Roads	\$500,000 350,000

132
133 **Section 5. This is a budget amendment ordinance, is not permanent in nature,**
134 **and shall not be codified.**
135

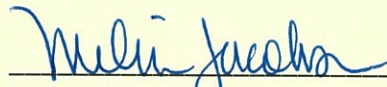
136 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 1st day of July, 2020.
137

138 CITY OF HOMER

139 
140 _____

141 KEN CASTNER, MAYOR

142 ATTEST:

143 
144 _____

145 MELISSA JACOBSEN, MMC, CITY CLERK
146

147 YES: 6

148 NO: 0

149 ABSTAIN: 0

150 ABSENT: 0
151

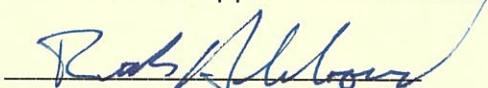
152 First Reading: 7/1/2020

153 Public Hearing: Emergency ordinance

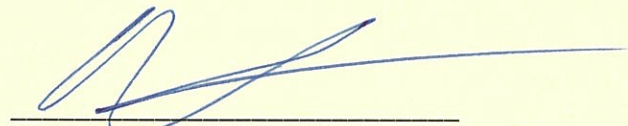
154 Second Reading:

155 Effective Date: 7/1/2020
156

157 Reviewed and approved as to form:

158 
159 _____

160 Rick Abboud, Acting City Manager

158 
159 _____

160 Michael Gatti, City Attorney

161 Date: _____

161 Date: 8/10/2020
162

ORDINANCE REFERENCE SHEET
2021 ORDINANCE
ORDINANCE 21-09

An Ordinance of the City Council of Homer, Alaska, Amending the 2021 Capital Budget and Authorizing Expenditure of up to \$65,000 from the Police Fleet CARMA Account to Purchase and Outfit a Patrol Vehicle.

Sponsor: City Manager/Police Chief

1. City Council Regular Meeting February 22, 2021 Introduction
Memorandum 21-031 from Police Chief as backup.
2. City Council Regular Meeting March 8, 2021 Public Hearing and Second Reading

**CITY OF HOMER
HOMER, ALASKA**

City Manager/Police Chief

ORDINANCE 21-09

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
AMENDING THE 2021 CAPITAL BUDGET AUTHORIZING
EXPENDITURE OF UP TO \$65,000 FROM THE POLICE FLEET CARMA
ACCOUNT TO PURCHASE AND OUTFIT A PATROL VEHICLE.

WHEREAS, The FY20/21 budget approved the purchase of a replacement jail van for the
Police Department in FY21; and

WHEREAS, There is a greater need at this time for a patrol vehicle appropriately
outfitted for police use; and

WHEREAS, The Police Chief has made a request to replace the approved jail van with a
new request for a patrol vehicle; and

WHEREAS, There are sufficient funds available in the Police Fleet CARMA account to
purchase an appropriately outfitted patrol vehicle.

NOW THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The City of Homer's FY21 Capital Budget is hereby amended by appropriating
up to \$65,000 to procure and outfit a police patrol vehicle as follows:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
152-0382	Police Fleet CARMA	\$65,000

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

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ____ day of _____, 2021.

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

43

44

45

46 _____
MELISSA JACOBSEN, MMC, CITY CLERK

47

48

49 YES:

50 NO:

51 ABSTAIN:

52 ABSENT:

53

54

55 First Reading:

56 Public Reading:

57 Second Reading:

58 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 21-031

DATE: 1-27-2021

FROM: Chief Robl

TO: City Manager Dumouchel

SUBJ: HPD Fleet Purchase

We have been operating our fleet with a take home policy for our police officers for over 25 years. Having a take home policy ensures officers can be called in from an off duty status and rapidly respond directly to the location of the call fully equipped and ready to render aide. We have found other advantages to the take home policy as well. We are currently budgeted for 13 police officers. We gained an additional position in 2020. We neglected to budget for an additional patrol vehicle last year. I would like to add one soon and keep up with a reasonable replacement schedule to keep our fleet safe and capable.

Most police departments do not operate patrol vehicles with over 100,000 miles on them. Many replace them at far fewer miles. We have always tried to run ours as long as we safely can. There is great risk with operating aged vehicles in emergency responses, you just never know when something is going to break that could cause an accident. We currently have two front line patrol vehicles that should be replaced as soon as possible with a third also very close to the end of its service time. An additional need is to replace our jail transport van. It has numerous problems and over 110,000 miles on it. These vehicles are identified as follows:

Unit 526	2009 Chevy Impala	148,000 miles
Unit 518	2007 Ford Expedition	124,000 miles, extremely rusty, literally falling apart
Unit 527	2014 Ford Explorer	93,500 miles, still operable but deteriorating
Unit 523	2008 Chevy Van	110,000 miles, this is our jail van

We have been purchasing four wheel drive vehicles with the police package on them. The police package has heavy duty electrical components in it to handle our equipment. It also comes with heavy duty brakes and suspensions. The police package is currently offered on Chevy Tahoe's, Ford Explorers and Expeditions and some pick-ups. Pick-ups don't work for our uses. The Tahoe's and Expeditions are our preferred vehicles. They have enough room for prisoner cages and the rest of our equipment. We have several Explorers. The spacing in the rear seat with the cage in it is very tight making it difficult to fit a large, resistive person in them. I intend to purchase Tahoe's and Expeditions in the future unless something better comes along.

The Alaska Department of Public Safety bids a contract with Chevrolet and Ford for police vehicles every year. The contract pricing is offered to all police agencies in the state. We have tried to obtain better pricing through the bid process but have not been able to do so. Sticking with the negotiated prices from DPS has

proven to be the way to go. The manufacturers typically have a window open for ordering police service vehicles. You can't order vehicles when the window is closed. COVID is complicating the process and slowing it down. Our last new vehicle orders took about a year to get to us. The cost of the vehicle is just a part of it. The vehicles have to be outfitted before they are ready to go. Outfitting is done at Alaska Safety in Anchorage, also on state contract prices. I have not seen the state contract prices for this year yet. We purchased two new Expeditions in 2020 at a cost of \$40,000 each. Outfitting them came in at \$12,600 each.

For CY 2020 we had originally planned and budgeted for replacing our jail van. We neglected to budget for an additional patrol vehicle. We currently have approximately \$80,000 available in our fleet reserve account. I would like permission to replace the Chevy Impala now using our existing fleet reserve funds. I request permission to spend up to \$55,000 on this purchase. For FY 2022 I will plan on budgeting to replace the 2007 Expedition and add an additional patrol vehicle to our fleet.

City Manager's Note: While the Chief is requesting \$55,000 to purchase and outfit a vehicle, I am directing staff to increase the value requested in the ordinance to \$65,000. This is not to allow for additional equipment purchases, but to account for the fact that there is an international disruption to automotive supply chains which could impact the prices of vehicles. Any funds not spent on the originally intended use (patrol vehicle and police-use outfitting) will be returned to the fleet reserve account.

ORDINANCE REFERENCE SHEET
2021 ORDINANCE
ORDINANCE 21-10

An Ordinance of the City Council of Homer, Alaska, Amending the 2021 Capital Budget and Authorizing Expenditure of an Additional \$17,148 from the Sewer Reserve Fund to Complete the Retrofit of High Energy Lights Fixtures at the Sewer Treatment Campus.

Sponsor: City Manager/Public Works Director.

1. City Council Regular Meeting February 22, 2021 Introduction
Memorandum 21-032 from Public Works Director as backup.
2. City Council Regular Meeting March 8, 2021 Public Hearing and Second Reading

**CITY OF HOMER
HOMER, ALASKA**

City Manager/
Public Works Director

ORDINANCE 21-10

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
AMENDING THE 2021 CAPITAL BUDGET AND AUTHORIZING AN
ADDITIONAL \$17,148 FROM THE SEWER RESERVE FUND TO
COMPLETE THE RETROFIT OF HIGH ENERGY LIGHT FIXTURES AT
THE SEWER TREATMENT CAMPUS.

WHEREAS, The City Council adopted Ordinance 20-92 on December 14, 2020, appropriating funds from the Sewer Reserve fund in the amount of \$18,696 and funds from the Water Reserve Fund in the amount of \$16,546 to retrofit high energy light fixtures with LED light fixtures; and

WHEREAS, In the course of installing the LED fixtures in the Waste Water Treatment Plant (WWTP), it was discovered that 29 of the light fixtures are badly damaged from the highly corrosive environment in the WWTP, which means the fixtures, and some associated wiring, needs to be replaced completely; and

WHEREAS, the extra cost for this replacement work is \$17,148, as a change order to the purchase order issued to local contractor, Liberty Electric, Inc.

NOW, THEREFORE, the City Council of Homer ordains:

Section 1. That Ordinance 20-92 be amended to appropriate an additional \$17,148, from the Sewer Reserve Fund, for a total appropriation of \$35,844 to retrofit high energy light fixtures at the Sewer Treatment Plant Campus with low energy LED fixtures.

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
256-0379	Sewer Reserve Fund	\$17,148

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 ___ day of _____, 2021.

CITY OF HOMER

KEN CASTNER, MAYOR

44 ATTEST:

45

46 _____

47 MELISSA JACOBSEN, MMC, CITY CLERK

48

49

50 YES:

51 NO:

52 ABSTAIN:

53 ABSENT:

54

55

56 First Reading:

57 Public Hearing:

58 Second Reading:

59 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 21-032

TO: Mayor Castner and Homer City Council

THROUGH: Rob Dumouchel, City Manager

FROM: Janette Keiser, Director of Public Works

DATE: February 9, 2021

SUBJECT: Request for Change Order for Replacement of Light Fixtures at WWTP

Issue: City Council adopted Ordinance 20-92 appropriating \$18,696 to retrofit lighting at the Waste Water Treatment Plant (WWTP) Campus with low energy LED bulbs. We encountered serious corrosion in the existing fixtures, which requires a change order to replace them.

Background:

In the course of replacing high energy lighting in the WWTP, the contractor found that the fixtures themselves are damaged from the highly corrosive environment in the WWTP. The fixtures are original units, installed in 1990 and have been corroding for some time, but were in an inaccessible location. We are seeing most of these fixtures, up close and personal for the first time since they were installed, and never had the opportunity to notice the corrosion before.

We have a quote of \$17,148 to replace the fixtures, bringing the total value to \$35,844.

Sewer Reserve Fund Status:

Balance as of December 31, 2020	\$1,932,218
Allocated by Ordinance 20-57 for urgent projects	\$ 484,900
City's share of Seawall SAD allocated to Sewer Reserves	\$ 39,364
Allocated by Ordinance 20-92 for LED lighting at WWTP	\$ <u>18,696</u>
Balance	\$1,389,258

Action Recommended:

That the City authorize an additional expenditure of \$17, 148.00 from the Sewer Water Reserve Fund for a total expenditure of \$35,844 to retrofit high energy light fixtures at the WWTP.

Howea WWTIP

Installed in 1990

2-9-21

Liberty Electric, Inc.

PO Box 1730
Homer, AK 99603

Estimate

Date	Estimate #
2/8/2021	1263

Name / Address
City of Homer 491 E. Pioneer Ave. Homer, AK 99603

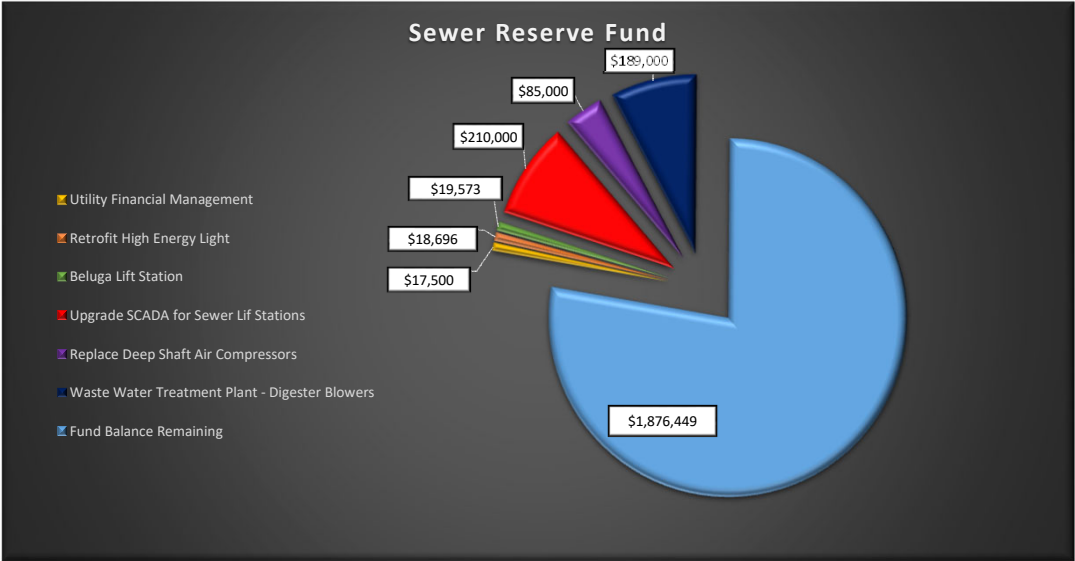
P.O. No.	Project
	Public Works

Item	Description	Qty	Cost	Total
bid item	Remove a total of 29 badly corroded lighting fixtures in Digester Room of the wastewater treatment plant and replace with HE Williams 96 Series led fixtures in vapor-tight fiberglass enclosures. Replace conduit and conductors as necessary for fixture replacement.	1	17,148.00	17,148.00

Subtotal			\$17,148.00
Sales Tax (7.85%)			\$0.00
Total			\$17,148.00

**CARMA Sewer
Reserve - Spent or
obligated**

Fund Balance thru 3/31	\$1,932,218
Utility Financial Management	\$17,500
Retrofit High Energy Light	\$18,696
Beluga Lift Station	\$19,573
Upgrade SCADA for Sewer Lif Stations	\$210,000
Replace Deep Shaft Air Compressors	\$85,000
Waste Water Treatment Plant - Digester Blowers	\$189,000
Fund Balance Remaining	\$1,876,449



**CITY OF HOMER
HOMER, ALASKA**

City Manager/
Public Works Director

ORDINANCE 20-92

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

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

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

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

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

NOW, THEREFORE, THE CITY COUNCIL OF HOMER ORDAINS:

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

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

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

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

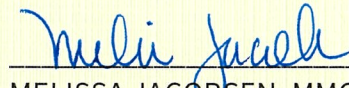
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CITY OF HOMER



KEN CASTNER, MAYOR

ATTEST:



MELISSA JACOBSEN, MMC, CITY CLERK

YES: 5

NO: 0

ABSTAIN: 0

ABSENT: 1

First Reading: 12.14.20

Public Hearing: 1.11.21

Second Reading: 1.11.21

Effective Date: 1.12.21



ORDINANCE REFERENCE SHEET
2021 ORDINANCE
ORDINANCE 21-11

An Ordinance of the City Council of Homer, Alaska, Amending the 2021 Capital Budget and Authorizing an Additional \$88,569 from the HAWSP Fund to pay for a Betterment to the Tasmania Court Water and Sewer Special Assessment District Involving the Design/Construction of a Water Main Extension to Serve a Future Water Storage Tank.

Sponsor: City Manager/Public Works Director.

1. City Council Regular Meeting February 22, 2021 Introduction
Memorandum 21-033 from Public Works Director as backup
2. City Council Regular Meeting March 8, 2021 Public Hearing and Second Reading

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

3 City Manager/
4 Public Works Director

5 **ORDINANCE 21-11**

6
7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
8 AMENDING THE 2021 CAPITAL BUDGET AND AUTHORIZING AN
9 ADDITIONAL \$88,569 FROM THE HAWSP FUND TO PAY FOR A
10 BETTERMENT TO THE TASMANIA COURT WATER SPECIAL
11 ASSESSMENT DISTRICT INVOLVING THE DESIGN/CONSTRUCTION
12 OF A WATER MAIN EXTENSION TO SERVE A FUTURE WATER
13 STORAGE TANK.

14
15 WHEREAS, The City Council, via Ordinance 20-68, dated October 26, 2020, appropriated
16 \$234,105 for the design and construction of a water main extension on Tasmania Court, in
17 conjunction with the Special Assessment District created by Ordinance 20-083 AND
18

19 WHEREAS, In 2014-2015, the City received a matching grant from the AK Dept of
20 Environmental Conservation to design a new water storage tank to replace the A-Frame Water
21 Storage Tank, which was demolished; and
22

23 WHEREAS, In addition to replacing the demolished tank, the new tank would add water
24 tank capacity, bringing the total capacity to 2,900,000 million gallons, which was outlined in
25 the City's 2006 Homer Water and Sewer Master Plan; and
26

27 WHEREAS, property was acquired for this tank and some of the main extension to reach
28 it has been installed; and
29

30 WHEREAS, An interesting feature of this tank is that the pipes feeding it would be
31 equipped with an in-line hydroelectric generator that would feed the pumps that maintain
32 pressure in this part of the system; and
33

34 WHEREAS, The City has an opportunity to build another segment of the water main
35 extension leading to this tank, as part of the Tasmania Water Special Assessment District as a
36 betterment to the project, the costs of which would not be added to the Assessment Roll; and
37

38 WHEREAS, The estimated cost for the design/construction of the betterment is \$88,569.
39

40 NOW THEREFORE, THE CITY OF HOMER ORDAINS:
41



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 21-033

TO: Mayor Castner and Homer City Council
Through: Robert Dumouchel, City Manager
FROM: Janette Keiser, PE, Director of Public Works/Acting City Engineer
DATE: February 8, 2021
SUBJECT: Tasmania Court Water Assessment District – Opportunity for Betterment

Issue: The design for the Tasmania Court Water Improvement Project is complete. We have an opportunity to add a betterment to this project, which would benefit the broader community.

Background:

A. Water Main Extension.

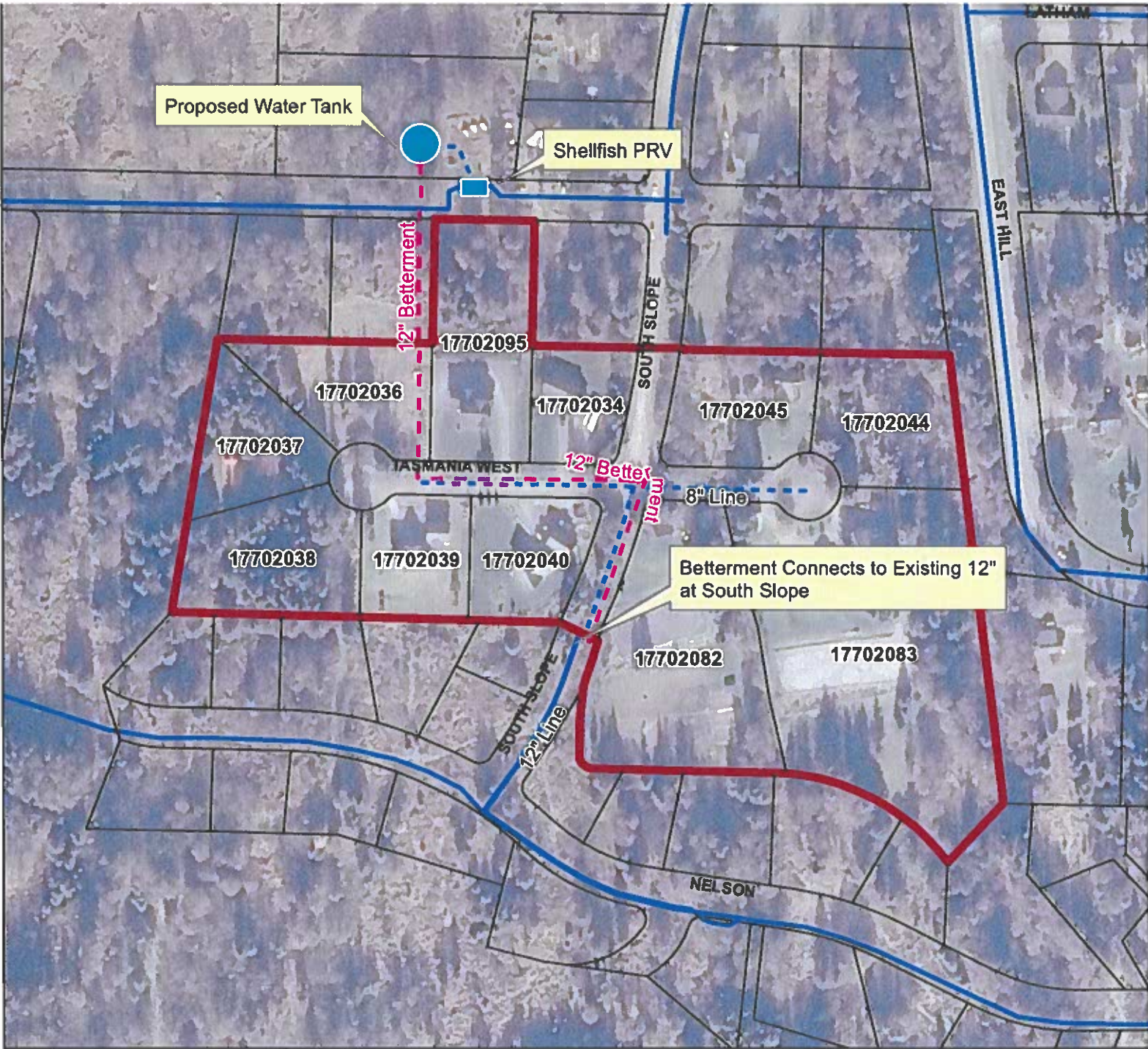
The City Council, via Ordinance 20-68, dated October 26, 2020, appropriated \$234,105 for the design and construction of a water main extension on Tasmania Court, in conjunction with the Special Assessment District created by Ordinance 20-083. The total expected project cost for the water project is \$165,919.

In 2014-2015, the City received a matching grant from the AK Dept of Environmental Conservation to design a new water storage tank to replace the A-Frame Water Storage Tank, which was demolished. In addition to replacing the demolished tank, the new tank would add water tank capacity, bringing the total capacity to 2,900,000 million gallons. The need for additional storage volumes was outlined in the City's 2006 Homer Water and Sewer Master Plan.





Further, property was acquired for this tank and some of the main extension to reach it has been installed. An interesting feature of this tank is that the pipes feeding it would be equipped with an in-line hydroelectric generator that would feed the pumps that maintain pressure in this part of the system.

We have an opportunity to build another segment of the mains leading to this tank, as part of the Tasmania Water Special Assessment District. This would be a betterment to the project, the costs of which would not be added to the Assessment Roll. The estimated cost for the design/construction of the betterment is \$88,569.

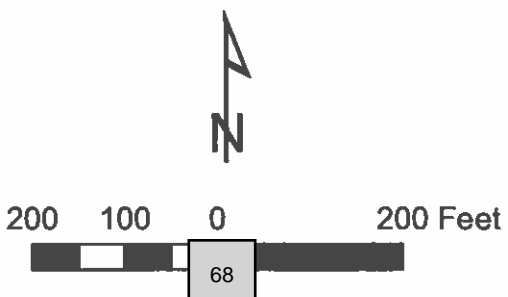
Recommendation: That the City Council appropriate \$88,569 from the HAWSP Fund to design and construction a water main extension to serve the future Shellfish Water Storage Tank, as a betterment to the Tasmania Court Water.



Legend

-  SAD Boundary
-  Existing Waterline
-  Betterment
-  Proposed Line

SHELLFISH WATER TANK & TASMANIA COURT WATERLINE EXTENSION PROPOSAL

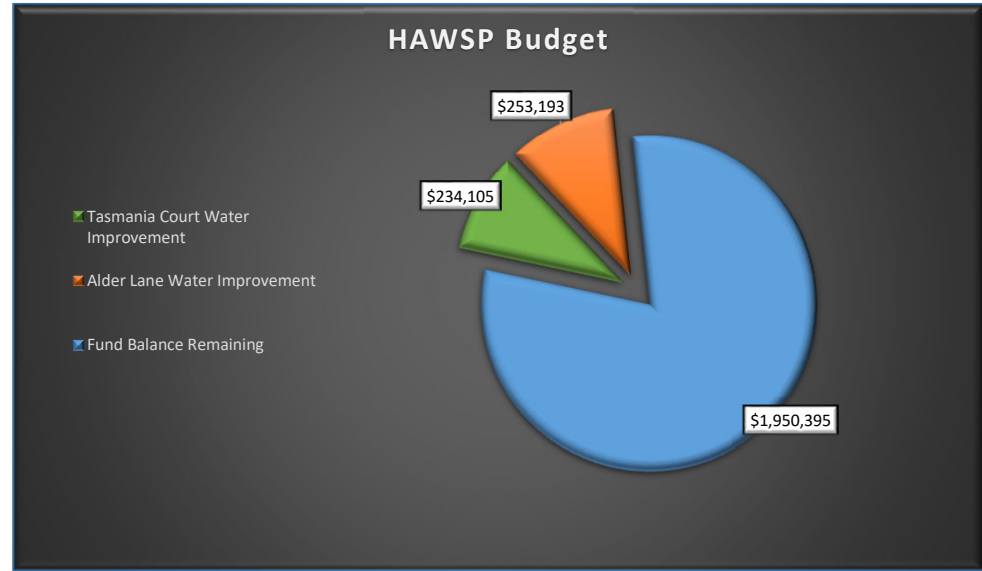


DEPT. OF PUBLIC WORKS
February 16, 2021

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.

Coordinate System: NAD 1983 StatePlane Alaska 4 FIPS 5004 Feet
 Projection: Transverse Mercator
 Datum: North American 1983
 False Easting: 1,540,418.6667
 False Northing: 0.0000
 Central Meridian: -150.0000
 Scale Factor: 0.9999
 Latitude Of Origin: 54.0000
 Units: Foot US

	HAWSP - Spent or obligated
Fund Balance thru 3/31	\$2,437,693
Tasmania Court Water Improvement	\$234,105
Alder Lane Water Improvement	\$253,193
Fund Balance Remaining	\$1,950,395



ORDINANCE REFERENCE SHEET
2021 ORDINANCE
ORDINANCE 21-12

An Ordinance of the City Council of Homer, Alaska, Amending the 2021 Capital Budget and Authorizing Expenditure of \$ 12,700 from the HART-Road Fund for the Design of a Betterment to the Main Street Storm Drain and Sidewalk-Pioneer Avenue North Project that will provide for an ADA Access to Bayview Park and Associated Storm Drain Improvements.

Sponsor: City Manager/Public Works Director.

1. City Council Regular Meeting February 22, 2021 Introduction
Memorandum 21-034 from Public Works Director as backup.
2. City Council Regular Meeting March 8, 2021 Public Hearing and Second Reading

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

3 City Manager/
4 Public Works Director

5 **ORDINANCE 21-12**

6
7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
8 AMENDING THE 2021 CAPITAL BUDGET AND AUTHORIZING
9 EXPENDITURE OF \$12,700 FROM THE HART-ROAD FUND FOR THE
10 DESIGN OF A BETTERMENT TO THE MAIN STREET STORM DRAIN
11 AND SIDEWALK – PIONEER AVENUE NORTH PROJECT, THAT WILL
12 PROVIDE FOR AN ADA ACCESS TO BAYVIEW PARK AND
13 ASSOCIATED STORM DRAIN IMPROVEMENTS.

14
15 WHEREAS, The City Council previously appropriated funds to design a sidewalk and
16 related storm drain improvements on Main Street; and

17
18 WHEREAS, The 35% design for the sidewalk project indicates it would be feasible to
19 provide an ADA access to Bayview Park, which does not currently exist; as a betterment to the
20 Main Street Sidewalk Project; and

21
22 WHEREAS, This could be done by extending the proposed storm drain line up the east
23 side of the park and filling in the deep ditch that exists currently; and

24
25 WHEREAS, If we had the design for this element, it is possible the City could have it
26 constructed as a precursor to the larger sidewalk project, and

27
28 WHEREAS, The estimated cost to design the storm drain and re-grading that would be
29 necessary would cost \$12,700; and

30
31 WHEREAS, Sufficient funds exist in the HART-Road Fund to pay for this additional
32 design cost.

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

35
36 Section 1. The City of Homer’s 2021 Capital Budget is hereby amended by appropriating
37 a \$12,700 from the HART-Roads Fund for the design of an ADA access to Bayview Park, as a
38 betterment to the Main Street Storm Drain and Sidewalk Project.

39
40

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
41 160-xxxx	HART Roads	\$12,700

42

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

45
46

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

48
49
50

CITY OF HOMER

51
52

KEN CASTNER, MAYOR

53 ATTEST:

54
55

56 _____
MELISSA JACOBSEN, MMC, CITY CLERK

57
58

59 YES:

60 NO:

61 ABSTAIN:

62 ABSENT:

63
64

65 First Reading:

66 Public Hearing:

67 Second Reading:

68 Effective Date:



Memorandum 21-034

TO: Robert Dumouchel, City Manager
FROM: Janette Keiser, PE, Director of Public Works
DATE: February 5, 2021
SUBJECT: Main Street Sidewalk – Opportunity to address drainage/access issue

Issue: I last reported the design for the Main Street Sidewalk project had progressed to the point we could identify challenges and opportunities in more detail. The purpose of this memorandum is to apprise you of a situation and ask for guidance.

Background: As I last reported, our intent is to build a sidewalk, on the west side of the street which requires us to replace the existing open ditches with a closed storm drain system, from Pioneer Ave. to Bayview Ave. Our vision was to go beyond Bayview Avenue, up Mountain View Drive to Dehel Avenue, so we could capture the access to Bayview Park. This would enable us to fill in the deep open ditch on the eastern side of Bayview Park. Then, we could upgrade access to the park from that side of the park, making it ADA accessible. There is currently no ADA accessible access to the Bayview Park. Indeed, it would be difficult for a person pushing a stroller to get into the park. This is sad, because the park itself, being completely fenced and of smaller scale, is particularly suited for young children.

Further, we get complaints about a frost boil, which occurs at Dehel Avenue in the spring, making the road difficult to navigate. It may be possible to address this, while we're there. These are laudable goals, but we've learned they are not cheap or easy, because the storm drainage in that short segment of road requires multiple storm drain manholes to accommodate the alignment changes.

The engineers have indicated it would cost \$12,700 to design the storm drain and other improvements required to extend the sidewalk to the north side of Bayview Park and an ADA access to Bayview Park as well as grading improvements at Dehel Avenue.

Council approved \$98,000 for the design of the Main Street sidewalk and related storm drain improvements. So far, we have obligated \$69,120 for design/survey efforts.

Recommendation: We issue a change order to HDL Engineering in the amount of \$12,700 to design the storm drain improvements on the east side of Bayview Park and an ADA access to Bayview Park, as part of the Main Street Sidewalk Project.

ORDINANCE REFERENCE SHEET
2021 ORDINANCE
ORDINANCE 21-13

An Ordinance of the City Council of Homer, Alaska Appropriating an Amount not to Exceed \$2,512,000 from the Natural Gas Distribution Special Assessment Bond Sinking Fund to Retire the Debt to the Kenai Peninsula Borough that was Utilized for the Construction of the Homer Natural Gas Distribution Line.

Sponsor: Mayor/City Manager

1. City Council Regular Meeting February 22, 2021 Introduction
Memorandum 21-035 from Finance Director as backup.
2. City Council Regular Meeting March 8, 2021 Public Hearing and Second Reading

**CITY OF HOMER
HOMER, ALASKA**

Mayor/City Manager

ORDINANCE 21-13

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA APPROPRIATING AN AMOUNT NOT TO EXCEED \$2,512,000 FROM THE NATURAL GAS DISTRIBUTION SPECIAL ASSESSMENT BOND SINKING FUND TO RETIRE THE DEBT TO THE KENAI PENINSULA BOROUGH THAT WAS UTILIZED FOR THE CONSTRUCTION OF THE HOMER NATURAL GAS DISTRIBUTION LINE.

WHEREAS, By Ordinance 13-03(S)(2), adopted on February 25, 2013, the City of Homer (“City”) authorized the issuance of a Natural Gas Distribution Special Assessment Bond in the principal amount not to exceed \$12,700,000, and the delivery of a Loan Agreement (“Loan”) between the City and the Kenai Peninsula Borough (“Borough”); and

WHEREAS, By Ordinance 15-17(S), adopted June 15, 2015, the City amended Ordinance 13-03(S)(2) to provide for the prepayment of the principal of the Bond; and

WHEREAS, By Ordinance 16-03(S), adopted January 25, 2016, the City amended Ordinance 13-03(S)(2) to state the Bond amount to be \$12,359,388, and to establish a Loan payment regime of making 9 equal annual payments ending in September, 2024; and

WHEREAS, By Ordinance 16-43, adopted August 22, 2016, the City amended Ordinance 13-03(S)(2) to create a special trust fund designated as the “City of Homer Natural Gas Distribution Special Assessment Bond Sinking Fund” (“Sinking Fund”) allowing for prepayment of the Loan from the Borough and recalibration of yearly payments; and

WHEREAS, The Sinking Fund contains assessment payments, including interest, income from the Sinking Fund capital, and hypothecation of other City funds including Enstar’s payments of the Free Main Allowance (“FMA”); and

WHEREAS, It is in the City’s best financial interest to retire the loan as soon as the debt has been reduced to be less than the Sinking Fund balance available in any calendar year; and

WHEREAS, The funds available and projected to be collected in 2021 exceed the amount of the loan; and

WHEREAS, Retirement of the Loan in March, 2021 will save the City a significant amount of interest that is not otherwise offset by interest earnings available to the City.

43 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:
44

45 Section 1. The City of Homer’s Natural Gas Distribution Special Assessment Bond
46 Sinking Fund schedule of payments is hereby amended by appropriating up to \$2,512,000 to
47 retire the Loan debt obligation to the Kenai Peninsula Borough.
48

<u>Account</u>	<u>Description</u>	<u>Amount</u>
49 175-0375	50 City of Homer Natural Gas Distribution 51 Special Assessment Bond Sinking Fund	52 \$2,512,000

53 Section 2. On or before July 1, 2021, the City Treasurer shall provide the Homer City
54 Council with a summary compilation of the costs and cost allocations funded by, A) the Bond,
55 and B) The Loan, and C) The Free Main Allowance, and D) uncollected assessments. Costs
56 include the cost of construction, interest payments paid in excess of interest payments
57 received, and any other costs that can be appropriately allocated to the project or the
58 capitalization of the Bond or Fund.
59

60 Section 3. This is a budget amendment ordinance only, is not permanent in nature, and
61 shall not be codified.
62

63 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ____ day of _____, 2021.
64

65 CITY OF HOMER
66
67

68 _____
69 KEN CASTNER, MAYOR
70

71 ATTEST:
72

73 _____
74 MELISSA JACOBSEN, MMC, CITY CLERK
75

76 YES:

77 NO:

78 ABSTAIN:

79 ABSENT:
80

81 First Reading:

82 Public Reading:

83 Second Reading:

84 Effective Date:



City of Homer

www.cityofhomer-ak.gov

Finance Department

491 East Pioneer Avenue
Homer, Alaska 99603

finance@cityofhomer-ak.gov

(p) 907-235-8121

(f) 907-235-3140

Memorandum 21-035

TO: Mayor Castner and Homer City Council
THROUGH: Rob Dumouchel, City Manager
FROM: Elizabeth Walton, Finance Director
DATE: February 17, 2021
SUBJECT: Natural Gas Line Loan Early Payoff

The purpose of this memo is to provide Council with additional information regarding the Natural Gas Line loan with the Kenai Peninsula Borough (KPB).

Loan Background:

The original amount of the natural gas loan with KPB is \$12,359,388 and the current terms are as follows: eight payments (including 4% interest) beginning in September 2016 and ending in September 2024.

The Finance Department contacted KPB last week and requested an early payoff amount. The payoff amount provided as of 3/12/21 is \$2,511,190.83.

Advantages of Payoff:

The primary advantage of paying off the natural gas loan early is the savings in interest payments over the remaining term of the loan. The payment due in September 2021 is \$581,451 and of that \$100,707 represents interest. By paying the loan in full in March 2021 the City would save \$49,486 in interest in 2021 alone.

Funding Availability:

There is a dedicated bank account that contains the full amount of the Free Main Allowance (FMA) received. As of the January 2021 allocation, the balance of this account is just shy of \$1,972,000. This full amount would be available to pay off the loan. The natural gas assessment revenue expected to be received in 2021, will fill the remaining funding gap.

Recommendation:

Approve the Ordinance allowing for the early payoff of the Natural Gas Line loan with the Kenai Peninsula Borough.



City of Homer

www.cityofhomer-ak.gov

Office of the City Manager

491 East Pioneer Avenue
Homer, Alaska 99603

citymanager@cityofhomer-ak.gov

(p) 907-235-8121 x2222

(f) 907-235-3148

Memorandum

TO: Mayor Castner and Homer City Council
FROM: Rob Dumouchel, City Manager
DATE: March 4, 2021
SUBJECT: City Manager's Report for March 8, 2021 Council Meeting

FY22/23 Budget

The Clerk's office has reached out to Council members regarding possible work session dates. They were not set at the time of this report, but may be set before we meet on the 8th.

Climate Action Plan – Draft Report

In 2020, the City Council set an updated Climate Action Plan as a Council-Initiated priority. While COVID slowed that project down a bit, staff was able to review years of climate data during 2020 in order to produce a progress report document. Aaron Yeaton from the Public Works Engineering Division was the primary staff champion for this project and did an excellent job analyzing data and preparing the report. The progress report is included as an attachment. The next phase of the Climate Action Planning process will be to work on an update to the original Climate Action Plan from 2007. We will be working on this in the coming months and anticipate opportunities for public engagement at some point later this year.

Kachemak Moose Habitat

On February 8th, Council adopted ordinance 21-05 which authorized an expenditure of up to \$79,000 for the payment of water and sewer assessments for Lot 4, Hodnik Subdivision KPB Parcel No. 17936032 when the property ownership transferred to Kachemak Moose Habitat, Inc. and a deed restriction had been recorded regarding conservation and public access on the property. The deed restriction was recorded on February 24th and the assessments have been paid (\$71,769). Thank you to Deputy City Planner Julie Engebretsen and Controller Jenna deLumeau for bringing this project to a successful conclusion!

Fire Update

Fire Chief Kirko and I went to Kachemak City to talk about fire issues in general, but specifically spent some time discussing land clearing fires with two of their elected officials and the City Clerk. We are looking at ways we can collaborate as neighbors to educate contractors and reduce the amount of smoke created by land clearing fires in both of our cities. This will be an ongoing process.

Alder Lane Water Special Assessment District

Update provided by Public Works Director Keiser:

The plans for the Alder Lane Water Line Extension are complete. The updated cost estimate shows the project is within budget. Because we will be using low-interest financing from the AK Dept. of Environmental Conservation (ADEC), we need to have an ADEC-compliant bid package and approval from the ADEC before we go to bid. We will be 78 ing on these steps.

Derelict Vessel North Pacific

Update provided by Harbormaster Hawkins:

On February 23rd, on duty Harbor staff moved the North Pacific to the Fish Dock using the harbor tug and skiff. The local dive and salvage operation, C&C Diving, worked with harbor staff for the next two days to remove and demolish the dredging equipment, crane, and anchor winch from the vessel while Port Maintenance worked to remove the ballast water and secured all hatches. We estimate that we took off between 90,000 - 100,000 pounds of weight from the vessel and raised her waterline by almost 2 feet at the stern. On February 26th Harbor staff moved the North Pacific back to B transit moorage.



Next Steps for the North Pacific:

- Vision Subsea will perform a remote underwater survey of the hull using their observation class ROV (ARIS Delivery Vehicle), looking for anything that may puncture a haul out airbag as precautionary preparation for the upcoming haul out.
- Harbor staff will move the vessel to the beach haul out site on March 20th and hand her over to Fortune Sea Marine Services for haul out and removal to the lot between Outer Dock and Freight Dock Roads. Alaska Scrap will break her down into scrap steel and dispose of all waste product from the process in July 2021.

4th Quarter Sales Tax

The numbers from the Borough are in, and they're up a little bit! Year over year we saw a 4% increase in the amount of sales tax reported by KPB in the 4th Quarter. This number does not include remote sales tax collected by the Alaska Remote Sellers Sales Tax Commission. See attached for more information.

Homer Seed Library

The Homer Seed Library (HSL) is a new community initiative, run entirely by volunteers. Homer Public Library is proud to host the HSL's collection of seeds, which are displayed in the file drawers near the main entrance of the building. Members of the public who are interested in starting their own gardens, or trying out new plants in an existing garden, are invited to browse through the seeds on offer or add some seeds of their own. The HSL is purely a community effort and no library card is needed to check out seeds.



Employee Updates

On March 5, the Public Works Department waved good-bye to Brandon Moyer, Mechanic II, who relocated to Montana after five years of City service. We wish Brandon and his family well as they begin their new journey. A few days later, we welcomed Michael Parish as the new Mechanic II. Michael, who has a BS in Biology, fell in love with mechanical things while doing fisheries-related field work for the AK Dept. of Fish & Game. Along his over-20 year career, Michael became a master mechanic, working with heavy diesel equipment and picking up certifications from the California Fire Mechanics Academy to work on firefighting equipment. In

particular, Michael spent seven years working with the City’s PW Department as a mechanic in the Motor Pool. So, he knows the job and does it well.

Jessica Roper’s last day with HPD was March 1st. Jessica has been a Public Safety Dispatcher at HPD for almost three years, after having worked as a Temporary ESS at HVFD and in a volunteer capacity. She’s Moving up the road and will be dispatching for the Kenai Police Department. HPD celebrated her departure with cake and Facebook posts. Good luck in Kenai Jessica!



Homer Police Department

23 hrs · 🌐

How do you know when you work with great people?

One of our dispatchers, Jessica Roper (left), is making a terrible mistake (sarcastic face) to go work for some other agency up the road. She got her supervisor, Lisa Linegar (right) a cake that says "Sorry for your loss."

What did we do?

Got her one that says "Don't let the door hit you on the way out." BAM - Mic....drop 😂



COVID-Related Updates

COVID Risk Status

On February 1st I moved the City from the “Red” to “Orange” level on our COVID risk framework. We remain in orange. The return of activities to the HERC and the Library by appointment continues to go well and I’m told our local pickleball enthusiasts are particularly excited about being back in the HERC.



Enclosures:

1. March Employee Anniversaries
2. Climate Action Progress Report
3. 4th Quarter Sales Tax Information
4. Thank you letters from Kachemak Heritage Land Trust, Homer Hockey Association, and Center for Alaskan Coastal Studies
5. Memo from Public Works Director Keiser re: Update to Skyline Water Tank Aeration Project



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Memorandum

TO: MAYOR CASTNER AND CITY COUNCIL
FROM: Andrea Browning
DATE: March 8, 2021
SUBJECT: March 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.

Matt Clarke	Port	20	Years
Elton Anderson	Port	15	Years
Renee Krause	Clerks	14	Years
Angie Kalugin	Finance	6	Years
Elizabeth Walton	Finance	4	Years
Kurt Read	Port	4	Years
Matt Smith	Library	3	Years
Matt Steffy	Public Works	3	Years
Mike Pettit	Public Works	2	Years
Lillian Hottmann	Fire	1	Year
Jan Keiser	Public Works	1	Year

CITY OF HOMER CLIMATE ACTION PLAN: PROGRESS REPORT

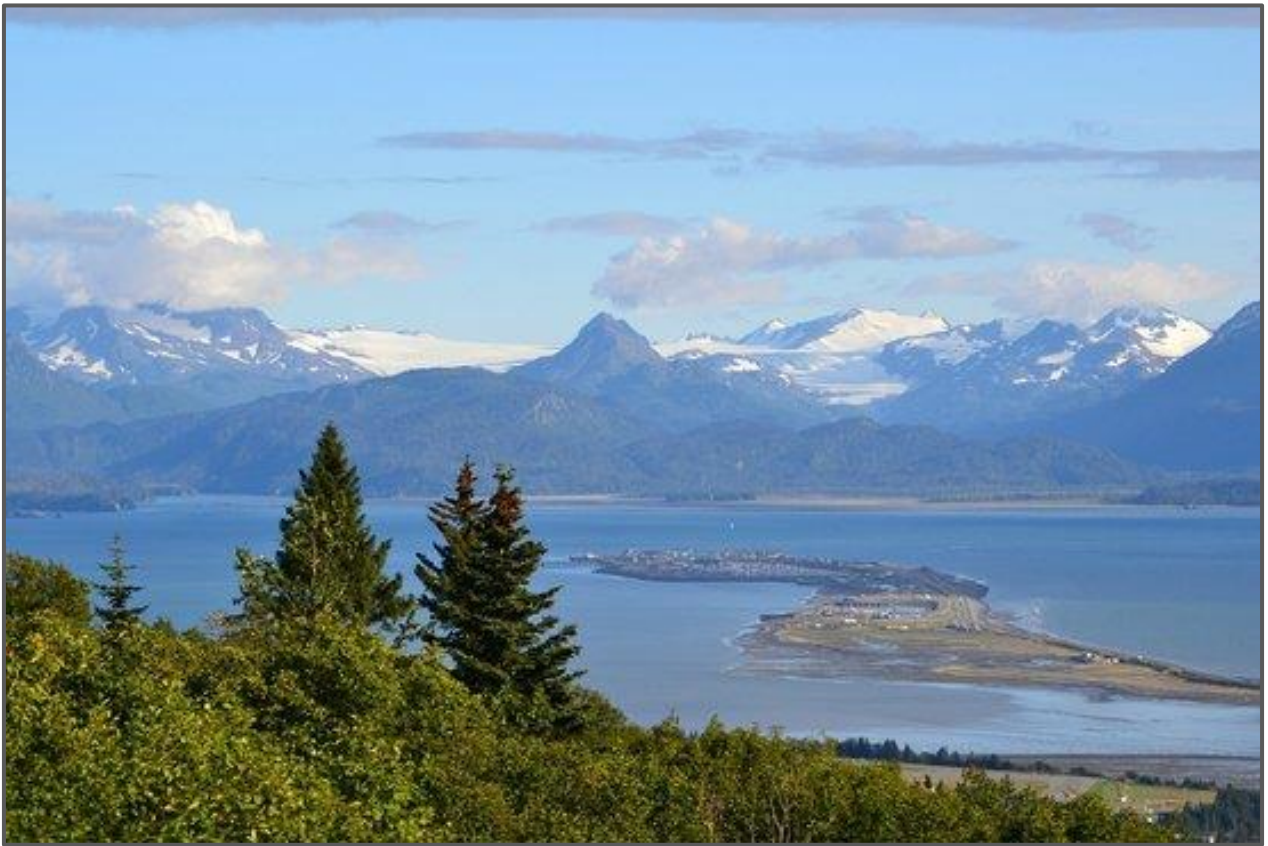


Photo Credit: Homer Chamber of Commerce

Prepared by the City of Homer
February 2021

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Executive Summary

In 2009 The City of Homer adopted a Climate Action Plan (CAP) to battle the deleterious effects of climate change. The plan established a blueprint to analyze and improve the ways in which the local government utilizes energy in its operations. The greenhouse gas (GHG) reduction strategy outlined in the plan has been implemented in steps from the time of plan adoption through to the present. This report - organized in scientific format - provides a summary of methods, results and recommendations related to Homer's CAP based on a comparison of data from 2010 and 2019.

Homer is a small Alaskan community situated on Kenai Peninsula's Kachemak Bay. With a relatively remote location and small population of 5,709¹, this unlikely yet ambitious community became the first Alaskan municipality to develop a CAP. Since then, City Government (and therefore City priorities) have changed, but implementation of the plan has persisted.

To determine progress relative to the plan's goal, the City maintained a comprehensive energy use inventory for 15 years. 2010 was chosen as the baseline year because it provides the most robust and earliest set of data. The inventory covers all energy consuming sectors of City operations. Acquiring, organizing, and quantifying these data comprises the bulk of work to produce greenhouse gas emission quantities. A comparison of values with the baseline year reveals whether positive gains were achieved since implementation of the CAP.

Results show that reductions in total City GHG emissions were achieved between years 2010 and 2019. With the exception of the vehicle fleet, all sectors experienced reductions in GHG output. More reductions were made in the electricity energy source than the City's stationary fuels sources (i.e. heating oil, propane and natural gas).

For context, results were examined in relation to increases in building square footage, warming winter temperatures, and differences in electricity emission factor sets. GHG reductions in stationary fuel use at first seemed very promising considering the increase in square footage and, correspondingly, heating demands. Yet, comparing these data to recent spikes in winter temperatures indicate that demand for heating decreased during the same period of square footage increases. This revelation has a moderating effect on the positive difference in stationary fuel GHG comparisons.

For electricity, a moderating variable on reduction achievements is the fact that the electricity source in 2010 was more energy intensive than in 2019. In effect, a more energy intensive electricity source makes that emission factor set more CO₂ rich and, thusly, the GHG output higher. In conclusion, GHG reductions were made since CAP implementation, but external variables suggest positive gains may be more limited than inventory results indicate.

This report concludes with recommendations for future CAP efforts. These include community outreach and messaging to restart the climate action discussion, investigating new and improving energy saving measures, and improving energy use tracking and reporting. CAP advancement will likely be based on the level of community response and its willingness to commit to climate action.

¹ US Census Bureau: 2019 American Community Survey 5-year Estimates

Background & Purpose

In 2006, then Mayor Jim Hornaday attended a national climate change conference in Girdwood, Alaska. Inspired by the event, he tasked the City of Homer to take a proactive position regarding the current and foreseeable impacts of human induced climate change. As there were a number of concerned community members willing to champion this cause, the Homer City Council passed Resolution 06-141(A) establishing a Global Warming Task Force in January 2007. The purpose of the Task Force was to solicit ideas and information from the public and other sources and prepare recommendations to forward to the Mayor and Council for a CAP. In March the City became a member of the International Council on Local Environmental Initiatives (ICLEI) - an organization that assists local governments in establishing a framework for measuring energy use and emissions, producing climate/societal related forecasts, and planning mitigation strategies. In December of that year City Council approved the City of Homer CAP, effectively completing the Task Force's mission. After the CAP was adopted, City Council authorized funds for a Climate Action Plan Implementation Report, which was completed by Deerstone Consulting between July 2008 and December 2009.

Local governments have been developing and implementing CAPs independent of larger state and federal governments for many years now. For example, ICLEI has provided assistance to international cities concerned with climate change since 1990. Due to the failure of larger government organizations to take meaningful action, CAPs are being produced by local government or community organizations who realize the importance of sustained climate action to protect their communities from the most severe environmental, social and economic effects of global warming.

The City of Homer's CAP provides mitigation strategies to improve and develop energy management practices which would decrease emissions of greenhouse gases (GHG) in all sectors of City operations. The CAP also provides ideas for public outreach and engagement, recommendations to ensure GHG reduction goals are met, and expectations that momentum to carry out CAP implementation goals is sustained. Additionally, the CAP establishes a sustainability fund, whereby loans used for CAP implementation are repaid based on savings accrued by energy conservation measures.

Specifically, the CAP sought to accomplish 12 tasks:

- Maintain a comprehensive compilation of energy use data in all city sectors
- Outsource energy audits for all facilities
- Investigate alternative energy sources
- Reduce vehicle fleet emissions
- Incentivize GHG reduction efforts among employees
- Incorporate GHG reduction strategies in City Planning/Land Use
- Produce an Employee Sustainability Handbook for GHG reduction in everyday operations
- Act as liaison in all scales of government and organizations to champion GHG reduction efforts
- Sponsor community events/campaigns associated with global warming awareness/mitigation
- Draft any and all forms of communication for public relation purposes relating to CAP implementation
- Maintain up to date climate change information on City website
- Prepare/submit grant applications for CAP funding, and provide oversight of grant-funded projects

CAP implementation has been in effect since 2009, with the most recent improvements being conversion to LED lighting for most major municipal facilities. While many of these tasks have been partially or fully accomplished, some haven't been realized, or require improvement. Limited staff and time devoted to CAP implementation contributes to these shortcomings. Be that as it may, recommendations not implemented were at least evaluated regarding their efficacy and practicality.

The City's zeal for dealing with climate change has fluctuated over the years. The Global Warming Task Force disbanded after the CAP was approved in 2007, and membership to ICLEI was allowed to lapse after Deerstone Consulting completed its report in 2010. While attention to climate change has waned in the intervening years, the momentum for completing the more conservative mitigation goals has been sustained. The quiet persistence of this effort may be best exemplified by the fact that City-wide energy consumption data has been maintained on a monthly basis from 2006 to the present. This comprehensive record of energy use is the critical foundation for making climate mitigation policy decisions.

Over the past two years inquiries by City Council members about the efficacy of CAP implementation has revitalized interest in The City's role in climate change action. Specifically, in 2019, Council sought a narrative report on quantifiable GHG reduction achievements, failures, and insights. The report was accompanied by an inventory quantifying energy use and associated GHG emissions from the original baseline year of 2006 through the end of 2018. Results from this analysis, however, fell short of accurately telling Homer's climate action story. Questions arose regarding the relationship between GHG outputs, and it didn't account for City facility growth and recent temperature trends. These shortcomings led to production of a second inventory in early 2020.

This inventory evaluated the same range of years with the addition of year 2019. The graphs and charts were consolidated into broader categories to more easily convey information. Increases in building square footage and warmer winter temperatures were included to add more context to the results. Unfortunately, (or fortunately) a city staff member noticed a discrepancy between GHG outputs from Deerstone Consulting's report and this latest effort. As the 2020 analysis is mostly based on an iterative process of the 2010 analysis, GHG outputs for years prior to 2010 were expected to be the same in both reports. This was not the case. The fact that different results were occurring for the same categories in the same year indicated discrepancies in methodology.

The GHG evaluation methods within the 2019 and 2020 reports were roughly modeled after the practices used by Deerstone Consulting in 2010. Unfortunately, the ICLEI protocol used to produce the 2010 report was abandoned in favor of an apparently less reliable method, which upon investigation, used emission factor sets from an unknown source to calculate emission totals within an excel spreadsheet. The most error prone aspect of this approach is that the annual fluctuation associated with electricity emission factors was not accounted for. Instead, a static emission factor value was used for every electricity inventory year. Given these problems, the 2019 and 2020 reports are only useful for displaying approximate trends and total energy usage. Following these disappointing attempts, City Council decided a more rigorous and defensible methodology was needed to properly ascertain whether the City of Homer had achieved appreciable reductions in GHG emissions since the implementation of the CAP. This report is an accounting of that process.

Description of Homer

The City of Homer is located on the northern shore of Kachemak Bay - a 40-mile long arm of Cook Inlet that extends east into the southwestern tip of the Kenai Peninsula (**Figure 1**). This area's amenities include valuable fisheries, natural beauty, and marine-centric recreational opportunities. Being situated between two large bodies of water, Homer has a mild (relative to Alaska) maritime climate. The average low temperature is 32 degrees Fahrenheit, the average high is 45 degrees Fahrenheit. The Homer side of the Kenai Peninsula is just outside the temperate rainforest climate regime present in the coastal regions to the east and southeast. Therefore, annual average rainfall is a relatively moderate 24.34 inches, while the average snowfall is 48 inches.

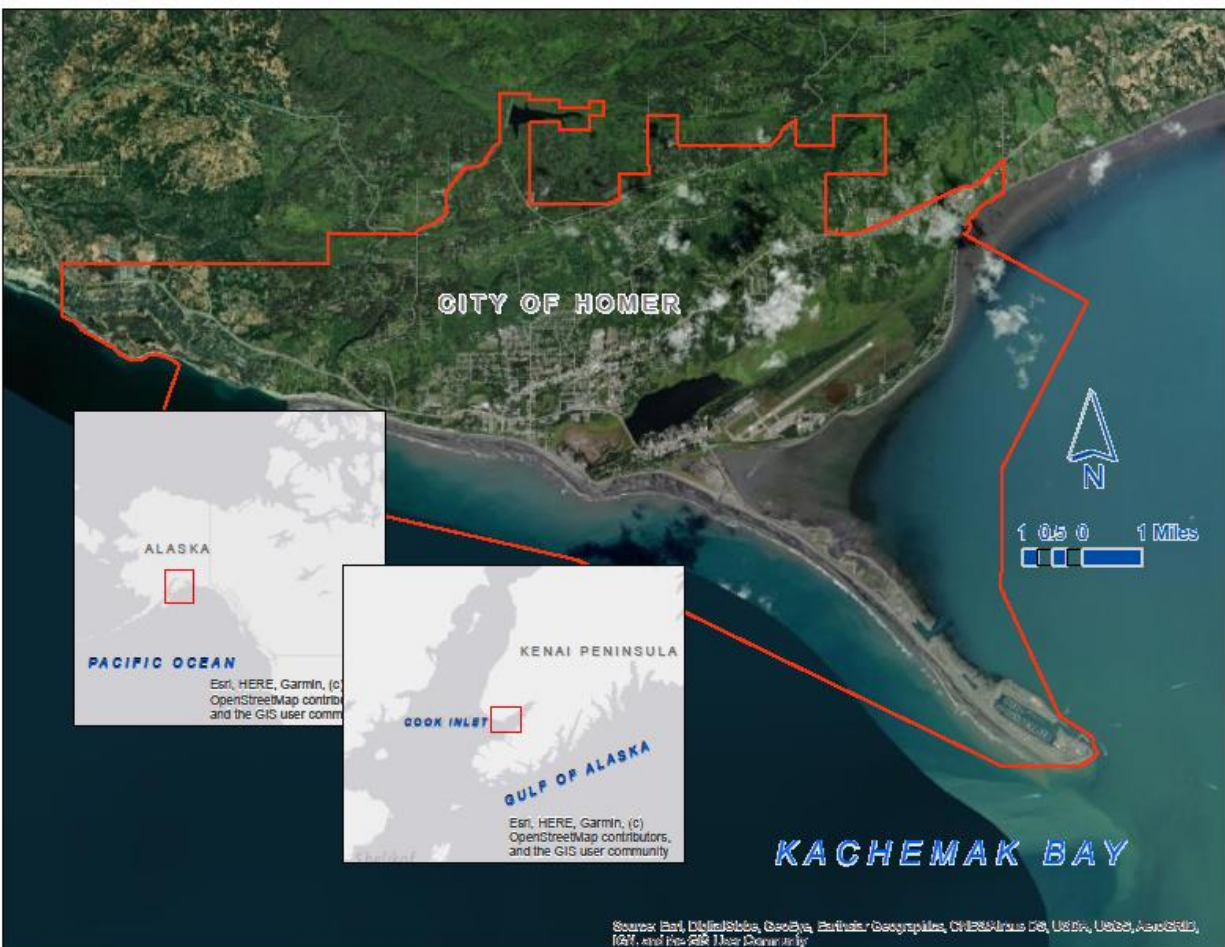


Figure 1. City of Homer Location

Excluding the portion extending into the Kachemak Bay, City limits encompass an area of approximately 15 square miles. As of 2019, Homer's population numbered 5,709. However, the larger Homer service area (the communities and residents relying on Homer as the commercial core) stretches from the confluence of the Kachemak Bay and Cook Inlet West to the head of the Bay. These periphery residents live in communities such as Kachemak City, Fritz Creek, Anchor Point, and others. The number of people relying on Homer's amenities is approximately 12,500.

Homer's municipal government currently employs over 100 full time employees across six departments:

- Administration
- Finance
- Police
- Fire
- Public Works
- Port & Harbor

The City maintains approximately 214,076 square feet of facility space, of which Public Works and Port & Harbor make up the most energy intensive portion. Electricity, provided by Homer Electric Association (HEA), and natural gas, provided by ENSTAR, comprise the two primary sources of energy consumption. The City maintains a fleet of 89 light vehicles, most of which are gasoline-powered, and 16 pieces of heavy equipment as well as a fleet of fire trucks, ambulances, and other special purpose rolling stock. Public Works and Port & Harbor regularly utilize diesel-powered heavy equipment to perform road maintenance, water and sewer repair, and snow removal.

Methods

Methodology

GHG inventories were created to evaluate the City of Homer's emission outputs for years 2010 and 2019. The years 2010 and 2019 were chosen for emission output comparison, because the year 2010 was the earliest year that reliable emission factors for electricity can be obtained, and the year 2019 is the latest year with a full record of City energy use. The 2010 and 2019 inventories examined all credibly sourced City GHG producing activities. The methodology for producing these GHG inventories involved four major steps:

- Acquiring data from energy providers
- Creating and organizing relational tables of energy data in excel
- Acquiring/producing emission factor sets
- Processing relational table results in ICLEI Clear Path Software

Raw Data Sources

HEA has provided electricity consumption data since the beginning of CAP implementation. HEA delivers data in an Excel relational table format on a monthly basis. Information on the tables includes dates, energy consumption, facilities, and energy costs. A few table adjustments are required to achieve consistency with previous data.

Stationary fuel use for the City is sourced through invoices from fuel and natural gas providers: Petro Marine and Enstar, respectively. These invoices contain information about how much fuel of what type is delivered to which facility. As fewer facilities use stationary fuel rather than electricity, these tables are not maintained on a monthly basis, but as time allows.

Relational Tables

The City's energy use is recorded using Excel relational tables. These tables have been maintained for over a decade and reflect the City's changing energy use patterns. The energy use tables are extensive and can be sorted by a variety of organization schemes, but for the purpose of monitoring GHG emissions, and to reduce table information into manageable format, two organizing iterations are required. The first iteration sorts information by three criteria:

1. Type of energy consumed
2. Two energy consuming sectors: Facilities and vehicle fleet
3. Energy use by each facility and vehicle fleet

This organization allows calculations of total energy use for each facility by energy type. Electricity, natural gas, and heating oil consumption are all summarized separately by month, then aggregated to produce an annual total for each facility. Because measures of energy units vary by energy source - i.e., electricity is KWh, natural gas is ccf, fuel is gallons - it is important that the type of energy consumed be the first level in organization. All City buildings rely on both electricity and stationary fuels in daily operations.

The second iteration groups facilities into the following City sectors:

- Airport
- Buildings & Facilities²
- Port Facilities
- Streetlights and Traffic Signals
- Wastewater Facilities
- Water Delivery Facilities

This broad grouping follows the organizational precedent established in the 2010 GHG report and provides an orderly way to evaluate total annual energy use by major energy consuming sectors. Additionally, this organization aligns with ICLEI’s Clear Path inventory management system providing a comprehensive and clear overview of energy use and GHG emission status among these sectors. Energy totals from these tables are used in the Clear Path calculators to determine GHG emissions.

Table 1 Monthly KWH by City sector

Sector	KWH												ANNUAL
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Airport	14840	13880	11920	11000	13040	11000	10760	10560	11000	11480	11800	10680	141960
Buildings & Facilities	83856	74944	64557	59073	55954	49009	43554	43400	45402	49215	52760	62487	684844
Port Facilities	219687	200407	213151	200364	191680	207760	186103	258680	235357	195368	230883	210003	2549054
Streetlights & Traffic Facilities	16576	12788	11194	9548	6980	5222	4926	5638	8943	10786	15961	15099	125311
Wastewater Facilities	105372	99083	94543	99643	94324	97958	100863	102087	119584	103920	105445	105372	1229172
Water Delivery Facilities	58710	61246	56369	55821	53993	57501	56142	53799	54111	52474	50546	54211	671214

Emission Factor Sets

Emission factors are ratios necessary to calculate the amount of GHG produced by unit of energy used; expressed as lbs. of CO₂/KWh, for example. To account for all emissions, factors are needed for CO₂, CH₄, and N₂O. Alaska’s electric utilities monitor GHG outputs and are therefore able to provide emission factors associated with electricity consumption. For Homer, these factors vary from year to year because the community’s electricity source is a fluctuating combination of hydro-power and natural gas. These varying values are averaged to produce a singular emission factor for a given year. Conversely, emission factors associated with stationary fuel consumption are static and are already built into the Clear Path calculators. Vehicle fleet emission factors are a product of fuel type, vehicle type, manufacture year, and model fuel economy.

Clear Path Software

Clear Path software provides a means for organizing complex energy and emissions inventories and for calculating GHG outputs from a wide variety of energy sources. Inventories for 2010 and 2019 were

² This category refers to all energy consuming structures not operating under Water/Wastewater, Port & Harbor, or Airport

created with this software. The inventories default to general categories, four of which helped model the organizational scheme of the Excel relational tables:

- Buildings & Facilities
- Street Lights & Traffic Signals
- Vehicle Fleet
- Water & Wastewater Treatment

Within these categories are emission calculators for grid electricity, stationary fuel combustion, vehicle emissions, and ancillary emissions related to wastewater treatment. Each calculator is provided with the appropriate emission factor and amount of energy consumed. Clear Path creates detailed reports for each inventory year based on emission calculator inputs and outputs for the above categories. The information from these reports is used to evaluate and generate tables and charts.

Inventory Specifics – 2010

Category – Buildings and Facilities:

This category covers electricity and stationary fuel consumption for all City buildings and facilities. Sub-categories include the Airport and Port and Harbor.

Electricity

As HEA was an all-requirements customer of Chugach Electric Association (CEA) in 2010, meaning that Chugach Electric provided HEA with most of its energy, factor sets for electricity were obtained from CEA. They are as follows:

- CO₂ lbs/KWh: 1.19
- CH₄ lbs/KWh: 0.00002
- N₂O lbs/KWh: 0.000002

As Clear Path factors have to be in lbs /MWh for CO₂, and kg/GWh for CH₄ and N₂O, the factors had to be converted accordingly, producing:

- CO₂ lbs/MWh: 1190
- CH₄ kg/GWh: 20
- N₂O kg/GWh: 2

Factors and Kwh totals are then entered into the Clear Path electric grid calculator. Additional information such as daily operating hours and total square footage of all facilities was added to report detailed energy use. Figure 2 shows an example of the results of electric grid calculator inputs and outputs for a City sector.

Inputs		
	Value	Units
Is This a Direct Entry Record? [?]	No <input type="button" value="v"/>	
Electricity Used	1089190	kWh <input type="button" value="v"/>
Daily Occupancy (optional) [?]		People <input type="button" value="v"/>
Daily Operating Hours (optional) [?]	8	Hours per Day <input type="button" value="v"/>
Building Square Footage (optional) [?]	107578	Square Feet <input type="button" value="v"/>
Is this a Scope 3 Record? [?]	<input type="button" value="v"/>	

Outputs	
Name	Value
Electricity Energy Equivalent (MMBtu)	3717.4
CO2 (MT)	587.92
CH4 (MT)	0.0098810
N2O (MT)	9.8810 x10 ⁻⁴
CO2e (MT) [?]	588.46
Energy per Square Foot (MMBtu) [?]	0.034555
CO2e per Square Foot (MT) [?]	0.0054700
Energy per Occupant (MMBtu) [?]	Infinity
CO2e per Occupant (MT) [?]	Infinity
Energy per Operating Hour (MMBtu) [?]	464.67
Scope	Scope 2
CO2 Emissions Factor	0.15815
CO2 Emissions Factor Units	MT/MMBtu
CH4 Emissions Factor	2.6581 x10 ⁻⁶
CH4 Emissions Factor Units	MT/MMBtu
N2O Emissions Factor	2.6581 x10 ⁻⁷
N2O Emissions Factor Units	MT/MMBtu

Figure 2. ICLEI Clear Path calculator for grid electricity

Stationary Fuels

In 2010, the two stationary fuels consumed were heating oil and propane. Calculations for stationary fuel require two values – amount of fuel consumed and type of fuel. Supplemental information includes facility square footage and facility hours of operation. Emission factors for stationary fuels are built into Clear Path calculators.

The subcategories of Airport and Port & Harbor followed the same process for calculating electricity and stationary fuel emissions. All emission totals for electricity and stationary fuel consumption are combined to produce a GHG grand total for the Building & Facility category.

Category – Streetlights and Traffic Signals

This is an electricity-based category that utilizes the same emission factors of Buildings and Facilities. Included with Streetlights and Traffic Signals is the tsunami warning system sirens. Total KWh per unit were used to calculate GHG totals.

Category – Vehicle Fleet

The 2010 vehicle mileage and equipment hours were obtained from a fleet vehicle report produced in that year. A relational table organized by vehicle type (i.e., light truck, heavy diesel, passenger car, etc.) and miles traveled, or hours metered, depending on equipment type, was created to produce required values for use in the Clear Path calculator. Emission factors for vehicles are a function of vehicle fuel economy by vehicle type and year. Fuel economy values were obtained through U.S. Energy Information Administration and U.S. Department of Transportation open data sources. Fuel consumption is based on deliveries to the Public Work's fuel island with the assumption that fuel delivered is fuel consumed.

The Clear Path calculator was set up to evaluate vehicle fleet emissions based on three variables related to fuel type:

- Total volume of gasoline or diesel purchased
- Total Fleet miles traveled by fuel type
- Percentage vehicle miles traveled (VMT) by vehicle type

VMT percentage is a ratio of the sum of total miles travel by vehicle type - passenger car, light truck, etc. – over total fleet miles traveled by fuel type. A gasoline example is as follows:

- Total miles traveled by light truck: 266,498
- Total fleet miles traveled for gasoline vehicles: 330,282
- Light Truck VMT %: $226,498/330,282 * 100 = 80.68 \%$

This process was repeated for all gasoline and diesel consuming vehicles with values computed in GHG calculator to produce emission totals.

Category – Water & Wastewater Treatment Facilities.

As with the previous categories, the primary energy sources for Water & Wastewater Treatment Facilities are electricity and heating oil. The wastewater treatment facility also consumed 2,000 gallons of propane. These records were calculated for GHG using the same methods and emission factors as the previous electricity and stationary fuel consuming categories.

In addition to electricity and stationary fuels, N₂O emissions from aerobic processing of waste, and N₂O from effluent discharge are measured. The calculation for N₂O emissions from waste treatment is based on community population for the given year, which in 2010 was 5,049 people. N₂O for effluent discharge is based on daily Nitrogen load in kilograms released to the environment. The daily nitrogen load was

derived from a ratio of average wastewater treatment plant flows and monthly average NH3 readings for 2010.

All electricity and stationary fuel use for water and wastewater facilities was combined with N2O emissions from waste treatment to produce a GHG emissions grand total for this category.

Inventory Specifics – 2019

Category – Buildings and Facilities

As in 2010, energy sources for this category are electricity and stationary fuels. Unlike 2010, the primary stationary fuel consumed is natural gas rather than heating oil. City infrastructure growth in the intervening period necessitated creation of additional records for evaluation in relational tables. All subcategories within Buildings and Facilities remain the same.

Electricity

HEA provided the city with a relational table containing formulas to convert annual KWh into emission factors for CO₂, NH₄, and N₂O. Monthly KWh totals were organized by City sector, then input into HEA's table to obtain emission factors (Table 2). As with the 2010 factors, additional conversions were required to get values into the appropriate units for use in the clear path calculators.

A singular Emission factor per GHG type is required to calculate inventory records. To obtain this value, emission grand totals are divided by the grand total of City electricity use, as illustrated in Table 3.

This method was repeated to produce the following GHG emission factors for 2019 electricity consumption

- CO₂ lbs/MWh: 876.67
- CH₄ lbs/GWh: 16.52
- N₂O lbs/GWh: 1.652

Stationary Fuels

The majority of City facilities converted from heating oil to natural gas use prior to 2019, yet some facilities still partially rely on heating oil for their operations. One of the Homer Recreation and Education Complex (HERC) buildings is in low use status requiring relatively little oil for its square footage. Further, the Public Works headquarters building, the sewer treatment plant, and the old police station all used some amount of heating oil in 2019. A negligible amount of propane was used by Public Works. Stationary fuel emission factors are static, so GHG emission totals are a function of the quantity of fuel used by fuel type. A stationary fuel grand total was produced by combing GHG emissions from all fuel sources.

Table 3 HEA monthly KWh GHG calculation sheet for 2019

FACTOR VALUES BY MONTH	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
System CO2 Production Tons/MWh	0.4242	0.5085	0.5299	0.4525	0.3884	0.4438	0.4207	0.3549	0.2698	0.2699	0.2961	0.3336	0.3910
System CH4 Production Tons/MWh	0.000007994	0.000009583	0.000009987	0.000008528	0.000007320	0.000008365	0.000007929	0.000006688	0.000005085	0.000005086	0.000005581	0.000006287	0.000011875
System NOx Production Tons/MWh	0.000000799	0.000000958	0.000000999	0.000000853	0.000000732	0.000000836	0.000000793	0.000000669	0.000000509	0.000000509	0.000000558	0.000000629	0.000001936
kW Used	61246	56369	55821	53993	57501	56142	53799	54111	52474	50546	54211	105372	711585.00
CO2 Produced (lbs)	57273.32	63192.40	65213.19	53862.12	49235.98	54935.71	49897.76	42336.45	31215.73	30074.30	35391.53	77490.56	610119.05
CH4 Produced (lbs)	1.07940667	1.19096123	1.22904618	1.01511720	0.92793025	1.03535080	0.94040259	0.79789765	0.58830999	0.56679789	0.66700965	1.46043269	11.49866279
NOx Produced (lbs)	0.10794067	0.11909612	0.12290462	0.10151172	0.09279302	0.10353508	0.09404026	0.07978976	0.05883100	0.05667979	0.06670096	0.14604327	1.14986628
GW Used	0.061246	0.056369	0.055821	0.053993	0.057501	0.056142	0.053799	0.054111	0.052474	0.050546	0.054211	0.105372	0.711585
MW Used	61.246	56.369	55.821	53.993	57.501	56.142	53.799	54.111	52.474	50.546	54.211	105.372	711.585

Table 2 Emission factor Calculation sheet for grid electricity 2019

Emission Totals in lbs	Airport	Buildings & Facilities	Port Facilities	Streetlights & Traffic	Wastewater Facilities	Water Delivery	Totals
CO2	188,863.19	606,733.55	2,103,902.59	225,288.90	1,050,808.45	610,119.05	4,785,715.73
CH4	3.56	11.43	39.65	4.25	19.80	11.50	90.19
NO2	0.36	1.14	3.97	0.42	1.98	1.15	9.02
Energy Totals							
KW	5,458,909.00						
MW	5,458.91						
GW	5.458909						
			Factors in MW				
			CO2 FACTOR	CH4 FACTOR	Nox FACTOR		
			876.6798875	16.52242532	1.65		

Emission totals for electricity and stationary fuel consumption are combined to produce a GHG grand total for the Building & Facility category

Category – Streetlights & Traffic Signals.

GHG emissions for this category were calculated in the same way as in 2010.

Category – Vehicle Fleet.

Fleet reports for 2019 were not as comprehensive as 2010. Even so, the methods used for calculating GHG emissions are the same as in 2010.

Category – Water & Wastewater Treatment Facilities.

Methods for calculating GHG emissions relating to electricity and stationary fuel are the same as in 2010. Updates for community population and water treatment flows were required before running the Water and Wastewater Treatment calculators.

Results

The Clear Path software calculates emissions for CO₂, NH₄, and N₂O concurrently, but for the purpose of evaluating totals by City sector, the CO₂ equivalent (CO₂e) output is most useful. CO₂e is a universal measurement that equates the global warming potential (GWP) of greenhouse gases into one unit of carbon-dioxide. For example CO₂ itself has a GWP of 1, while CH₄ has a GWP of 28-36, meaning that 1 unit of CH₄ has 28-36 times the global warming potential of CO₂. GWP of N₂O is significantly higher at 265-298. As CO₂e provides a useful summation of GHG emission totals, all results displayed in the following charts and tables use CO₂e as the GHG unit of measure.

CO₂e totals for 2019 are 951.22 metric tons less than totals for 2010 – a 21.78% decrease. The most significant decrease belongs to Buildings & Facilities followed by Water and Wastewater.

With the exception of the Vehicle Fleet, all clear path categories experienced decreased emissions.

Table 4 Total CO₂e output comparison by City sector

Category	2010 CO ₂ e (MT)	2019 CO ₂ e (MT)
Buildings & Facilities	2533.39	1919.32
Water & Wastewater	1320.69	983.98
Street Lights & Signals	85.82	49.88
Vehicle Fleet	429.22	464.72
TOTAL	4369.12	3417.90

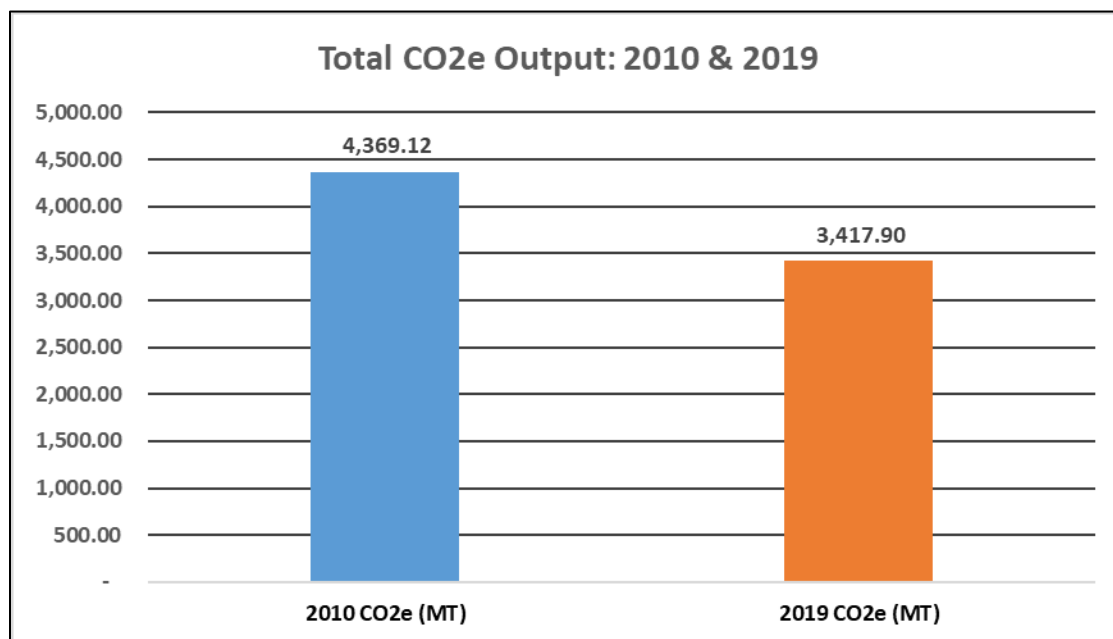


Chart 1 Total City CO₂e output comparison

The proportion of total City emissions by Clear Path category remained relatively constant between 2010 and 2019. The greatest shift occurred in the Vehicle Fleet category, which assumed a 4% increase of total city emissions.

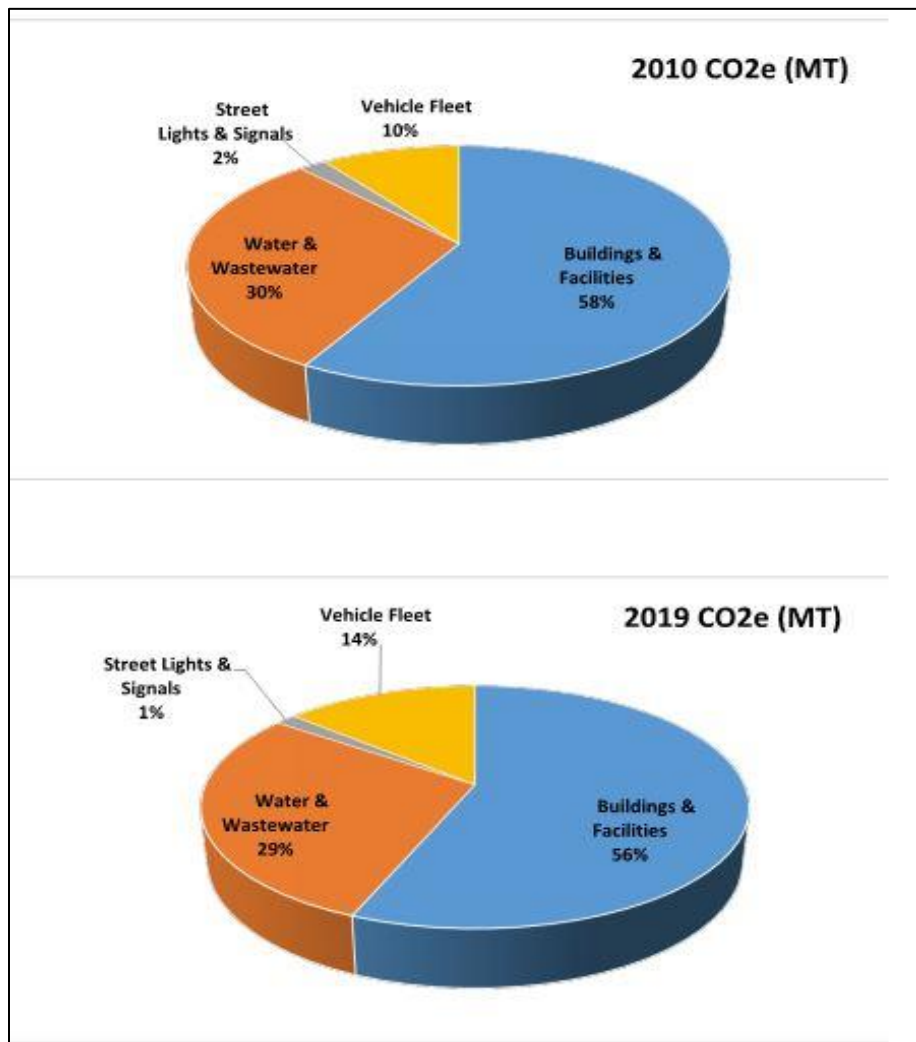


Chart 2 Comparison of CO2e output % by City sector

Two important questions in the analysis of GHG reduction progress are:

1. In what City sector did emissions reduce?
2. What was the energy type of any such emissions reductions?

The following tables and charts provide a more detailed look at emission outputs by examining specific inventory records contained within the broader Clear Path categories for both electricity and stationary fuel use. These records include:

- City Facilities
- Port & Harbor
- Airport
- Water Treatment
- Wastewater Treatment
- Streetlights & Traffic Signals

The Vehicle Fleet inventory was omitted from this list as little to no emission mitigation efforts were initiated.

A comparison of electricity use reveals a CO₂e reduction of 987 CO₂e (MT) between years 2010 and 2019. The largest reductions were achieved in the Water and Wastewater Treatment Facilities.

Table 5 CO₂e output comparisons for electricity use

Inventory Record	2010	2019
City Facilities	588.46	489.29
Port & Harbor	1,268.91	1,014.69
Airport	149.16	272.61
Water Treatment	393.69	56.51
Waste Water Treatment	651.84	267.19
Streetlights & Signals	85.82	49.88
TOTAL	3,137.87	2,150.17

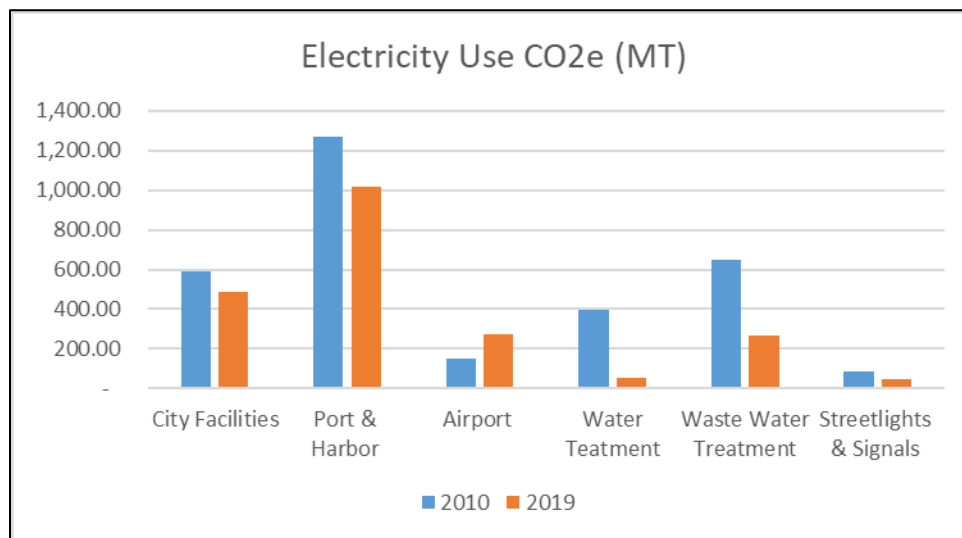


Chart 3 CO₂e output comparisons for electricity use

Stationary fuel use in 2010 was exclusively heating oil. By 2019, all facilities had converted to natural gas. The 2019 CO₂e totals for the Public Works Headquarters Building, the Wastewater Treatment Plant, and Port & Harbor was a combination of both natural gas and heating oil use. Even so, natural gas use far outweighed heating oil consumption for these facilities

CO₂e reductions associated with stationary fuel use were less than experienced by electricity. Indeed, total emissions for all City facilities combined increased by 19.2 metric tons. Four out of five sectors experienced small decreases, with the greatest reduction realized by the water treatment facility at 21 metric tons. Yet, these improvements were offset by an increase of 72.58 metric tons from all the City Facilities sector.

Table 6 Stationary fuel CO₂e output comparison. Asterisk denote facilities that use both heating oil and natural gas

Inventory Record	2010	2019
City Facilities	372.36	444.94*
Port & Harbor	68.56	63.07*
Airport	84.50	66.43
Water Treatment	80.23	59.68
Wastewater Treatment	128.23	118.94*
TOTAL	733.88	753.06

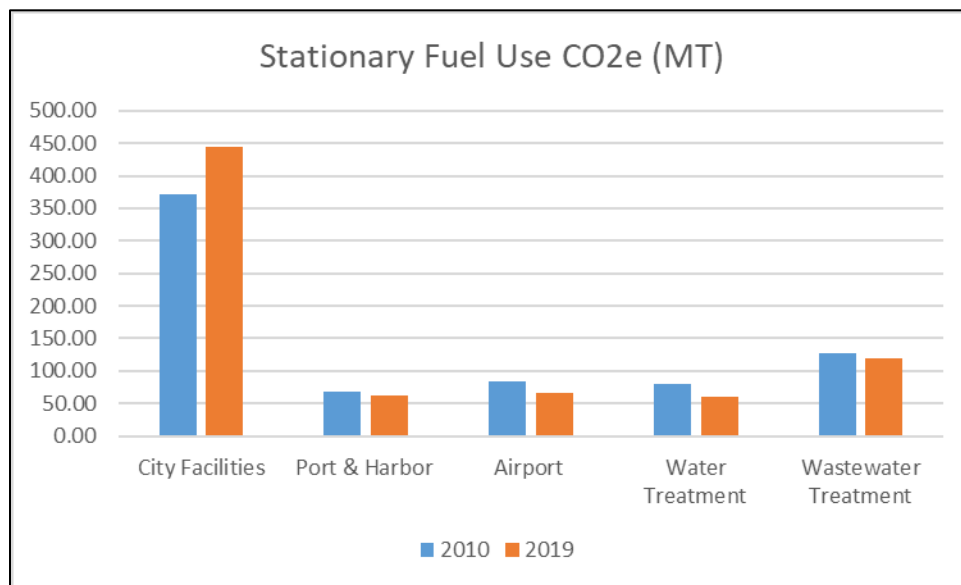


Chart 4 Stationary fuel CO₂e output by City Category

To help explain how these reductions were achieved, **Table 7** History of CAP implementation presents a general timeline of the City’s efforts in implementing emission mitigation strategies outlined in the CAP. The timeline begins in 2009 with the Deerstone Consulting report recommendations and carries through to 2019. In the leftmost column, all completed projects are marked with an “X”, incomplete or unmitigated issues are left blank.

Table 7 History of CAP implementation

CAP Implementation Recommendations Based on Deerstone Consulting Report of 2009			
CATEGORY	FACILITY	PROJECT DETAILS	COMPLETED
Airport	Terminal	Separate switches on baggage area lighting fixtures to separately control high use lights & low use lights	
	Terminal	Variable frequency drives for main air handling unit to conserve electricity and fuel	X
Port & Harbor	Fish Dock	Remove 8 high energy consuming transformers	X
	Ice Plant	Install digital controls for ice machine boost system	
	Main Shop	Transition to manual operation of air compressor to save energy when not in use	X
Buildings and Facilities	Harbor Restrooms	Insulate hot water pipes and improve cold air return furnace system	X
	Harbor Restrooms	Add grid tied wind generator at good wind area with estimated 12 mph average	
Water & Wastewater Treatment	Pressure Reducing Stations	Turn off 3 KW heaters when temperatures are above 50 Deg. F.	X
	Pressure Reducing Stations	Use hydro turbines at some pressure reducing stations to heat the maintenance and water plant buildings	
Energy Consumption Evaluation by Bill Smith & EDC, LLC 2009-2010			
CATEGORY	FACILITY	PROJECT DETAILS	COMPLETED
Buildings and Facilities	Homer Public Library	Adjustments made to ventilation system & staff operating procedures	X
Siemens Industry, Inc. Energy Audit Recommendations: 2011 - 2018			
CATEGORY	FACILITY	PROJECT DETAILS	COMPLETED
Water & Wastewater Treatment	Sewer Treatment Plant	Replace existing pump motors with high efficiency motors	X
	Raw Water Pump Station	Replace existing motors with higher efficiency motors & install VFDs	X
	Sewer Treatment Plant	Solar Aeration System	X

Water & Wastewater Treatment	Sewer Treatment Plant	Interior & exterior lighting upgrade	X
	Sewer Treatment Plant	Natural Gas Conversion	X
	Water Treatment Plant	Natural Gas Conversion	X
Airport	Terminal	HVAC Improvements	X
	Terminal	Interior & Exterior lighting upgrade	X
	Terminal	Natural gas conversion	X
Buildings & Facilities	Public Works Dept.	Insulate various pipes	X
	Public Works Dept.	Natural gas conversion	X
	Police Station	installed LED to replace indoor T-12's and all outdoor lights	X
	Fire Station	Natural gas conversion	X
	Homer Public Library	Natural gas conversion	X
	Animal Shelter	Natural gas conversion	X
Port & Harbor	Harbor Maintenance Building	Conversion to 100% LED lighting	X
	Harbor Master Office	Natural gas conversion	X
	Ice Plant	Conversion to 100% LED lighting	X
	High Mast Lights	LED upgrade with digital controller	X
CITY FUNDED LIGHTING AUDIT AND LED CONVERSION WORKPLAN: 2018-2020			
CATEGORY	FACILITY	PROJECT DETAILS	COMPLETED
Buildings & Facilities	City Hall	LED lighting conversion	X
	Animal Shelter	LED lighting conversion	X
	Homer Public Library	LED lighting conversion	X
	Public Works Dept.	LED lighting conversion	X
Airport	Terminal	LED lighting conversion	X

Discussion

The results demonstrate the City reduced its GHG emissions in all inventories for electricity consumption and in four out of six inventories for stationary fuel use. Conversion to natural gas and implementing electricity conservation strategies have had a measurable positive effect in meeting CAP goals. In fact, if the CAP goal of decreasing community wide emissions by 20% by 2020 were applied to this municipal accounting, the City has exceeded that mark. Using the CO₂e total of 5,369 tons emitted in 2006, the City achieved a 29.44% decrease in emissions by 2019.

This is a positive outcome, yet the discussion needs to consider two external variables, which undoubtedly impacted total emissions – building square footage and recent winter temperatures. The following discussion addresses these variables against the backdrop of the City’s reduced emissions.

As Table 8 indicates, through expansions, additions and replacements, total building area increased by 10,986 sq. ft. from 2010 to 2019. With the exception of the HERC buildings and old police station, City facilities converted to natural gas for heating purposes over the last decade. As natural gas produces 30% less CO₂ than heating oil, more substantial CO₂e reductions are assumed for 2019, yet the Clear Path calculators don’t show this. In fact, stationary fuel emissions increased in 2019, which is likely due to the increased square footage heating requirement. Apparently, the increase in City building area after 2010 diminished potential GHG emission reductions. Some facilities use a combination of natural gas and heating oil in their operations (albeit, the amount of heating oil is significantly less than natural gas). Even so, stationary fuel emissions could be brought closer to 2010 levels if all City facilities stopped using heating oil.

The other variable that may belie stationary fuel GHG reductions is that in this time period, average annual temperatures increased. Obviously, the fewer freezing days in the year, the less heat is required to warm a building. Therefore, warmer temperatures may partially explain some of the GHG reductions in relation to increased building area for stationary fuel use. The CAP report the City produced in 2020 contains information which may help illustrate the interplay among these variables. Even though results from this inventory do not accurately represent fluctuating emission factors for electricity over this time period the stationary fuel emission quantities were based on the amount of energy consumed and are, therefore, useful in displaying trends. Chart 5 displays this relationship by overlaying CO₂e output over changes in facility square footage and annual average temperatures.

Chart 5 and Table 8 indicate temperature increases roughly coincide with facility expansion while emissions remain relatively stable throughout this intersection. Therefore, temperature increases over this time period may play a large role in emission reductions. If this is the case, natural gas conversion during the period of facility expansion did help to keep emissions stable, but cannot entirely account for positive gains in reducing stationary fuel GHG emissions.

Table 8 Temperature fluctuations and City square footage increases from 2006 to 2019

Year	Avg Annual Temperature	Sq Footage	Facility Added
2006	36.58	150,948	New Library
2007	37.08	150,948	No Additions
2008	37.00	150,948	No Additions
2009	37.25	150,948	No Additions
2010	37.35	150,948	No Additions
2011	37.25	153,738	City Hall Remodel
2012	37.00	153,738	No Additions
2013	37.47	154,890	WKFL Restroom; Bartlett Restroom
2014	44.05	154,890	No Additions
2015	43.42	175,444	Skyline Fire Station; Harbormaster Office; Public Works Equipment Shed; Ramp 5 Restroom
2016	43.48	175,524	Mariner Park Camp Fee Building
2017	42.75	178,204	Fire Station Pole Shed; 4 Conexes
2018	42.55	179,296	No Additions
2019	34.58	179,296	No Additions

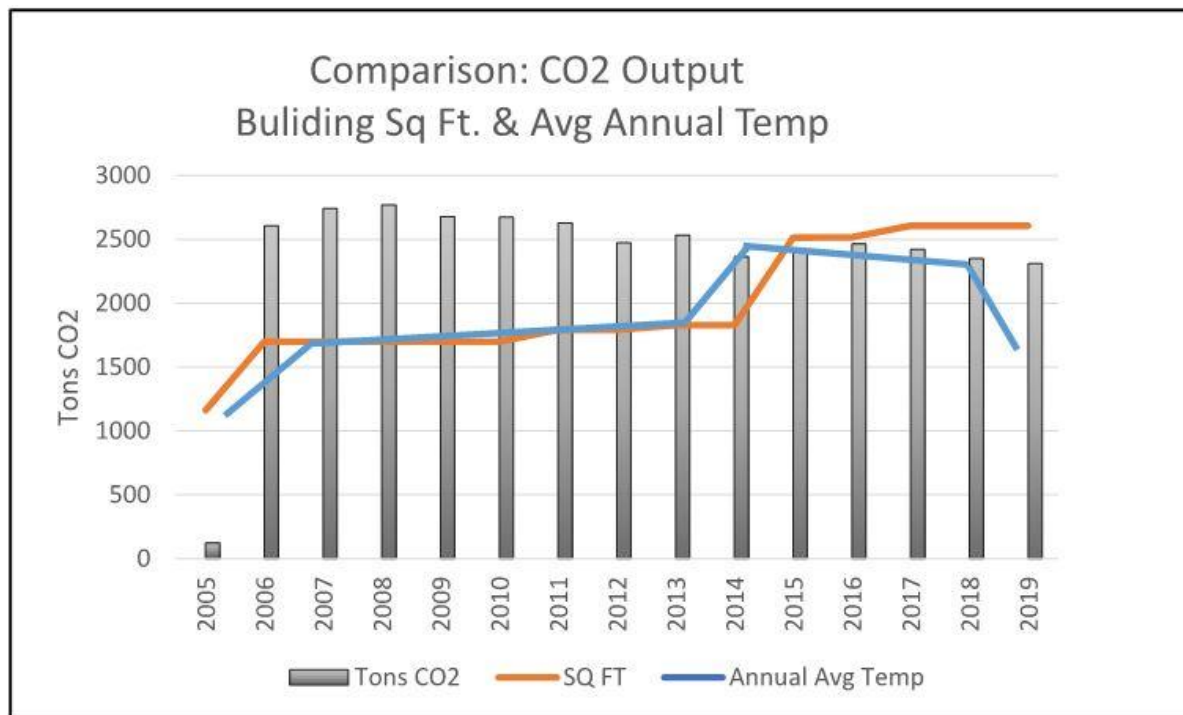


Chart 5 Temperature, sq. footage and CO2e output comparison from 2005 to 2019

Less equivocal are the positive results from electricity conservation measures. Even with greater electricity demands from increases in building area, every inventory experienced a reduction in emission output. Lighting conversions in City facilities have been effective in reducing electricity related GHG emissions; however, these reductions require another consideration – specifically that HEA provided a less GHG intensive energy source in 2019 than CEA did in 2010. For example, Table 8 shows that a comparison of MMBTU and CO2e outputs for electricity consumption reveals that Port & Harbor actually used more electricity in 2019 than in 2010, yet the CO2e for 2019 was less than 2010. Revisiting emission factors for electricity bolster this result, as the 2010 emission factor of 1190 lbs. CO2/MWh, is considerably larger than the 2019 factor of 876 lbs. CO2/MWh.

Table 9 MMBtu comparison by City sector

Inventory Record	2010 (MMBtu)	2019 (MMBtu)	Inventory Record	2010 CO2e	2019 CO2e
Port & Harbor	8,015.91	8,699.84	Port & Harbor	1,268.91	1,014.69
Buildings and Facilities	3,717.37	2,337.35	Buildings and Facilities	588.46	272.61
Airport	942.25	484.51	Airport	149.16	56.51
Water Treatment	2,487.01	2,290.83	Water Treatment	393.69	267.19
Waste Water Treatment	4,117.75	4,195.13	Waste Water Treatment	651.84	489.29
Lights and Signals	542.12	427.68	Lights and Signals	85.82	49.88
	19,822.43	18,435.34		3,137.87	2,100.28

Regardless of the disparity in emission factors, the electricity MMBtu in Table 9 illustrate that, with the exception of Port and Harbor, proactive measures taken by the City helped reduce energy consumption across the remaining electricity-dependent inventories.

The City failed to make any gains in the vehicle fleet category. Of the four Clear Path categories, this was the only one where total emissions increased. A contributing factor is that the City – particularly Parks personnel - operate many older vehicles. In fact, some vehicles were in use before the CAP was initiated. Considering that the standard for vehicle replacement at the time of the first CAP report was approximately 10 years of use or 65,000 miles, these older vehicles have exceeded their useful life in terms of GHG emissions potential. Another issue is the lack of consistent record keeping for vehicle mileage and equipment meters. More accurate (and potentially more positive results) may be achieved with concise and up-to-date vehicle reports.

From a societal perspective, results illustrate that the often overlooked category of buildings and facilities is a greater emitter of GHG than the more attention-grabbing vehicle category. Therefore its is important to note that as humans we always focus on vehicle emissions as the problem to reduce, while at the city level it is the buildings we need to focus more attention on.

Another shortcoming of this inventory is the dearth of data regarding City solid waste disposal and the associated methane emissions. The Deerstone Consulting CAP Implementation Report of 2009 accounted for that activity, but at some point since then solid waste disposal tracking ceased. ICLEI provides emission calculators to quantify methane produced from waste disposed in landfills. Adding this activity as an emission category will make future inventories more comprehensive.

Recommendations

Public Engagement

Moving forward, the City must reengage the community about climate change mitigation and the status of the City's CAP. Outreach and messaging could be conducted via several formats to solicit maximum participation. For instance, the venues can include open meetings, city web pages devoted to the topic, in-person workshops, interactive media, etc. Unfortunately, due to pandemic restrictions, some of these options may not be available. CAP history and report results will drive discussion in these meetings, and should generate meaningful input about community concerns, hopes, and motivations regarding climate change and its potential impacts to Homer. Ideally, by showcasing the City's successful climate mitigation efforts, enough support for climate action will be generated to carry on with future energy use improvements. Potentially, if enough momentum is gained, these efforts may extend beyond the local Government sphere and into the greater community.

Partnerships and collaborations with local climate change motivated entities should be pursued. An active exchange of information and ideas between stakeholders with various expertise on this issue will produce synergetic relationships with positive outcomes for climate action advancement. Some of these groups should include the Kenai Peninsula Resilience Commission, the Kachemak Bay National Estuarine Research Reserve, and the University of Alaska. Collaboration with these groups may prove invaluable to develop and implement community and region wide climate mitigation strategies.

Energy Use

Any energy related recommendations are contingent on the level of support from the community and City Council for advancing an updated climate action agenda. As energy saving technology, and alternative energy systems continue to advance, there may be opportunities beyond the City's current CAP implementation achievements for reducing energy consumption. The following recommendations reiterate many found in the Deerstone Consulting report of 2010, yet may be more viable today. They include:

- Reexamine unaccomplished recommendations in the Deerstone Consulting Implementation report for alternative energy production
 - Wind/Solar/Hydro energy production
- Investigate whether or not additional facility energy savings are feasible by conducting up-to-date energy audits
- Eliminate remaining heating oil use in City facilities
- Make improvements to vehicle fleet and operations
 - Hybrid/Electric vehicle introduction
 - Reduce vehicle Idling
 - Reduce unnecessary travel

Inventory & Reporting

It is recommended that inventories be maintained for all energy consuming and GHG producing City sectors to ensure that the compilation of energy data always be up to date and viable regardless of the motivation or disinclination to act on data information at any given time. Maintaining these records isn't over-burdensome to the City, as data gathering relationships with energy providers are well established and only one city staff member is required to organize the data on a monthly basis. That being said, there is room for improvement with inventory maintenance and reporting. It is also recommended that this report be supplemented with a cost analysis associated with reduced energy consumption between baseline year 2010 and comparison year 2019.

The following recommendations will help the City better understand its level of energy consumption and associated costs in terms of climate change exacerbation and monetary expense:

- Maintain annual membership with ICLEI
- Continue to use ICLEI protocol for organizing and calculating energy use
- Improve vehicle fleet inventory
 - Maintain more detailed records for vehicle age, mileage/hours, maintenance history
- Develop inventory for disposal of landfill waste
- Produce basic inventory reports on an annual basis for year to year comparison
 - Reports should include summaries of energy consumption, GHG, and energy outputs and energy costs
 - In addition to City sector totals, reporting should account for all facilities individually for detailed evaluation

Attachment A

4th Quarter LOB Taxable Sales
Presented March 8, 2021

	2016	2017	2018	2019	2020	% Δ 2020 - 2019
ADMINISTRATIVE, WASTE MAN	224,073	164,649	155,250	166,876	152,225	-9%
AGRICULTURE, FORESTRY, FI	22,190	49,869	37,022	44,149	41,097	-7%
ARTS AND ENTERTAINMENT	268,703	328,352	277,357	303,677	145,134	-52%
CONSTRUCTION CONTRACTING	406,932	372,787	386,079	364,590	487,741	34%
EDUCATIONAL SERVICES	73,547	66,973	78,859	90,528	58,566	-35%
FINANCE AND INSURANCE	16,324	30,128	27,189	26,563	25,265	-5%
GUIDING LAND	500	5,898	-	-	477	100%
GUIDING WATER	78,346	117,984	134,694	120,809	193,829	60%
HEALTH CARE AND SOCIAL AS	63,034	54,418	50,658	38,063	16,437	-57%
HOTEL/MOTEL/BED & BREAKFA	1,712,384	1,641,953	1,455,582	1,734,109	1,710,573	-1%
INFORMATION	1,043,506	985,693	1,008,965	992,162	710,741	-28%
MANAGEMENT OF COMPANIES	-	-	-	-	-	0%
MANUFACTURING	326,180	318,410	339,803	406,462	428,970	6%
MINING/QUARRYING	-	-	150	19,981	21,611	8%
PROFESSIONAL, SCIENTIFIC	647,970	700,387	680,434	635,037	763,313	20%
PUBLIC ADMINISTRATION	1,188,557	999,094	1,143,132	1,022,188	874,562	-14%
REMEDATION SERVICES	-	-	-	-	-	0%
RENTAL COMMERCIAL PROPERT	59,815	61,466	64,428	60,191	71,944	20%
RENTAL NON-RESIDENTAL PRO	171,965	146,382	148,707	126,417	96,490	-24%
RENTAL OF SELF-STORAGE &	385,338	284,593	276,934	294,635	322,683	10%
RENTAL PERSONAL PROPERTY	147,841	150,791	157,676	174,262	192,495	10%
RENTAL RESIDENTAL PROPERT	1,052,578	1,140,120	1,089,752	1,116,156	1,140,114	2%
RESTAURANT/BAR	3,149,958	3,337,515	3,482,700	3,501,273	2,851,904	-19%
RETAIL TRADE	14,894,226	15,948,127	17,314,037	18,463,774	20,013,292	8%
SERVICES	1,708,265	2,078,565	2,071,964	2,001,089	2,059,134	3%
TELECOMMUNICATIONS	430,659	440,014	534,464	334,477	462,880	38%
TELECOMMUNICATIONS-CABLE	130	2,771	519	429	1,932	350%
TIMBERING	-	-	500	-	-	0%
TRANSPORTATION AND WAREHO	144,554	178,728	168,374	165,792	252,295	52%
UTILITIES	1,993,120	2,156,588	2,045,862	2,028,860	2,365,856	17%
WHOLESALE TRADE	404,805	421,454	355,568	223,920	208,920	-7%
TOTAL	30,615,500	32,183,709	33,486,659	34,456,469	35,670,480	4%
Applied Sales Tax 4.85%	1,484,852	1,560,910	1,624,103	1,671,139	1,730,018	58,880

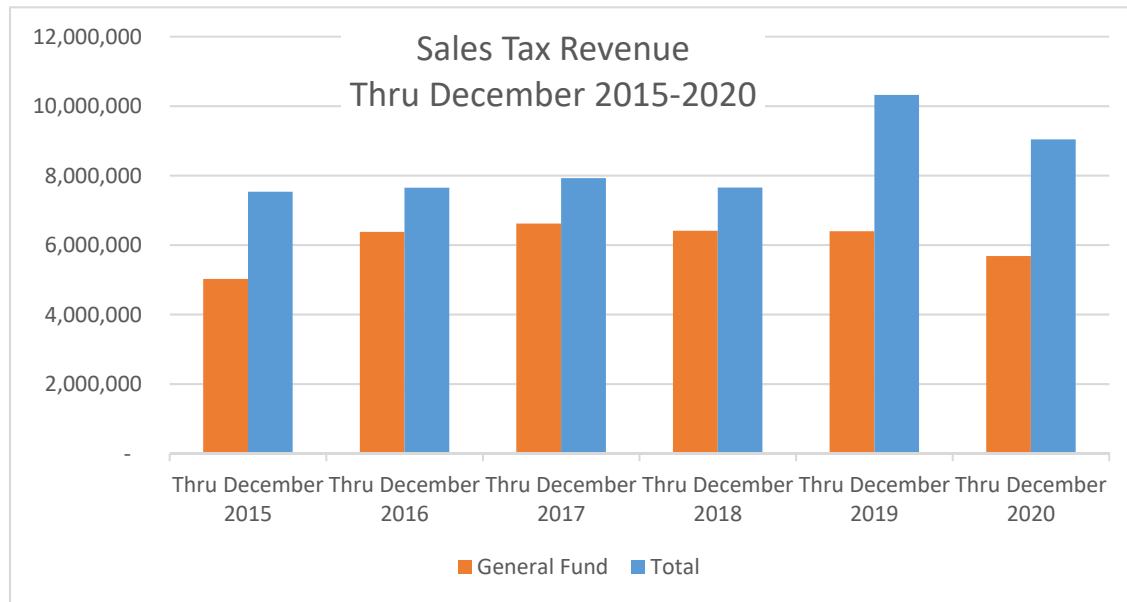
Attachment B
Quarterly LOB Taxable Sales
Presented March 8, 2021

	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
ADMINISTRATIVE, WASTE MAN	214,519	307,936	401,661	224,073	207,412	305,688	336,793	164,649	155,528	203,986	204,971	155,250	136,996	211,749	202,322	166,876	126,571	115,955	162,542	152,225
AGRICULTURE, FORESTRY, FI	4,143	110,003	144,270	22,190	14,600	144,996	205,859	49,869	33,710	203,853	234,217	37,022	640,248	160,020	202,286	44,149	18,712	111,415	187,204	41,097
ARTS AND ENTERTAINMENT	253,949	417,206	677,310	268,703	249,016	472,227	674,135	328,352	249,287	501,469	737,507	277,357	253,475	548,940	731,228	303,677	216,312	165,688	477,017	145,134
CONSTRUCTION CONTRACTING	372,572	477,737	486,586	406,532	484,978	438,379	381,548	372,787	315,934	409,170	385,926	386,079	333,640	373,100	336,222	364,590	367,431	392,005	397,914	487,741
EDUCATIONAL SERVICES	66,901	50,233	47,609	73,547	71,772	52,994	53,633	66,973	61,687	54,866	55,190	78,859	58,316	56,928	75,184	90,528	73,931	42,283	44,879	58,566
FINANCE AND INSURANCE	15,710	17,884	16,893	16,324	19,204	23,980	28,566	30,128	27,385	25,820	25,924	27,189	28,275	36,654	29,481	26,563	26,553	19,785	40,410	25,265
GUIDING LAND	41	65,599	132,975	500	-	94,324	169,829	5,988	-	105,778	228,047	-	-	125,677	258,602	-	-	42,822	79,186	477
GUIDING WATER	104,823	2,687,936	6,225,895	78,346	36,497	2,697,548	6,158,152	117,984	79,447	2,869,368	6,061,804	134,694	187,753	2,985,820	5,988,975	120,809	110,697	1,359,274	4,822,074	193,829
HEALTH CARE AND SOCIAL AS	45,037	76,757	131,576	63,034	77,243	126,554	134,541	54,418	80,890	95,062	80,786	50,658	78,958	62,473	45,090	38,063	21,795	15,422	28,941	16,437
HOTEL/MOTEL/BED & BREAKFA	1,789,574	4,657,728	7,026,750	1,712,384	1,532,096	4,558,923	7,153,924	1,641,953	1,490,223	4,422,516	7,518,922	1,455,582	1,543,084	4,629,194	8,375,973	1,734,109	1,279,481	2,828,851	6,389,397	1,710,573
INFORMATION	1,127,408	1,115,491	1,108,504	1,043,506	1,020,993	1,084,186	1,093,603	985,693	972,981	1,061,677	1,031,736	1,008,965	984,852	978,052	1,037,924	992,162	983,669	883,165	935,171	710,741
MANAGEMENT OF COMPANIES	-	-	-	-	-	-	-	-	-	-	-	-	-	126,214	311,026	-	-	10,508	-	-
MANUFACTURING	237,863	470,938	581,747	326,180	225,385	503,806	633,841	318,410	249,843	530,866	641,802	339,803	281,903	756,819	715,234	406,462	344,961	505,214	687,424	428,970
MINING/QUARRYING	-	-	-	-	500	-	-	-	-	-	150	150	150	1,150	10,926	19,981	3,220	14,961	26,838	21,611
PROFESSIONAL, SCIENTIFIC	654,874	773,463	732,636	647,970	698,422	708,767	771,398	700,387	691,012	756,620	770,672	680,434	648,929	785,571	761,163	635,037	702,504	767,048	823,623	763,313
PUBLIC ADMINISTRATION	644,546	954,300	2,150,884	1,188,557	1,100,533	1,309,629	2,560,676	999,094	816,016	1,427,693	2,458,720	1,143,132	829,928	1,432,737	2,845,900	1,022,188	971,581	1,368,423	3,105,875	874,562
REMEDATION SERVICES	32,704	-	-	-	32,666	-	-	-	38,717	-	-	-	33,767	-	-	-	-	-	-	-
RENTAL COMMERCIAL PROPERTY	42,061	59,602	63,881	59,815	58,558	96,775	101,707	61,466	69,250	85,900	130,158	64,428	196,565	99,765	95,207	60,191	58,935	80,696	81,163	71,944
RENTAL NON-RESIDENTIAL PRO	128,148	170,232	256,561	171,965	128,347	180,793	246,013	146,382	144,070	187,303	238,829	148,707	138,064	184,240	234,955	126,417	92,816	90,896	129,139	96,490
RENTAL OF SELF-STORAGE &	249,716	296,770	643,544	385,338	201,259	248,428	561,005	284,593	232,561	265,933	528,323	276,934	217,415	272,863	537,757	294,635	231,287	271,739	570,643	322,683
RENTAL RESIDENTIAL PROPERTY	132,816	166,630	229,364	147,841	138,081	197,202	242,233	150,791	148,701	210,142	259,883	157,676	141,046	221,419	229,691	174,262	165,835	194,678	216,695	192,495
RENTAL RESIDENTIAL PROPERT	1,020,110	1,510,996	1,799,042	1,052,578	1,035,396	1,512,623	1,835,339	1,140,120	1,146,434	1,638,398	1,880,675	1,089,752	1,077,295	1,632,238	1,834,018	1,116,156	1,101,887	1,402,570	1,708,348	1,140,114
RESTAURANT/BAR	3,145,686	6,149,338	8,195,446	3,149,958	2,787,404	6,211,565	8,780,547	3,337,515	3,101,373	6,773,895	9,542,688	3,482,700	3,179,549	6,848,886	9,553,633	3,501,273	2,514,895	3,762,292	6,529,920	2,851,904
RETAIL TRADE	12,275,910	24,767,175	29,665,962	14,894,226	12,505,192	24,992,523	30,421,714	15,948,127	12,769,708	27,043,054	34,053,544	17,314,037	14,151,272	29,033,873	34,490,183	18,463,774	15,612,943	27,598,497	34,754,701	20,013,292
SERVICES	1,675,348	2,384,956	2,202,016	1,708,265	1,799,351	2,703,585	2,645,475	2,078,565	1,894,742	2,768,109	2,305,938	2,071,964	1,749,725	2,701,456	2,586,137	2,001,089	1,608,833	2,196,866	2,465,235	2,059,134
TELECOMMUNICATIONS	387,800	396,570	419,879	430,659	408,560	430,719	428,326	440,014	449,669	469,468	511,781	534,464	401,118	337,618	332,138	334,477	335,461	440,569	468,600	462,880
TELECOMMUNICATIONS-CABLE	75	653	235	130	627	642	1,811	2,771	574	1,202	1,305	519	495	6,282	691	429	861	516	809	1,932
TIMBERING	487	-	-	-	500	-	430	-	-	-	500	-	505	-	-	-	-	-	-	-
TRANSPORTATION AND WAREHO	141,573	664,334	1,110,780	144,554	190,285	780,040	1,569,692	178,728	177,563	853,236	1,545,966	168,374	196,800	925,578	1,410,586	165,792	195,409	347,778	1,072,654	252,295
UTILITIES	2,070,114	1,772,903	1,602,262	1,993,120	2,322,217	1,992,650	1,795,759	2,156,588	2,445,497	2,058,123	1,757,390	2,045,862	2,503,521	2,114,934	1,727,760	2,028,860	2,710,459	2,197,539	1,812,700	2,365,856
WHOLESALE TRADE	231,382	340,526	193,516	404,805	262,379	317,823	214,032	421,454	325,567	355,069	298,755	355,568	296,494	398,831	280,016	223,920	273,328	338,319	291,360	208,920
TOTAL	27,065,890	50,864,496	66,247,784	30,615,500	27,609,373	52,187,369	69,200,581	32,183,709	28,168,369	55,378,476	73,491,609	33,486,659	30,290,138	58,049,081	75,240,308	34,456,469	30,149,367	47,565,777	68,310,460	35,670,480

Attachment C

Thru December Sales Tax Revenue
Presented March 8, 2021

	Thru December 2015	Thru December 2016	Thru December 2017	Thru December 2018	Thru December 2019	Thru December 2020
General Fund	5,022,763	6,376,187	6,617,305	6,408,983	6,394,988	5,685,187
HAWSP	1,255,613	1,275,554	1,307,539	1,244,495	1,583,087	1,397,997
HART-Roads	1,130,052	-	-	-	1,503,204	1,258,197
HART-Trails	125,252	-	-	-	173,803	139,800
Police Station	-	-	-	-	664,701	559,199
Total	7,533,680	7,651,741	7,924,845	7,653,478	10,319,783	9,040,379



Between 2018 and 2019, taxable sales increased by \$9.67 million. This equates to roughly \$470,000 in additional sales tax revenue received in 2019.



February 23, 2021

Mayor Ken Castner
Homer City Council
491 E. Pioneer Ave
Homer, AK 99603

Dear Homer City Council,

Kachemak Heritage Land Trust would like to thank the City of Homer for the grant support we received in 2020 as administered through the Homer Foundation. The matched funds were spent on the community effort to complete Phase II of the universally accessible Poopdeck Trail. KHLT teamed up with the City of Homer and Homer Independent Living Center to build an Americans with Disabilities Act (ADA) accessible trail on KHLT's in-town Poopdeck property, and, with permission, on the adjacent land owned by the City of Homer. We want to thank the City for this important funding opportunity that supports our local non-profits.

We look forward to the coming year and the opportunities that await us to further collaborate with other local businesses, organizations, and community members that help make the City of Homer such a special place. Thank you again for supporting Kachemak Heritage Land Trust's mission – conserving the natural heritage of the Kenai Peninsula for future generations.

Sincerely,

A handwritten signature in black ink that reads "Marie McCarty" with a horizontal line extending to the right.

Marie McCarty
Executive Director

A handwritten note in black ink that reads "Thank you so much for being a wonderful partner!" with a large loop at the end of the word "partner".



P.O. Box 2703, Homer, Alaska 99603 - (907) 235-2647
www.kevinbellarena.org

February 22, 2021

Homer City Council
491 E. Pioneer Avenue
Homer, Alaska 99603

Dear Members of the City Council,

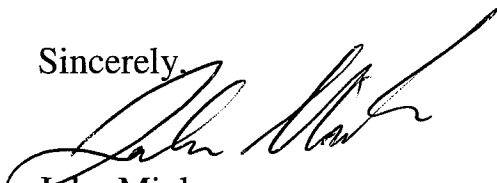
I would like to thank the Homer City Council on behalf of the Homer Hockey Association for providing funding to the City of Homer Grants Program administered by the Homer Foundation.

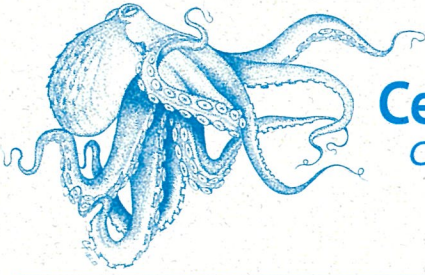
The Kevin Bell Arena provides recreational opportunities from September to April. These activities provide an opportunity for those in our community, who represent a diverse population, to interact with acceptance and respect for each other's differences while sharing a common interest.

Some of the programs offered include USA hockey, high school hockey, men's and women's adult hockey, figure skating, broomball, curling, Learn to Skate programs, and recreational programs.

In addition to the varied recreational opportunities listed above, the KBA has brought thousands to our community since opening in 2005. We again want to thank the Homer City Council for their continued support of the Homer Hockey Association and the Kevin Bell Arena.

Sincerely,


John Mink
HHA President



Center for Alaskan Coastal Studies

Celebrating Over 35 Years of Outdoor Education



708 Smokey Bay Way, Homer, Alaska 99603 • www.akcoastalstudies.org • Ph. 907-235-6667 • Email: info@akcoastalstudies.org

February 8, 2021

Homer City Council
491 East Pioneer
Homer, AK 99603

Dear Council Members,

The Center for Alaskan Coastal Studies (CACs) would like to thank the City of Homer for continuing to support local nonprofits in the community through the City of Homer Grants Program administered through the Homer Foundation. We are especially thankful for the \$1,000 in operational support we received in 2020 through this program.

Operational funds are very difficult to raise, yet so vital to the functions and sustainability of an organization. In 2020, the COVID pandemic presented extreme challenges to CACS as well as other local non-profits. We saw an 80% loss in earned revenue as well as a 60% loss in fundraising event income, which largely supports our operational needs. We thought outside the box, engaged in collaborations with other non-profits, such as the Pier One Theatre, and were able to run programs and host a few small virtual events. The generosity of the community and local businesses helped us recover some of these important unrestricted funds.

City of Homer grant funds are used primarily to support free and reduced price afterschool and community programs and our CoastWalk program. CoastWalk is conducted every fall and, even during the pandemic, we were able to clean 28 miles of beach, involve 169 volunteers and collect 860 lbs of marine debris. This program, started in 1984, is an important stewardship activity for the Homer community. In partnership with the City we were able to set up 4 recycling stations at key public venues (Karen Hornaday Park, Bishop's Beach, Mariner Park and the Water Trail Pavilion by the Nick Dudiak Fishing Hole). City of Homer grant funds were leveraged to help us get funding to support a summer high school intern who helped to install and monitor these recycling stations.

Thanks for your continuing support and the support of other non-profits in Homer, all contributing to the important work being done to promote a healthy ecosystem, and an engaged and connected community.

Sincerely,

Elizabeth Trowbridge

Executive Director





Memorandum

TO: City Council
Through: Robert Dumouchel, City Manager
FROM: Janette Keiser, PE, Director of Public Works
DATE: February 23, 2021
SUBJECT: Update to Skyline Water Tank Aeration Project

Issue: The City issued a Task Order to DOWL engineers to design an aeration system for the Skyline Water Storage Tank, to improve water quality. The purpose of this memorandum is to provide an update on the investigation.

Background: The City disinfects its water supply with chlorine. Chlorine reacts with the tiny organic compounds our existing treatment system cannot remove from our source water to create byproducts, called Disinfection By-Products (“DBP”). One traditional way to reduce the DBP is to aerate the water. The City commissioned DOWL to design an aeration system that could be installed in the Skyline Water Storage Tank.

In the course of their investigation, DOWL engineers studied our water chemistry, conducted laboratory tests and analyzed our water distribution system parameters. Then, they applied their knowledge of DBP reduction chemistry to our conditions and made recommendations. Much to our surprise, they did not recommend aeration; instead, they recommended a different solution. Their recommended solution involves treating the water supply BEFORE it goes into the tank to reduce the organic compounds, thereby reducing the “food supply” that triggers the development of DBPs in the tank. This would not only reduce DBPs, but would facilitate other water quality improvements.

Reducing the organic compounds in the source water can be done by introducing a chemical into the water that would cause the tiny particles of organics to coagulate into particles that could be trapped by our filter membranes. This requires a precise application of precisely the right kinds of chemicals. To determine what kind of chemicals should be used, and at what rates, DOWL will be conducting laboratory tests, called “Jar Tests” at the Homer Water Treatment Plant.

We will be shifting funds that would have gone to complete the design of the aeration system to the completion of the Jar Testing. We are not seeking additional funding for this project at this time. We hope we can complete the studies and the adjustment to our water treatment processes, with the money that was already appropriated for the Water Tank Aeration Project.

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KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal Note: N/A



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 21-042

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
Labor:	
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.



City of Homer

www.cityofhomer-ak.gov

Public Works

3575 Heath Street
Homer, AK 99603

publicworks@cityofhomer-ak.gov

(p) 907- 235-3170

(f) 907-235-3145

Memorandum 20-205

TO: Mayor and Homer City Council
THROUGH: Rob Dumouchel, City Manager
FROM: Janette Keiser, Director of Public Works
DATE: December 3, 2020
SUBJECT: Industry Standards Relating to Water-Sewer Reserves and Q&A

I have been continuing to research benchmarks related to the financial matters for water/sewer utilities, using the Environmental Protection Agency's Environmental Finance Service Center ("EPA"), American Water and Wastewater Association ("AWWA") and other water/wastewater industry experts, as well as the Government Finance Officers Association ("GFOA"), as resources. In particular, I've been looking for answers to questions posed by the Council and staff about such matters. Here is a summary of findings and conclusions:

Question #1: What do we need reserves for?

Answer: Attached is a summary of the basic Elements of Reserves for a typical utility Fund, which identifies various categories of reserve funds, the total sum of which represents a utility's Reserve Fund:

- Operating Reserves
- Capital Contingencies
- Equipment Replacement
- Debt Service Coverage

Question #2: How much money should we have in our Water/Sewer Reserve Funds?

Answer: There are industry standards for each element, which are identified on the attached Elements of Reserves. Obviously, the level of the City's Reserve Funds depends on affordability and need. There are industry standard tools for measuring both factors and for guiding the gradual development of a sustainable level of funding.

Question #3: How should we build the Reserve Funds?

Answer: Usually, utilities include an element in their tariffs to build their reserve funds, because that is the only source of revenue they have, beyond grants, debtor or one-off injections of cash, such as from a sale of property. In Homer, we have another source of funding for capital projects, the HAWSP Fund, but

this is unique to Homer. And, analysis of the HAWSP Fund’s purpose and need demonstrates that Homer needs multiple sources of revenue to support its relatively expensive utility systems.

Question #4: How should we spend money from the Reserve Funds?

Answer: It is a Best Practice for utilities to have written financial policies that govern how their reserve funds are spent. Further, expenditure of reserve funds should require authorization by the governing body and be based on approved planning documents that identify project needs and project cash flow. Developing and maintaining a robust asset management system is also a Best Practice to assist with preventative maintenance and long-term planning of asset replacement.

Question #5: How do I know if our Reserve Funds are healthy?

Answer: The AWWA, EPA and GFOA all recommend that Reserve Funds be subject to oversight in accordance with Generally Accepted Accounting Practices and the municipality’s financial policies, generally through the budget process. There are Best Practices to guide these processes.

Question #6: How do we keep the Reserves from continuing to build at the expense of our rate/tax payers?

Answer: The Reserve Funds are built from the water/sewer rates, which are adjusted annually and linked to the budget and capital planning processes. This gives the governing body multiple opportunities to adjust the Reserve Funds to affordable levels, which address needs. Further, the governing body will receive financial reports, at least quarterly, which it can review in the context of the body’s established financial policies.

Question #7: What else can we do to bring some clarity to these matters?

Answer: All the resource agencies recommend as a Best Practice, that utilities have written, and codified financial policies, to guide decision making and accountability. The City of Homer has a number of financial policies, but they are not necessarily in the same place and some of the provisions are ambiguous enough to allow different interpretations, which can cause confusion and conflict. The City can review its financial policies to (1) fill in any blanks; (2) clarify any ambiguities; and (3) reconcile any conflicts.

Elements of Reserves in a Utility Fund

- **Operating Reserves** – These are cash reserves available to cushion the time lag between when billing happens and when bills are paid. Industry standards recommend having reserves totaling 60-90 days of operating and maintenance costs.

<u>Utility</u>	<u>Total Operating Costs</u>	<u>Recommended Operating Reserve</u>
Water	\$2,320,278	\$381,415 - \$572,040
Sewer	\$1,788,617	\$294,000 - \$441,000

- **Capital Contingency** – These funds pay for unexpected major repairs. Industry standards recommend an amount equal to 1-2% of the system’s fixed assets.

<u>Utility</u>	<u>Value of Fixed Assets¹</u>	<u>Recommended Capital Contingency</u>
Water	\$48,920,806	\$489,208 - \$978,416
Sewer	\$44,707,860	\$447,078 - \$894,157

- **Infrastructure Replacement Funding** – These funds are used to replace assets, in accordance with established planning documents, such as an Asset Management Plan, a Capital Improvement Plan and an Equipment Replacement Schedule. The numbers below represent numbers from the Draft Asset Management Plan.

<u>Utility</u>	<u>Reserve Required to Build Replacement Fund²</u>
Water	\$7,573,704
Sewer	\$5,280,544

- **Totals**

<u>Utility</u>	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>	<u>V</u>	<u>VI</u>
<u>Utility</u>	<u>Operating Reserve</u>	<u>Capital Contingency</u>	<u>Minimum (II + III)</u>	<u>Infrastructure Replacement</u>	<u>Totals</u>	
Water	\$572,000	\$978,416	\$1,550,416	\$7,573,704	\$9,124,120	
Sewer	\$441,000	\$894,157	\$1,335,157	\$5,280,544	\$6,615,701	

¹ From AML insurance worksheet showing 2019 value of City Building Assets

² From 2020 draft Asset Management Plan prepared by JAK

- **Debt Service Coverage** – This includes payments required to service debt as well as minimum levels of reserves required to cover bond covenants.

HAWSP Fund Debt Payment – principal & interest \$1,029,766/Year

- **Debt management** – Credit agencies don't like utilities to fund all their capital improvements with debt, but prefer that no more than 60% of a project is financed with debt.

POLICY MANUAL FOR THE WATER AND SEWER CAPITAL ASSET REPAIR AND MAINTENANCE ALLOWANCE "CARMA" FUNDS

Table of Contents

- I. Purpose
- II. Definitions
- III. Maximum Spending Limit and Spending Plan
- IV. Accounting Matters

I. PURPOSE

The City Council established Capital Asset Repair and Maintenance Allowance (CARMA) accounts for multiple City programs and departments within the General Fund. The intent of the City of Homer CARMA Funds is *"for appropriation and expenditure for equipment replacement, fleet replacement, engineering or planning services, major maintenance of city facilities, or any other purpose as identified and recommended by the City Manager and authorized by the City Council...and to extend the life and use of taxpayer funded assets, facilities and infrastructure."* (See Ordinance 19-35(S)(A). It is appropriate that the Water and Sewer Utilities, which operate as independent utilities, comport with the intent and policy set forth in Ordinance 19-35(S)(A). Thus, the City Council hereby establishes CARMA Funds for the Water and Sewer Utilities to fund improvements, repairs, and replacements to the City's existing water and sewer systems; that is, to benefit existing customers by keeping the utility systems in a state of good repair. CARMA Funds may be used for Capital Contingencies or Infrastructure Replacement.

Note: In addition to the Water and Sewer CARMA Funds, the City has a Homer Accelerated Water and Sewer Program (HAWSP). HAWSP is intended to fund projects, which extend systems or otherwise expand capacity to serve new customers as well as support public health in other ways. (See HAWSP Policy Manual for more information on the HAWSP.)

II. DEFINITIONS

- a. **Capital Contingency** – These funds pay for unexpected or unplanned major repairs. Industry standards recommend an amount equal to 1-2% of the system's fixed assets.

- b. **Capital Improvement Plan (CIP)** – A multi-year document that lays out priorities for capital projects, including descriptions of each project, rationale for why each project is needed, order of magnitude cost estimate, and other information about the project.
- c. **HART** – Homer Accelerated Roads and Trails program, a fund established by the voters of the City of Homer and funded by a voter-approved dedicated sales tax, intended to improve roads, sidewalks, and trails within the City of Homer, thereby improving property values and quality of life.
- d. **HAWSP** – Homer Accelerated Water and Sewer Program, a fund established by the voters of the City of Homer and funded by a voter-approved dedicated sales tax, intended to improve the health and welfare of the Citizens of Homer by connecting residences to City water and/or sewer, thereby increasing the number of users on the system, increasing property values, and improving the quality of life; the funds may also be used on other water and sewer infrastructure that expand the systems or protect the public health.
- e. **Infrastructure Replacement** – The replacement of assets, in accordance with established planning documents, such as an Asset Management Plan, a Capital Improvement Plan and an Equipment Replacement Schedule.
- f. **Operating Reserves** – These are cash reserves available to cushion the time lag between when billing happens and when bills are paid. Industry standards recommend having reserves totaling 30-45 days of operating and maintenance costs.
- g. **Unencumbered Fund Balance** – The balance within the Water and Sewer CARMA Funds that are not allocated to a project.
- h. **Water and Sewer System Improvements** – Any work, such as planning, design, or construction, etc., that improves the City’s water and sewer infrastructure, including, but not limited to, the extension, expansion, repair, or rehabilitation of
 - 1. The City’s water supply, raw water transmission lines, water treatment facilities, water storage facilities, water distribution lines, fire-fighting devices, and related or similar appurtenances.
 - 2. The City’s sewer collection lines, sewer lift stations, RV Dump Stations, wastewater treatment facilities, discharge outfall, and related or similar appurtenances.
 - 3. Other facilities related to providing public access to clean water and the sanitary disposal of human wastes to protect public health.

III. MAXIMUM SPENDING LIMITS AND SPENDING PLAN

- a. *“The amount of the CARMA funds shall be established by City Council in the biennial budget based on the projected maintenance and repair needs of the City.” (Ordinance 19-35(S)(A)).* This means CARMA funds are supported by an appropriate planning document, which forecasts needs for repair and maintenance.
- b. The Public Works Department shall, on an annual basis, submit for City Council review, separate Capital Improvement Plans for the Water and Sewer Utilities, which shall identify Major Capital Projects required to (i) keep the utilities in a state of good repair or (ii) expand capacity. These Plans shall include cost projections and rank the projects in order of need, applying the following criteria:
 1. Expands service to currently unserved areas.
 2. Addresses public health, safety, or regulatory changes.
 3. Improves, repairs, replaces, rehabilitates, or otherwise corrects deficiencies in existing utility systems.
 4. Is listed in another planning document adopted by the City Council, such as the citywide CIP, Water/Sewer Master Plan, Parks Capital Improvement Plan, etc.
 5. Reduces maintenance costs.
 6. Other factors deemed appropriate by the City Council.
- c. As part of the budget process, the City Council shall:
 1. Assess the health of the CARMA Funds in accordance with the City’s Financial Policies.
 2. Establish by ordinance a Maximum Spending Limit and a Spending Plan for the Water and Sewer CARMA Funds for the subject year. Once adopted the Maximum Spending Limits and Spending Plans may only be changed by the City Council.

IV. ACCOUNTING MATTERS

- a. The Water/Sewer CARMA Funds are built from a commodity-based fee, contained within the water/sewer tariff, which is deposited into separate accounts and managed as Retained Earnings. These fees may vary from year to year depending on need and as adopted by Council as part of the water/sewer rate-setting process.
- b. Water/Sewer CARMA Funds should be sufficient to cover the following elements:
 1. Operating Reserves
 2. Debt Service Coverage
 3. Capital Contingencies
 4. Infrastructure Replacement Funding
 5. Funding to comply with existing or projected bond covenants
- c. Interest, if any, generated from a CARMA Fund will remain in that Fund.

- d. The Finance Department shall, on a quarterly basis, submit for City Council review, financial statements showing the status of the Water and Sewer CARMA Funds.
- e. The City may, at its discretion waive allocations of General Fund Overhead expenses for projects funded by CARMA funds.
- f. Projects may be funded through the CARMA Funds, bonds, grants, or a combination of these or other funding mechanism that may be identified by the City.
- g. All projects funded by the CARMA Funds must comply with the provisions of HCC Titles 14, City of Homer Public Utility Systems, and 17, Public Assessments.
- h. CARMA and HAWSP funds may be used to jointly fund a project. CARMA funds should be used for portions of the project that improve, repair, or replace existing water or sewer infrastructure while HAWSP funds should be used for portions of the project that expand capacity or result in new water or sewer infrastructure.
- i. The City does not expect to fully capitalize the replacement of Major Projects, but to instead, leverage debt in accordance with the City's Financial Policies.

POLICY MANUAL FOR THE WATER AND SEWER CAPITAL ASSET AND MAINTENANCE ALLOWANCE "CARMA" FUNDS

Table of Contents

- I. Purpose
- II. Definitions
- III. Qualifying Project Criteria
- IV. Financing
- V. Maximum Spending Limit and Spending Plan

I. PURPOSE

The City Council established Capital Asset and Maintenance Allowance Funds for multiple City programs and departments, including the Water and Sewer utilities. The intent of the City of Homer Water and Sewer Capital Asset and Maintenance Allowance Funds ("CARMA Funds") is to fund improvements, repairs, and replacements to the City's existing water system and sewer systems; that is, to benefit existing customers by keeping the utility systems in a state of good repair.

In addition to the Water and Sewer CARMA Funds, the City has a Homer Accelerated Water and Sewer Program (HAWSP). HAWSP is intended to fund projects, which extend systems or otherwise expand capacity to serve new customers as well as support public health in other ways. (See HAWSP Policy Manual for more information on the HAWSP.)

II. DEFINITIONS

- a. **Capital Improvement Plan (CIP)** – A multi-year document that lays out priorities for capital projects, including descriptions of each project, rationale for why each project is needed, schedule and progress to date, and estimated total cost.
- b. **HAWSP** – Homer Accelerated Water and Sewer Program, a fund established by the voters of the City of Homer and funded by a voter-approved dedicated sales tax, intended to improve the health and welfare of the Citizens of Homer by connecting residences to City water and/or sewer, thereby increasing the number of users on the system, increasing property values, and improving the quality of life; the funds may also be used on other water and sewer infrastructure that expand the systems or protect the public health.

- c. **Unencumbered Fund Balance** – The balance within the Water and Sewer CARMA Funds that are not allocated to a project.
- d. **HART** – Homer Accelerated Roads and Trails program, a fund established by the voters of the City of Homer and funded by a voter-approved dedicated sales tax, intended to improve roads, sidewalks, and trails within the City of Homer, thereby improving property values and quality of life.
- e. **Water and Sewer System Improvements** – Any work, such as planning, design or construction, etc., which improves the City’s water and sewer infrastructure, including, but not limited to, the extension, expansion, repair or rehabilitation of
 - 1. The City’s water supply, raw water transmission lines, water treatment facilities, water storage facilities, water distribution lines, fire-fighting devices, and related or similar appurtenances.
 - 2. The City’s sewer collection lines, sewer lift stations, RV Dump Stations, waste water treatment facilities, discharge outfall and related or similar appurtenances.
 - 3. Other facilities related to providing public access to clean water and the sanitary disposal of human wastes to protect public health.
- f. **Major Capital Project** – A project that exceeds \$1.1 million in value, which cannot be executed in an incremental fashion.

III. QUALIFYING PROJECT CRITERIA

- a. All projects will be authorized only after a public hearing pursuant to HCC Title 17.
- b. All projects using funds from the Water/Sewer CARMA Funds must meet at least three of the following criteria:
 - 1. Is located within the City limits.
 - 2. Addresses public health, safety or regulatory changes.
 - 3. Improve, repairs, replace, rehabilitate or otherwise correct deficiencies in existing water or sewer facilities
 - 4. Is listed a planning document adopted by the City Council, such as the citywide CIP, Water or Sewer CIPs, or Water/Sewer Master Plan.
 - 5. Reduces maintenance costs.
 - 6. Other factors deemed appropriate by the City Council.

IV. FINANCING

- a. Projects may be funded through the CARMA Funds, bonds, grants, or a combination of these or other funding mechanism that may be identified by the City.

- b. All projects funded by the CARMA Funds must comply with the provisions of HCC Titles 14 and 17.
- c. The Council shall review the CARMA Funds during the budget process.
- d. City Council shall assess the health of the CARMA Funds prior to approving a new project.
- e. Interest, if any, generated from a CARMA Fund will remain that Fund.
- f. The City shall not charge the CARMA Funds for General Fund Overhead.
- g. CARMA and HAWSP funds may be used to jointly fund a project. CARMA funds should be used for portions of the project that improve, repair, or replace existing water or sewer infrastructure while HAWSP funds should be used for portions of the project that expand capacity or result in new water or sewer infrastructure.

V. MAXIMUM SPENDING LIMITS AND SPENDING PLAN

- a. The Finance Department shall, on an annual basis, submit for City Council review, financial statements showing the status of the Water and Sewer CARMA Funds.
- b. The Public Works Department shall, on an annual basis, submit for City Council review, separate Capital Improvement Plans for the Water Utility and Sewer Utility, which shall identify Major Capital Projects required to (i) keep the utilities in a state of good repair or (ii) expand capacity. These Plans shall include cost projections and rank the projects in order with need.
- c. The City Council will, upon review of the documents described above, establish, by ordinance a Maximum Spending Limit and a Spending Plan for the Water and Sewer CARMA Funds for the subject year. Once adopted the Maximum Spending Limits and Spending Plans may only be changed by the City Council



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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 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	Existing 6600	Scenario 1 6600	Scenario 2 6600	Scenario 3 6600	Scenario 4 6600	Existing 1800	Scenario 1 1800	Scenario 2 1800	Scenario 3 1800	Scenario 4 1800
Consumption	3800	3800	3800	3800	6600	6600	6600	6600	6600	1800	1800	1800	1800	1800
Water Rate	0.0132	0.0133	0.0126	0.0130	0.0132	0.0133	0.0126	0.013	0.0127	0.0132	0.0133	0.0126	0.013	0.0127
Sewer Rate	0.0145	0.0157	0.0149	0.0148	0.0145	0.0157	0.0149	0.0148	0.0138	0.0224	0.0256	0.0247	0.0249	0.0237
Charges:														
Water	50.16	50.54	47.88	49.40	87.12	87.78	83.16	85.80	83.82	23.76	23.94	22.68	23.40	22.86
Sewer	55.10	59.66	56.62	56.24	95.7	103.62	98.34	97.68	91.08	40.32	46.08	44.46	44.82	42.66
Service	13	13	13	14	13	13	13	14	13	13	13	13	14	13
Total Bill	\$ 118.26	\$ 123.20	\$ 117.50	\$ 119.64	\$ 195.82	\$ 204.40	\$ 194.50	\$ 197.48	\$ 187.90	\$ 77.08	\$ 83.02	\$ 80.14	\$ 82.22	\$ 78.52
Impact		\$ 4.94	\$ (0.76)	\$ 1.38	\$	\$ 8.58	\$ (1.32)	\$ 1.66	\$ (7.92)	\$	\$ 5.94	\$ 3.06	\$ 5.14	\$ 1.44