

Agenda City Council Regular Meeting

Monday, April 14, 2025 at 6:00 PM City Hall Cowles Council Chambers In-Person & Via Zoom Webinar

Homer City Hall 491 E. Pioneer Avenue Homer, Alaska 99603 www.cityofhomer-ak.gov Zoom Webinar ID: 205 093 973 Password: 610853

https://cityofhomer.zoom.us Dial: 346-248-7799 or 669-900-6833; (Toll Free) 888-788-0099 or 877-853-5247

CALL TO ORDER, PLEDGE OF ALLEGIANCE

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

MAYORAL PROCLAMATIONS AND RECOGNITIONS

PUBLIC COMMENT ON MATTERS ALREADY ON THE AGENDA

RECONSIDERATION

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

- <u>a.</u> Homer City Council Regular Meeting Minutes of March 24, 2025. City Clerk. Recommend adoption.
- <u>b.</u> Memorandum CC-25-099 from Mayor re: Re-appointments of Marcia Kuszmaul to the Library Advisory Board. Recommend approval.
- <u>c.</u> Ordinance 25-31, An Ordinance of the City Council of Homer, Alaska, Amending the FY25 Capital Budget Supplemental Appropriation of \$72,382 from the Public Works Capital Asset Repair and Maintenance Allowance (CARMA) Fund for a Change Order to the Fuel Island Replacement contract to also include Underground Tank Removal. City Manager/Public Works Director. Introduction April 14, 2025 Public Hearing and Second Reading April 28, 2025.

Memorandum CC-25-101 from the Public Works Director as backup.

d. Ordinance 25-32, An Ordinance of the City Council of Homer, Alaska, Amending the FY25 Capital Budget by Appropriating \$1,300 Additional Funding from the Port Reserves Fund for the Crane Eight Control System Replacement Project. City Manager/Port Director. Introduction April 14, 2025 Public Hearing and Second Reading April 28, 2025.

Memorandum CC-25-102 from Port Director as backup.

e. Ordinance 25-33, An Ordinance of the City Council of Homer, Alaska, Amending the FY25 Capital Budget by Appropriating \$45,000 From the Port Reserves Fund for the Purpose of Installing Air Filled Floats to Refloat DD Float in System Four. City Manager/Port Director. Introduction April 14, 2025 Public Hearing and Second Reading April 28, 2025.

Memorandum CC-25-103 from Port Director as backup.

<u>f.</u> Ordinance 25-34, An Ordinance of the City Council of Homer, Alaska Amending the FY25 Capital Budget by Appropriating \$45,500 from the Port Reserves Fund for the Purpose of Replacing a Fender on the Deep Water Dock and Authorizing Single-Source Procurement. City Manager/Port Director.

Memorandum CC-25-104 from Port Director as backup.

g. Ordinance 25-35, An Ordinance of the City Council of Homer, Alaska, Amending the FY25 Capital Budget by Re-appropriating Alaska Department of Environmental Conservation (ADEC) Alaska Clean Water Action (ACWA) Grant Funds from the Beluga Slough Green Infrastructure Stormwater Treatment System Project to the Purchase of Hydroseeding Equipment. City Manager/Public Works Director. Introduction April 14, 2025 Public Hearing and Second Reading April 28, 2025.

Memorandum CC-25-105 from Public Works Director as backup.

h. Resolution 25-027 A Resolution of the City Council of Homer Alaska, Approving the Assignment of a Ground Lease and Security Agreement between the City and Berth II, Inc., for the Property with a Legal Description of T7S R13W Section 1 Seward Meridian HM0890034 Homer Spit Amended Lot 32, in the Homer Recording District, State of Alaska, also known as Kenai Peninsula Borough Parcel No. 18103432 and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager/Port Director. Recommend adoption.

Memorandum CC-25-107 from Port Property Associate as backup.

i. Resolution 25-029, A Resolution of the City Council of Homer, Alaska, Accepting the Fiscal Year 2024 Basic Financial Statements and Acknowledging the Management Letter Submitted by the City's Independent Auditor, BDO USA, LLP and Authorizing the City Manager to Execute the Financial Report. City Manager/Finance Director. Recommend adoption.

For the Basic FY24 Audit documents please refer to the Committee of the Whole Packet

j. Resolution 25-031, A Resolution of the City Council of Homer, Alaska Awarding a Contract to East Road Services, Inc. of Homer, Alaska, in the Amount of \$2,064,000 for the Ohlson Lane West Bunnell Avenue Roadway and Water Improvement Project and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk. Recommend adoption.

Memorandum CC-25-110 from City Engineer as backup.

 <u>k.</u> Resolution 25-032, A Resolution of the City Council of Homer, Alaska, Authorizing the Issuance of a Task Order to Nelson Engineering, PC in the amount of \$63,412 for Bidding and Construction Assistance Services for the Ohlson Lane and W. Bunnell Avenue Road Reconstruction Project. City Manager/City Engineer. Recommend adoption.

Memorandum CC-25-111 from City Engineer as backup.

L. Resolution 25-033, A Resolution of the City Council of Homer, Alaska Approving a Contract to McSwain Appraisals, LLC in the Amount of \$12,000 to Provide Appraisal Services to Support the Kachemak Peatlands Project and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager/City Engineer. Recommend adoption.

Memorandum CC-25-112 from City Engineer as backup.

VISITORS

- a. Legislative Report Senator Gary Stevens
- b. FY24 Audit Presentation BDO USA PC, Bikky Shrestha
- <u>c.</u> Homer Wilderness Leaders (HoWL) Presentation & Annual Dirt Bag Clean Up Event Todd Hineman

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

- a. Committee of the Whole Report
- b. Mayor's Report
- c. Borough Report
- d. Port and Harbor Advisory Commission
- e. Economic Development Advisory Commission
- f. Americans with Disabilities Act Advisory Board

PUBLIC HEARING(S)

 Ordinance 25-28, An Ordinance of the City Council of Homer, Alaska, Amending the FY25 Capital Budget by Unappropriating \$268,605 of Homer Accelerated Roads and Trails (HART) Roads Funds for the Ohlson Lane West Bunnell Avenue Reconstruction Project. City Manager/Public Works Director. Introduction March 24, 2025 Public Hearing and Second Reading April 14, 2025

Memorandum CC-25-091 from Public Works Director as backup.

 <u>b.</u> Ordinance 25-29, An Ordinance of the City Council of Homer, Alaska Amending the FY25 Capital Budget by Appropriating an Additional \$3,200 from the Homer Accelerated Roads and Trails (HART) Trails Fund for Change Order No. 1 to Kinney Engineering Task Order 24-01 and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager/Public Works Director. Introduction March 24, 2025 Public Hearing and Second Reading April 14, 2025.

Memorandum CC-25-092 from Public Works Director as backup.

C. Ordinance 25-30, An Ordinance of the City Council of Homer, Alaska Amending the FY25 Capital Budget by Appropriating an Additional \$57,073.12 from the Homer Accelerated Water and Sewer Program (HAWSP) for the Purpose of Reimbursing Six Property Owners in the Bunnell Ave/Charles Way Special Assessment District for the Cost of E-One Lift Stations. Aderhold/Hansen. Introduction March 24, 2025 Public Hearing and Second Reading April 14, 2025.

Memorandum CC-25-093 from City Manager as backup.

ORDINANCE(S)

CITY MANAGER'S REPORT

- a. City Manager's Report
 - Title 21 Re-write Update from Agnew::Beck
 - CIRCAC Update from the Board of Directors
 - April Employee Anniversaries

PENDING BUSINESS

 Ordinance 25-11(S)(A), An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code Chapter 21.90 Administration and Enforcement to Direct Appeals to the Office of Administrative Hearings or a Hearing Officer Appointed by the City Manager. City Manager. Introduced February 10, 2025, Public Hearing on February 24, 2025 Postponed to March 10, 2025 Referred to Planning Commission March 19, 2025 Second & Final Reading April 14, 2025

Memorandum CC-25-106 from City Planner as backup. Memorandum CC-25-075 from Acting City Manager as backup. Memorandum CC-25-043 from Community Development Director as backup.

NEW BUSINESS

a. Memorandum CC-25-100 from Mayor re: 2025 Council Projects & Initiatives

RESOLUTIONS

<u>a.</u> Resolution 25-026, A Resolution of the City Council of Homer, Alaska, Awarding the Contract for Federal Lobbyist Services to a Firm to be Named in the Amount to be Determined and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Clerk. Memorandum CC-25-098 from Selection Committee as backup.

<u>b.</u> Resolution 25-028, A Resolution of the City Council of Homer, Alaska, Supporting the Efforts of the Homer Area Beekeepers Association to Promote "No Mow May" for the Protection of Pollinators. Davis/Erickson.

Memorandum CC-25-113 from Homer Area Beekeepers as backup.

<u>c.</u> Resolution 25-030, A Resolution of the City Council of Homer, Alaska Amending the City of Homer Personnel Regulations Sections 5.8 Shift Pay and 5.14 On Call Pay. City Manager/HR Director.

Memorandum CC-25-108 from Personnel Director as backup. Memorandum CC-25-109 from Employee Committee as backup.

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

The next Regular Meeting is Monday, April 28, 2025 at 6:00 p.m., Committee of the Whole at 5:00 p.m. A Special Meeting 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. Session 25-09 a Regular Meeting of the City Council of Homer, Alaska was called to order on Monday, March 24, 2025 by Mayor Rachel Lord at 6:00 p.m. at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska, and opened with the Pledge of Allegiance.

PRESENT: COUNCILMEMBERS ERICKSON, HANSEN, ADERHOLD, VENUTI, PARSONS, DAVIS

STAFF:CITY MANAGER JACOBSEN
CITY CLERK KRAUSE
PORT DIRECTOR HAWKINS
CHIEF TECHNOLOGY OFFICER JIRSA
COMMUNITY DEVELOPMENT MANAGER ENGEBRETSEN
PUBLIC WORKS DIRECTOR KORT
SPECIAL PROJECTS AND COMMUNICATIONS COORDINATOR CARROLL
HR DIRECTOR BROWNING
CITY PLANNER FOSTER
RECREATION MANAGER ILLG
CITY ATTORNEY GATTI
POLICE CHIEF ROBL
LIBRARY DIRECTOR BERRY

CALL TO ORDER, PLEDGE OF ALLEGIANCE

Mayor Lord called the meeting to order and invited everyone present to stand for the Pledge of Allegiance.

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

Mayor Lord read the supplemental items into the record as follows: **CONSENT AGENDA** Item g. Resolution 25-024 Endorsing the Purpose of the Institute of Museum and Library Services and Urging Officials at the Local, State and National Levels to Maintain its Current Services. Mayor. Public Comment received.

ADERHOLD/VENUTI MOVED TO APPROVE THE AGENDA.

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

MAYORAL PROCLAMATIONS AND RECOGNITIONS

PUBLIC COMMENT ON MATTERS ALREADY ON THE AGENDA

Mayor Lord invited the public to comment on items already on the agenda with the exception of the following:

• Ordinance 25-24, Amending the Official Road Maintenance Map of the City of Homer by Adding 2871 Lineal feet (.54 Miles) of Urban Road on Eric Lane, Linstrang Way, Beauregard Court and Edson Circle

- Ordinance 25-25, Amending the FY25 Capital Budget by Appropriating \$71,000 from the HART Roads to Fund Design of the Highland Drive Culvert Replacement Project
- Ordinance 25-26, Affirming the Ground Lease and Security Agreement between the City and Tackle Shack Co., LLC., for a Portion of Lot 5 and Authorizing the City Manager to Execute Termination of Lease Documents for Previously Superseded Leases.

Joel Cooper, city resident, commented in support of Resolution 25-023 stating it was great to have the city step in and partner with the residents and the Bureau of Indian Affairs to get this action completed.

Ann Dixon, city resident commented in support of Resolution 25-024 noting the benefits the city library and libraries throughout the state obtained and the effect of not receiving federal funding support would remove many programs.

Mary Lou Burton, city resident, commented in support of Resolution 25-024 and noted additional benefits that are supported by the federal funding received by the State.

Jay Farmwald, resident, commented in support of Resolution 25-24 expressing his appreciation for the City joining to get this action completed.

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 of March 10, 2025. City Clerk. Recommend adoption.
- b. Memorandum CC-25-090 from Mayor re: Appointments of Pat Case to the ADA Advisory Board, Deb Curtis to the Library Advisory Board and Reappointment of Deborah Isaak to the Economic Development Advisory Commission. Recommend approval.
- c. Ordinance 25-28, An Ordinance of the City Council of Homer, Alaska, Amending the FY25 Capital Budget by Unappropriating \$268,605 of Homer Accelerated Roads and Trails (HART) Roads Funds for the Ohlson Lane West Bunnell Avenue Reconstruction Project. City Manager/Public Works Director. Introduction March 24, 2025 Public Hearing and Second Reading April 14, 2025

Memorandum CC-25-091 from Public Works Director as backup.

d. Resolution 25-021, A Resolution of the City Council of Homer, Alaska, Authorizing the Staff of the Homer Public Library to Apply for a Public Libraries Assistance Grant (PLAG) from the State of Alaska, in the Amount of \$7,000. City Manager/Library Director. Recommend adoption.

Memorandum CC-25-094 from Library Director as backup.

e. Resolution 25-022, A Resolution of the City Council of Homer Alaska Authorizing the Issuance of a Task Order to RESPEC Company, LLC in the Not to Exceed Amount of \$71,000 for Design of the Highland Drive Culvert Replacement Project and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager/City Engineer. Recommend adoption. Memorandum CC-25-095 from City Engineer as backup.

f. Resolution 25-023, A Resolution of the City Council of Homer, Alaska, Authorizing the City Manager to Pursue Acquisition of an Access Easement on Easy Street and to Negotiate and Execute the Appropriate Documents. City Manager. Recommend adoption.

Memorandum CC-25-096 from Community Development Director as backup

g. Resolution 25-024, A Resolution of the City Council of Homer, Alaska, Endorsing the Purpose of the Institute of Museum and Library Services (IMLS) and Urging Officials at the Local, State and National Levels to Maintain its Current Services. Mayor. Recommend adoption.

Memorandum CC-25-097 from Library Director as backup.

h. Resolution 25-025, A Resolution of the City Council of Homer, Alaska, Acknowledging the Month of April as Sexual Assault Awareness Month, honoring survivors of sexual assault, Recognizing Advocates, Organizations and Community Members working to prevent Sexual Assault in Homer and Across the Kenai Peninsula. Mayor Recommend adoption.

Mayor Lord requested the Clerk to read the Consent Agenda.

City Clerk Krause read the Consent Agenda into the record.

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

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

VISITORS

a. South Peninsula Haven House – Sexual Assault Prevention – Lindsey Collins & Maria Walker

Mayor Lord introduced the topic and then read Resolution 25-025 into the record. She then invited Ms. Collins and Ms. Walker to make their presentation.

Lindsey Collins and Maria Walker presented information on Sexual Assault Awareness Month Denim Day and the work that Haven House does for the Kenai Peninsula.

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

a. Worksession Report

City Manager Jacobsen reported that Council discussed the draft proposed FY26 & FY27 general fund budget.

b. Committee of the Whole Report

Councilmember Aderhold reported that discussion was conducted on Resolutions 25-023, 25-024, Ordinances 25-07, 25-17(S), 25-29 and 25-30.

8

c. Mayor's Report

Mayor Lord noted her newsletter and that it could be located on the city website or via <u>www.deskofthehomermayor.substack.com</u> and provided brief synopsis of the following:

- March 15, 2025 Harbor Expansion General Investigative Study Update
- March 17, 2025 City Council worksession to discussion issues regarding the Homer Volunteer Fire Department requested by the City Manager.
- March 18, 2025 Attended the Library Advisory Board meeting
- March 19, 2025 Attended a meeting of the Kachemak Board of Realtors discussed Comprehensive Plan process, draft and revisions and Title 21 rewrite and the Strong Towns presentation last spring and Planning Commission regular meeting that ended at 11:07 p.m.
- March 20, 2025 Attended the Parks, Art, Recreation & Culture Advisory Commission meetings
- March 21, 2025 Decommissioning of the USCG Naushon
- March 22, 2025 Winter King Tournament
- Attended the final showing of Singing in the Rain, an amazing performance by the students
- Will be leaving on Thursday to attend the 2025 Alaska Food Festival & Conference in Kodiak
- d. Borough Report

Assembly person Cooper provided a report on the following:

- Visiting with her grandchildren and the number of things there were to do and see at this time of year when people don't think there is anything to do in Homer there are all kinds of shenanigans.
 - Shopping
 - Tour of the Bay
 - o Fishing
 - o Dining
 - Walking
- Property Assessments have been distributed and deadline for appeals is April 1st contact the Assessors department at 907-714-2230 with questions and concerns, sometimes they can address things right away over the phone.
 - Board of Equalization Hearings will be scheduled for mid-April for items not able to be addressed by the Assessor department informally.
- There was a lot of new construction on the southern peninsula specifically Anchor Point, Homer and East End and folks are still building. There was a 4% increase in vacant land in Homer or on city lots.
- Budget presentations have started with service areas meeting with the Mayor, emergency departments asking for additional staffing and may result in a mil increase on property taxes
 - 2-2.5% inflationary budget
 - School District Budget is a really big topic and the request should be presented in Mid April
 - Comments received regarding a similar action employed in California regarding valuation freeze and that is a State action, the Borough cannot effect that action only the State can freeze the amounts.

9

e. Planning Commission Report

There was no report provided.

f. Economic Development Advisory Commission

There was no report provided.

g. Library Advisory Board

Boardmember Haas provided a report noting the completion of Library Policies update, and Comprehensive Plan recommendations.

h. Parks, Art, Recreation & Culture Advisory Commission

Commissioner Ellie Stefano provided a report noting the commission is planning an Art Gallery and Museum walk through, their Comprehensive Plan recommendations, acknowledgement of the work accomplished by Chad Felice our parks maintenance personnel and submissions for the additional silhouettes for the Nomar wall mural.

PUBLIC HEARING(S)

a. Ordinance 25-24, An Ordinance of the City Council of Homer, Alaska, Amending the Official Road Maintenance Map of the City of Homer by Adding 2871 Lineal feet (.54 Miles) of Urban Road on Eric Lane, Linstrang Way, Beauregard Court and Edson Circle. City Manager/Public Works Director. Introduction March 10, 2025 Public Hearing and Second Reading March 24, 2025.

Memorandum CC-25-078 from Public Works Inspector as backup.

Mayor Lord introduced the topic by reading of the title and opened the public hearing, seeing no one interested in providing testimony she closed the public hearing and requested a motion.

ADERHOLD/VENUTI MOVED TO ADOPT ORDINANCE 25-24 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

b. Ordinance 25-25, An Ordinance of the City Council of Homer, Alaska Amending the FY25 Capital Budget by Appropriating \$71,000 from the Homer Accelerated Roads and Trails (HART) Roads to Fund Design of the Highland Drive Culvert Replacement Project. City Manager/Public Works Director. Introduction March 10, 2025 Public Hearing and Second Reading March 24, 2025

Memorandum CC-25-079 from Public Works Director as backup.

Mayor Lord introduced the topic by reading of the title and opened the public hearing, seeing no one interested in providing testimony she closed the public hearing and requested a motion.

ADERHOLD/VENUTI MOVED TO ADOPT ORDINANCE 25-25 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

c. Ordinance 25-26, An Ordinance of the City Council of Homer Alaska Affirming the Ground Lease and Security Agreement between the City and Tackle Shack Co., LLC., for a Portion of Lot 5, as shown on the Subdivision Plat entitled HOMER SPIT, filed as Amended Plat Number 89-34, Homer Recording District, State of Alaska, also known as Kenai Peninsula Borough Tax Parcel No. 181-03-105 and Authorizing the City Manager to Execute Termination of Lease Documents for Previously Superseded Leases. City Manager/Port Director. Introduction March 10, 2025 Public Hearing and Second Reading March 24, 2025.

Memorandum CC-25-081 from Port Property Associate

Mayor Lord introduced the topic by reading of the title and opened the public hearing, seeing no one interested in providing testimony she closed the public hearing and requested a motion.

ADERHOLD/VENUTI MOVED TO ADOPT ORDINANCE 25-26 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

ORDINANCE(S)

a. Ordinance 25-29, An Ordinance of the City Council of Homer, Alaska Amending the FY25 Capital Budget by Appropriating an Additional \$3,200 from the Homer Accelerated Roads and Trails (HART) Trails Fund for Change Order No. 1 to Kinney Engineering Task Order 24-01 and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager/Public Works Director. Introduction March 24, 2025 Public Hearing and Second Reading April 14, 2025.

Memorandum CC-25-092 from Public Works Director as backup.

Mayor Lord introduced the topic by reading of the title and requested a motion and second to introduce Ordinance 25-29.

ADERHOLD/VENUTI MOVED TO INTRODUCE ORDINANCE 25-29 BY READING OF TITLE ONLY.

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Mayor Lord noted the Ordinance will be brought back for public hearing at the next meeting.

 b. Ordinance 25-30, An Ordinance of the City Council of Homer, Alaska Amending the FY25 Capital Budget by Appropriating an Additional \$57,073.12 from the Homer Accelerated Water and Sewer Program (HAWSP) for the Purpose of Reimbursing Six Property Owners in the Bunnell Ave/Charles Way Special

Assessment District for the Cost of E-One Lift Stations. Aderhold/Hansen. Introduction March 24, 2025 Public Hearing and Second Reading April 14, 2025.

Mayor Lord introduced the topic by reading of the title and requested a motion and second to introduce Ordinance 25-30.

ADERHOLD/HANSEN MOVED TO INTRODUCE ORDINANCE 25-30 BY READING OF TITLE ONLY.

A brief discussion providing clarification on the intent of the ordinance as a companion ordinance to 25-07 to deal with the situation that developed with the Charles Way Water and Sewer Special Assessment District.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

CITY MANAGER'S REPORT

- a. City Manager's Report
- b. Financial Report

Monthly FY25 Year to Date Report

City Manager Jacobsen provided a summary review of her report and facilitated discussion on the following:

- Next steps regarding the Fire Department
 - Putting together a timeline
- Updating the emergency response document
 - Preparation for Mt Spur event with Department Heads
 - o Messaging to City Residents

PENDING BUSINESS

a. Ordinance 25-07, An Ordinance of the City Council of Homer, Alaska Amending the FY25 Capital Budget by Appropriating \$67,480.81 from the Homer Accelerated Water and Sewer Program (HAWSP) for the Purpose of Reimbursing Seven Property Owners in the Bunnell Ave/Charles Way Special Assessment District for the Cost of E-One Lift Stations. City Manager.

Memorandum CC-25-088 from City Manager as backup. Memorandum CC-25-086 from City Manager as backup. Memorandum CC-25-059 from City Manager as backup. Memorandum CC-25-030 from City Manager as backup.

Mayor Lord introduced the item by reading of the title and noted for the record that this item was Introduced on January 27th, a Public Hearing was held on February 10th and then postponed to the March 10th meeting to allow staff to provide additional options for Council to consider. It was again postponed to the meeting on March 24th. The following motion is on the table from the February 10th meeting:

ERICKSON/DAVIS MOVED TO ADOPT ORDINANCE 25-07 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

There was no additional discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

b. Ordinance 25-17(S), An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating an FY24 Transportation Program Grant in the Amount of \$1,100,000 from the Denali Commission for the Purpose of Completing Design and Permitting for Homer Harbor Critical Float System Replacement Project with a Local Match of \$1,105,000 and Authorizing the City Manager to Execute the Appropriate Documents.

Memorandum CC-25-093 from Port Director and Spec. Proj. & Commun. Coord. as backup. Memorandum CC-25-087 from City Manager as backup. Memorandum CC-25-063 from Port Director as backup.

Mayor Lord introduce the topic by reading of the title and note for the record that Ordinance 25-17 was introduced on February 24, 2025, a public hearing and second reading was conducted on March 10th and the substitute ordinance was adopted and postponed to the March 24th meeting to allow staff to provide a breakdown of the costs, and provide details on engineering. The motion before Council is:

ADERHOLD/VENUTI MOVED TO ADOPT ORDINANCE 25-17(S) BY READING OF TITLE ONLY FOR SECOND AND FINAL READING

There was no further discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

NEW BUSINESS

There were none for this meeting.

RESOLUTIONS

There were none for this meeting

COMMENTS OF THE AUDIENCE

Kate Finn, city resident, commented on Resolution 25-025 expressing her appreciation for the Council bringing it forward and acknowledging April as Sexual Assault Awareness Month, Resolution 25-024 supporting IMLS, stating that those who support this should contact your legislative and congressional representatives and make them aware of your concerns and the impacts that losing the funding will create for libraries and museums.

Tara Hueper, city resident, commented on her personal experiences at the Homer Volunteer Fire Department during her time as a volunteer starting back in 2022 and after a brief sabbatical in January 2024 several volunteers with no notice or explanation were cut off from access to the fire hall. She stated that she has never

been informed what the issues were that the Fire Department administration had with her and knows that coming forward like this she will be blacklisted from all fire departments on the peninsula.

Gary Kolisha (sp?), city resident, expressed comments regarding the issues surrounding the Homer Volunteer Fire Department, noted he attended the meeting last Monday and offered his time to sit down with Council to discuss the problems and assist in finding solutions. He can provide historical information that may help them.

COMMENTS OF THE CITY ATTORNEY

City Attorney Gatti has no comments.

COMMENTS OF THE CITY CLERK

City Clerk Krause announced the current vacancies for the ADA Advisory Board and EDC Student Representative seat. She commented that it was a great meeting.

COMMENTS OF THE CITY MANAGER

City Manager Jacobsen announced the employment opportunities with the city, directing interested people to the city website for more information.

COMMENTS OF THE MAYOR

Mayor Lord recounted her weekend enjoyment with her family at the Winter King Tournament, enjoying the food trucks, seeing all the people coming in to participate, attending a performance of Singing in the Rain put on by the Homer High School awesome students with the adults playing the instruments in the pit, lots of fun and really good. She then commented on hearing from a number of people struggling in different way to figure out how to get involved in the community, especially if you are not on social media, but there is the Chamber of Commerce, arts communities, noting a person needs to decide what they are interested in doing.

COMMENTS OF THE CITY COUNCIL

Councilmember Hansen commented on attending the Kachemak Bay Recovery Connection meeting, and the amazing program and services that are provided for the Homer area.

Councilmember Erickson commented on this being the favorite time of year due to the number of outdoor activities and shaking off the darkness, seasonal events such as The Epic with 125 people, Snomads Fun Run using ATVs due to the lack of snow, the Slush Cup and the musical production of Singing in the Rain, and upcoming is a family fun day at Caribou Lake where kids can learn to snow machine and then it will be April with tulips or crocus blooming, plus her mom turning 92.

Councilmember Davis, echoed the kudos sentiments to Homer High School Choir, noting he had two children participating and they all were really amazing and announced the job fair on March 28th at the High School organized by the Chamber of Commerce and Marine Trades Association. It was open 2 to 4:00 p.m. for students only, then general public from 5 to 8:00 p.m. He then announced that a special showing of a documentary, No Other Land, regarding the Israeli and Palestinian conflict, at the local theater in April.

Councilmember Aderhold commented on the anniversary of the Exxon Valdez oil spill and a radio play at the Porcupine Theater last week that was really interesting and will be aired by KBBI in the near future. She expressed her appreciation for previous comments on all the fun things to do outside but expressed concern on the number of very horrible deaths and accidents recently occurring and urging caution to those to consider

where they are going and what they are doing and to let people know their plans as it is really hazardous in the high country with avalanches and melting ice. She noted that she attended the decommissioning of the Naushon and reported it was a very moving and sad event bringing her to tears at one point. Ms. Aderhold noted it was one of the first island class cutters and one of the last to be decommissioned and had an amazing life and service within the Coast Guard.

Councilmember Parsons expressed comments on the commissions and boards for the city and how wonderful they are noting the recent Planning Commission meeting extending past 11:00 p.m., actions on the Farmwald right of way vacation, the Library Advisory Board addressing the IMLS issue and supporting everything they could do to assist the library and museum. He then expressed his appreciation to the Clerk's Office noting they were present until after 11:00 p.m. working that Commission meeting and he appreciated the service that the Clerk's Office provides. He thanked the City Manager for her work.

Councilmember Venuti expressed comments on the handout from the Chamber of Commerce and the Chamber of Commerce events calendar, Chamber donations, and donated peony plants, the Exxon Oil Spill and the 1964 earthquake, recalling her personal experiences during those times which reminded her about the Kodiak reservoir getting a hole and if a similar incident happened with the City's water supply what would they do which brought forth the questions on current emergency response plans. She then reminded listeners that they should be prepared with an emergency kit and to remember to include pet food. Ms. Venuti then wished everyone a happy spring.

ADJOURNMENT

Mayor Lord noted the Women of Distinction Celebration and adjourned the meeting at 7:36 p.m. noting the next Regular Meeting is Monday, April 14, 2025 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.

15

RENEE KRAUSE, MMC, CITY CLERK

APPROVED:_____



Re-Appointment of Marcia Kuszmaul Reappointed to the Library Advisory Board

Item Type:	Action Memorandum
Prepared For:	Homer City Council
Date:	April 9, 2025
From:	Rachel Lord, Mayor

Marcia Kuszmaul is reappointed to the Library Advisory Board with a term to expire on April 1, 2028.

Recommendation

Confirm the re-appointment of Marcia Kuszmaul to the Library Advisory Board.

Attachments:

Application of Marcia Kuszmaul



Advisory Body Application For Reappointment to Committees, Commissions, Board & Task Forces

Office of the City Clerk

491 East Pioneer Avenue Homer, Alaska 99603 Phone: (907) 235-3130 Fax: (907) 235-3143 <u>clerk@cityofhomer-ak.gov</u>

The Information provided on this form will provide the basic information to the Mayor and City Council on your interest in serving on the selected Advisory Body. It is considered public and will be included in the City Council meeting packet. This information will be published in the City Directory and within city web pages if you are reappointed by the Mayor and your reappointment is confirmed by the City Council.

Applicant Information		
Full Name: Marcia Jean Kuszmaul		
Physical Address Where you Claim Residency: 40963 Ch	ina Poot St.	, Kachemak City
Mailing Address: PO Box 1697		
City: Homer	State: AK	<u>Zip:</u> 99603
Phone Number(s): 907-299-1566	State:	zıp:
Email: mkuszmaul@hotmail.com)	
Advisory Body You Are Requesting Reappointment To		
Planning Commission		
Parks, Art, Recreation & Culture Advisory Commission		
Port & Harbor Advisory Commission		
Economic Development Advisory Commission		
Library Advisory Board		
ADA Advisory Board		
Other – Please Indicate		
Please Answer the Following		
Do you have a current Public Official Conflict of Interest Disclosu by HCC 1.18.043? I Yes I No	ire Statement on file v	with the City Clerk as required
What resident type is your current seat?	Non-City Resident	
Has your residency changed since your last appointment?		
How long have you served on this advisory body?	2015	

Please list any current memberships or organizations that you belong to related to the advisory body you serve on:

Member, American Library Association Trustee Division

Member & Business Sponsor, Friends of the Homer Public Library;

Secretary, Homer Chamber of Commerce

Please explain why you wish to be reappointed to the Advisory Body to which you currently serve. This may include information on accomplishments or projects completed, future goals for the body, or any additional information that may assist the Mayor in the decision making process. You may attach an additional page if needed.

After completing a partial term, I have served on the LAB for three consecutive 3-yr. terms. Each time

reappointment has come up, I have had "unfinished business" that I've wanted to see through. This

time, I am interested in continuing to help the Library Endowment Fund to reach its \$100K goal. I was

a leader in the effort to establish the fund in 2020 and have been the primary "caretaker" of this

effort on behalf of the LAB since. We are very close to goal with an end-of-2024 balance of more

than \$80K. I also am in discussion with The Homer Foundation to pilot a donor cultivation

workshop in support of planned giving. I would like to finish this work. That said, also I do not want

to overstay my welcome or stand in the way of any other nonresident community member who would

like my seat. I honestly can say that this would be my last term. Previously I have helped to lead

the initiative to retire the library building debt, resulting in substantial annual interest savings,

participated in hiring the new library director and helped him get settled, led in the formation of the

Library Endowment Fund and have managed donor appreciation on behalf of the LAB, and worked

effectively with other members to resolve the challenge to children's and YA books in the library collection.



Advisory Body Application For Appointment to Committees, Commissions, Board & Task Forces

Office of the City Clerk

491 East Pioneer Avenue Homer, Alaska 99603 Phone: (907) 235-3130 Fax: (907) 235-3143 <u>clerk@cityofhomer-ak.gov</u>

The Information provided on this form will provide the basic information to the Mayor and City Council on your interest in serving on the selected Advisory Body. It is considered public and will be included in the City Council meeting packet. This information will be published in the City Directory and within city web pages if you are appointed by the Mayor and your appointment is confirmed by the City Council.

Applicant Information		
Full Name: Scott M Stead		
Physical Address Where you Claim Residency: 4940 Tundra Rose Rd, Homer AK 99603		
Mailing Address: <u>4940 Tundra Rose Rd</u>		
City: <u>Homer</u>	State: <u>Alaska</u>	Zip: <u>99603</u>
Phone Number(s): <u>907-756-3710</u>		
Email: <u>scott.m.stead@gmail.com</u>		

Advisory Body You Are Requesting Appointment To

- □ **Planning Commission** Meetings held on the 1st and 3rd Wednesday of each month at 6:30 p.m. and Worksessions at 5:30 p.m. prior to each meeting. No first meeting in July or second meetings in November and December.
- □ Parks, Art, Recreation & Culture Advisory Commission Meetings held on the 3rd Thursday of February through June and August through November at 5:30 p.m.
- Port & Harbor Advisory Commission Meetings held on the 4th Wednesday of January, February, March, April, September, and October at 5:30 p.m.; the 4th Wednesday of May, June, July, and August at 5:30 p.m.; and the 2nd Wednesday of December at 5:30 p.m.
- **Economic Development Advisory Commission** Meetings held on the 2nd Tuesday of each month at 6:00 p.m.
- **Library Advisory Board** Meetings held on the 3rd Tuesday of each month, excluding June and July, at 5:30 p.m.
- **ADA Advisory Board** Meetings held on the 2nd Thursday in the months of April, May, June, July, October, November, and as needed at 4:00 p.m.
- **Other** Please Indicate

Please Answer the Following

Are you a City Resident? 🛛 Yes 🗖 No If yes, how long have you been a City resident? <u>10+ years</u>

How long have you been a resident of the South Penins

rea? <u>10+ years</u>

Background Information

Have you ever served on a similar advisory body? If so please list when, where, and how long:

I have previously served on the Sister City Task Force for the City of Homer and also advisory bodies as a student at UAF

Please list any current memberships or organizations you belong to related to your selection(s):

N/A

Please list any special training, education, or background you may have which is related to your selection(s):

I have a BA in English from UAF, and I still remember going to the library when it used to be located on Pioneer Ave. The library

has come a long way since then and I look forward to watching it grow in the future.

Why are you interested in serving on the selected Advisory Body? This may include information on future goals or projects you wish to see accomplished or any additional information that may assist the Mayor in the decision making process. You may attach an additional page if needed.

I wish to see Homer's library remain as the public institution it is today. It was a staple of my childhood in Homer, and I am a

testament to the kind of impact this public resource can have on individuals in our community. While in I was in university, I

spent a fair amount of time at the campus libraries and experienced the range of other applications beyond the simple lending

of books. Whether as a place to gather, rent equipment, or a "third space" for people to be, Homer's library is incredibly

important to our community and I would like to give back to this institution.

FOR PLANNING COMMISSION ONLY:

Have you ever developed real property other than a personal residence? If yes, briefly explain:

N/A

FOR PORT & HARBOR ADVISORY COMMISSION ONLY:

If yes, what is your primary use? Commercial Recreational Other:



Ordinance 25-31, An Ordinance of the City Council of Homer, Alaska, Amending the FY25 Capital Budget Supplemental Appropriation of \$72,382 from the Public Works CARMA Fund for a Change Order to the Fuel Island Replacement contract to also include Underground Tank Removal. City Manager/Public Works Director.

Item Type:	Backup Memorandum
Prepared For:	Mayor Lord and City Council,
Date:	March 19, 2025
From:	Daniel Kort, Public Works Director
Through:	Melissa Jacobsen, City Manager

Summary:

This additional appropriation will serve to cover the costs associated with the removal of the two existing underground fuel storage tanks (UST).

Background:

The City's two UST's are subject to a third party inspection every 3 years. The City was warned during the 2021 inspection that the UST's would likely not pass the next inspection. As expressed, the City's two UST's failed their inspection in 2024, triggering the requirement to remove and replace the tanks. These UST's are required to be removed by December of 2025.

The Public Works Department (PWD) budgeted \$350,000 for two replacement skid mounted aboveground fuel storage tanks (AST). The City put out an RFP for the new AST's and awarded the contract to Prism Design and Construction (Prism) of Anchorage for \$317,440.28.

The PWD's original intention was to purchase the new AST's and bring them online, then move onto removal of the existing UST's afterwards to ensure a seamless transition and no interruption in fuel supply. The PWD anticipated the UST removal project was going to be approximately \$100,000 to \$150,000 depending upon the extent of potential impacted soils due to fuel spillage or tank leakage.

Prism is certified to do underground tank removals and soil remediation, and approached the PWD asking for our plan of UST's removal so they could bid the work. The PWD informed Prism of the plans, and Prism offered to provide a price so they could do the work in one mobilization as a Change Order to the existing contract. The PWD offered this opportunity to Prism without committing to the work until it is approved by Council.

Prism provided the PWD a Change Order request for \$72,381.60 for the UST's removal and remediation. A requirement of this Change Order Request, the PWD requested that Prism include provisions for temporary AST's to "bridge the gap" for the time period between the City having functional UST's and the new functional AST's. This would ensure the City has no interruption in fuel

supply for fleet during this project. This price was found to be competitive with the anticipated cost estimate to do the UST removal at a later date. The proposed Change Order only specifies disposal of up to 10 cubic yards of impacted soils if they are encountered. This could account partially for the competitive price provided by Prism, however it does leave room in the budget for covering additional impacted soils for disposal if they are encountered. The following describes the current project budget.

Capital Budget for two AST's	\$350,000.00
Prism Bid	\$317,440.28
Funding Balance	\$32,559.72

By providing a supplemental appropriation of \$72,382 for the full Change Order request, the City can preserve the Funding Balance of \$32,559.72 to cover the costs associated with any additional impacted soils beyond 10-cubic yards. This will be important so the PWD can quickly react to discovered changes and keep the project moving forward without delay, which could cause additional costs associated with delay while we wait for funding approval.

Additionally, awarding this Change Order to Prism would reduce costs associated with reorganizing the Public Works Campus to accommodate the new AST's while simultaneously preserving the space where the existing UST's are located for the future removal. Space at the current Public Works Campus is limited and precious.

Recommendation:

Public Works Department recommends that the City Council approves the supplemental appropriation of \$72,382 from the Public Works CARMA Fund to cover the costs associated with Change Order #1 of the Fuel Island Replacement Project.

1 2		CITY OF HOMER HOMER, ALASKA	
3			City Manager/
4			Public Works Director
5		ORDINANCE 25-3	31
6			
7		ORDINANCE OF THE CITY COUNCIL	
8		IDING THE FY25 CAPITAL BUDGET E	
9		TIONAL \$72,382 FROM THE GENERA	
10		BALANCE FOR A CHANGE ORDER	
11 12		ACEMENT CONTRACT TO ALSO INC	LODE UNDERGROUND
12		REMOVAL.	
14	WHEREAS T	he Cities two existing underground f	uel storage tanks failed their routine
15		tion and are required to be removed a	
16			
17	WHEREAS, N	ew aboveground storage tanks were	budgeted in the FY25 Capital Budget;
18	and	6 6	
19			
20	WHEREAS, T	he City bid and awarded the project	to Prism Design and Construction of
21	Anchorage to provid	de and install the new aboveground s	torage tanks; and
22			
23			t the underground tank removal to
24		•	brage tanks to aboveground storage
25	tanks without an in	terruption of fuel supply to the Cities	fleet; and
26			
27			ind tank removal and has provided a
28			nsure a seamless transition where the
29	Cities fleet will not r	nave a gap in fuel supply; and	
30		bic cupplemental appropriation will	allow the Public Works Department
31 32			allow the Public Works Department om the initial appropriation to cover
33		es related to the project.	
34		es related to the project.	
35	NOW, THERE	FORE, THE CITY OF HOMER ORDAINS	:
36	,		
37	Section 1. T	he Homer City Council hereby amend	ds the FY25 Capital Budget by
38		Iditional \$72,382 as follows:	
39		-	
40	Revenue:		
41	<u>Fund</u>	Description	<u>Amount</u>
42	100	Fuel Island Replacement	\$72,382

43			
44	Expenditure:		
45	<u>Fund</u>	Description	<u>Amount</u>
46	156-0395	Fuel Island Replacement	\$72,382
47			
48	ENACTED BY THE	CITY COUNCIL OF HOMER, ALA	SKA, this day of, 2025.
49			
50			CITY OF HOMER
51			
52			
53			
54			RACHEL LORD, MAYOR
55	ATTEST:		
56			
57 58	RENEE KRAUSE, MMC, CI		
58 59	REINEE KRAUSE, MMC, CI	IT CLERK	
59 60			
61	YES:		
62	NO:		
63	ABSTAIN:		
64	ABSENT:		
65			
66	Introduction:		
67	Public Hearing:		
68	Second Reading:		
69	Effective Date:		
70			
71			

CITY OF HOMER FINANCIAL SUPPLEMENT

PROJECT NAME	Additional Funding	- Fuel Island Repla	cement	DATE 04/09/2	2025
DEPARTMENT	Public Works			SPONSOR City Ma	anager/PW Director
REQUESTED AMOUNT	\$ 72,382				
DESCRIPTION	aboveground storage tank Anchorage to provide and seamless transition betwe certified to do the undergr where the Cities fleet will r	ks were budgeted in the install the new abovegr en underground storage round tank removal and not have a gap in fuel su	FY25 Capital Budget. The City I ound storage tanks. The curren e tanks to aboveground storage has provided a quote for this w pply. This supplemental appro	cation inspection and are required to be re bid and awarded the project to Prism Desi nt project was bid without the undergrour e tanks without an interruption of fuel sup york which includes temporary tanks to er opriation will allow the Public Works Depa d expenses related to the project.	gn and Construction of nd tank removal to ensure a ply to the Cities fleet. Prism is usure a seamless transition
FUNDING SOURCE(S)	GF Unassigned FB	GF CARMA	GF FLEET CARMA	PORT RESERVES	WATER CARMA
	100%	0%	0%	0%	0%
	HAWSP	HART-ROADS	HART-TRAILS	PORT FLEET RESERVES	SEWER CARMA
	0%	0%	0%	0%	0%
FUNDING SOURCE 1: GFU Current Balance		JNDING SOURCE	2:	FUNDING SOURCE 3: Current Balance	
	\$ 452 523				

current batance			
Encumbered	\$ 452,523	Encumbered	Encumbered
Requested Amount	\$ 72,382	Requested Amount	Requested Amount
Other Items on Current Agenda	\$0	Other Items on Current Agenda	Other Items on Current Agenda
Remaining Balance	\$ 3,181,794	Remaining Balance	Remaining Balance
FUNDING SOURCE 4:		FUNDING SOURCE 5:	FUNDING SOURCE 6:
Current Balance		Current Balance	Current Balance
Encumbered		Encumbered	Encumbered
Requested Amount	_	Requested Amount	Requested Amount
Remaining Balance		Remaining Balance	Remaining Balance



Ordinance 25-32, An Ordinance of the City Council of Homer, Alaska, Amending the FY25 Capital Budget by Appropriating \$1,300 Additional Funding from the Port Reserves Fund for the Crane Eight Control System Replacement Project. City Manager/Port Director.

ltem Type:	Back-Up Memorandum
Prepared For:	Mayor Lord and Homer City Council
Date:	March 24, 2025
From:	Bryan Hawkins, Port Director
Through:	Melissa Jacobsen, City Manager

Background

Crane #8 on the Homer Fish Dock uses an electric-over-hydraulic control system, which was discontinued by the manufacturing company. After extensive research, staff discovered that no direct replacement for the electric portion of the controls is available. As a result, Crane #8 has been non-operational due to the complete failure of the control system.

In March 2024, the Homer City Council approved Ordinance 24-18, which allocated funding for the necessary repairs, including a 15% contingency. However, due to the age of the equipment, supply chain disruptions, and the specialized nature of the repairs, the repair timeline extended longer than initially anticipated.

Challenges and Timeline

Crane #8 is primarily used during the peak salmon and halibut delivery seasons. After realizing that the crane would not be operational by last summer, we chose to take additional time to work with the technician. Our goal was to ensure that the crane was repaired with a long-term solution rather than a temporary fix.

The control system required a complete redesign, and installation was more complex than expected. Unfortunately, these delays were necessary for ensuring the reliability and longevity of the crane's operation.

Budget Impact

During the extended repair timeline, material and labor costs increased beyond initial estimates due to inflation and rising shipping expenses. As a result, the total costs for the repair project have exceeded the original budget outlined in Ordinance 24-18

Memorandum City Council April 14, 2025

Recommendation

Staff recommends approval of Ordinance 25-32 to revise the funding for the repairs to cover the increased costs.

Attached: Ordinance 24-18

1 2	CITY OF HOMER HOMER, ALASKA			
3	City Manager/Port Director			
4	ORDINANCE 24-18			
5				
6	AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,			
7	AMENDING THE FY24 CAPITAL BUDGET BY APPROPRIATING			
8	\$15,000 FROM THE PORT RESERVES FUND FOR THE PURPOSE OF			
9	REPLACING THE CONTROL SYSTEM FOR CRANE 8 ON THE HOMER			
10	FISH DOCK.			
11				
12	WHEREAS, The cranes on the Homer Fish Dock are essential for the sale of fish to local			
13	fish buyers and having a crane out of operation can limit commerce; and			
14				
15	WHEREAS, Crane 8 is not operational due to the failure of an electronic-over-hydraulic			
16	control system that is no longer supported by the control manufacturing company nor any			
17	third party supplier; and			
18				
19	WHEREAS, The fishing season has already begun and demand for crane time is high, so			
20	it is preferable to complete the repair to the crane control system expeditiously in the current			
21	fiscal year; and			
22	WILEDEAC. The City has respected such a form with the sector that the sector is the			
23 24	WHEREAS, The City has requested quotes from multiple contractors and anticipates			
25	receiving responses before the end of March 2024.			
26	NOW, THEREFORE, THE CITY OF HOMER ORDAINS:			
27	NOW, THEREFORE, THE CITT OF HOMER ORDAINS.			
28	Section 1: The Homer City Council hereby amends the FY24 Capital Budget by			
29	appropriating \$15,000 as follows:			
30				
31	<u>Fund</u> <u>Description</u> <u>Amount</u>			
32	456-0380 Crane 8 Control System Replacement \$ 15,000			
33	· · · · · · · · · · · · · · · · · · ·			
34				
35	Section 2: This is a budget amendment ordinance, is not permanent in nature, and shall			
36	not be codified.			
37				
38	ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 者 day of April,			
39	2024.			
<u>40</u>				
41	CITY OF HOMER			
42				

Page 2 of 2 ORDINANCE 24-18 CITY OF HOMER

43	
44	
45	ATTEST:
46	ρ · μ .
47	Renée Brause
48	MELISSA JACOBSEN, MMC, CITY ÇLERK
49	RENEE KRAUSE ACTING
50	YES: 6
51	NO: 🧭
52	ABSTAIN: 💋
53	ABSENT: 💋
54	
55	First Reading: 3/26/24
56	Public Hearing: $4/8/24$
57	Second Reading: $4/8/24$
58	Effective Date: 4934

KEN CASTNER, MAYOR



1		CITY OF HOMER		
2		HOMER, ALASKA		
3			ity Manager/Port Director	
4		ORDINANCE 25-32		
5				
6		INANCE OF THE CITY COUNCIL OF HOME		
7		NG THE FY25 CAPITAL BUDGET BY APPR		
8		DDITIONAL FUNDING FROM THE PORT RESE		
9		E CRANE EIGHT CONTROL SYSTEM REP	LACEMENT	
10	PROJECT	Г.		
11				
12		cranes on the Homer Fish Dock are essential		
13	fish buyers and having a	a crane out of operation can limit commerce;	and	
14				
15		e 8 has been non-operational due to the fail		
16	hydraulic control system, which is no longer supported by the control manufacturer or any			
17	third-party supplier; and	d		
18				
19	WHEREAS, The initial estimated cost of \$15,000 was appropriated by Ordinance 24-18,			
20	and included a 15% con	ntingency; and		
21			((
22	WHEREAS, The actual cost of the replacement, including unforeseen expenses for			
23	additional parts, labor, and necessary modifications to integrate the new control system,			
24	exceeds the originally a	ppropriated amount; and		
25			i- ¢10 200	
26	WHEREAS, The t	otal project cost after these unforeseen expe	nses is \$16,300.	
27				
28	NOW, THEREFOR	RE, THE CITY OF HOMER ORDAINS:		
29 20	Section 1 The	Homer City Council hereby amends the	EV25 Capital Budget by	
30 31	appropriating an addition		Fizs Capital Duuget by	
32	appropriating an addition	01181 \$1,500 85 10110WS.		
33	<u>Fund</u>	<u>Description</u>	<u>Amount</u>	
33 34	456-0380	Crane 8 Control System Replacement	\$1,300	
35	430-0300	crane o control system replacement	JI,JUU	
36	Section 2 This c	ordinance is a budget amendment only, is n	ot of a permanent nature	
37	and is a non-code ordin			
38				
39	ENACTED BY THE	E CITY COUNCIL OF HOMER, ALASKA this	day of 2025	
40			,2020.	
41				

YOR
YOR

CITY OF HOMER FINANCIAL SUPPLEMENT

PROJECT NAME	Additional Funding - Crane 8 Control System Replacement	DATE04/09/2025	_
DEPARTMENT	Port and Harbor	SPONSOR <u>City Manager/Port Director</u>	-
REQUESTED AMOUNT	\$ 1,300		
DESCRIPTION	The cranes on the Homer Fish Dock are essential for the sale of fish t can limit commerce. Crane 8 has been non-operational due to the fa	ilure of its electronic-over-hydraulic control system,	

which is no longer supported by the control manufacturer or any third-party supplier. The initial estimated cost of \$15,000 was appropriated by Ordinance 24-18, and included a 15% contingency. The actual cost of the replacement, including unforeseen expenses for additional parts, labor, and necessary modifications to integrate the new control system, exceeds the originally appropriated amount. The total project cost after these unforeseen expenses is \$16,300.

FUNDING SOURCE(S)	OPERATING	GF CARMA	GF FLEET CARMA	PORT RESERVES	WATER CARMA
	0%	0%	0%	100%	0%
	HAWSP	HART-ROADS	HART-TRAILS	PORT FLEET RESERVES	SEWER CARMA
	0%	0%	0%	0%	0%

FUNDING SOURCE 1: PORT RESERVES		FUNDING SOURCE 2:	FUNDING SOURCE 3:
Current Balance	\$ 1,078,438	Current Balance	Current Balance
Encumbered	\$ 551,596	Encumbered	Encumbered
Requested Amount	\$ 1,300	Requested Amount	Requested Amount
Other Items on Current Agenda	\$ 90,500	Other Items on Current Agenda	Other Items on Current Agenda
Remaining Balance	\$ 435,042	Remaining Balance	Remaining Balance
FUNDING SOURCE 4:		FUNDING SOURCE 5:	FUNDING SOURCE 6:
Current Balance		Current Balance	Current Balance
Encumbered		Encumbered	Encumbered
Requested Amount		Requested Amount	Requested Amount
Remaining Balance	_	Remaining Balance	Remaining Balance



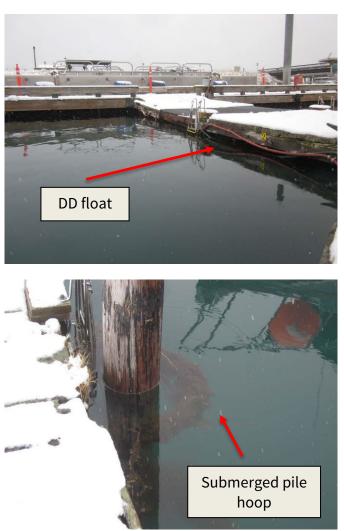
MEMORANDUM

Ordinance 25-33, An Ordinance of the City Council of Homer, Alaska, Amending the FY25 Capital Budget by Appropriating \$45,000 From the Port Reserves Fund for the Purpose of Installing Air Filled Floats to Refloat DD Float in System Four. City Manager/Port Director.

ltem Type:	Back Up Memorandum
Prepared For:	Mayor Lord and Homer City Council
Date:	March 26, 2025
From:	Bryan Hawkins, Port Director
Through:	Melissa Jacobsen, City Manager

The DD float system, one of the original harbor floats built in 1964, is at risk of failure due to a significant loss of flotation and concerns over the integrity of its pile hoops, due to being submerged in the water developing rust. My concern is that if the Homer area experiences a normal winter with heavy snowfall, the float may sink under the additional load. Furthermore, the pile hoops securing the float are submerged, making them vulnerable to failure in strong winds. Ice buildup could also cause them to freeze to the pilings and break off during tidal changes. Without action, DD float could become unsafe and may have to be condemned, 36 annual stall permit holders would be displaced into an already overburdened transient moorage space.

Staff proposes refloating DD float by using airfilled flotation (see attached manufacturer image below), a method recently and successfully used on AAA float. This process involves buying purpose built air floatation tanks from a float manufacture. Staff will fill the tanks with water until they become neutrally buoyant. We will



Memorandum City Council April 14, 2025

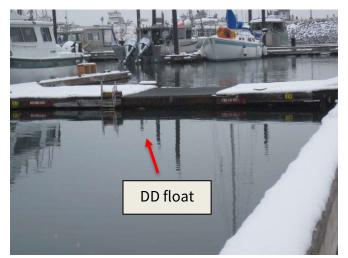
then move them into place under the wooden float structure. Staff will then gradually fill the air floats over the course of a few weeks with more air to displace the water, and slowly it will lift the existing float. Given that DD float is a single rigid unit without hinge points, careful control of air input will be necessary to ensure a stable lift.

The estimated budget for materials for this project is \$31,000; however, a request for \$45,000 is recommended to account for additional materials, including lumber, hardware, potential structural wood replacements, and possible dive services. The work will be completed primarily inhouse, reducing overall costs.

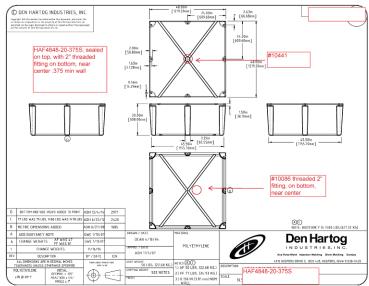
We recognize that when DD float is replaced, the air-filled floats for this repair can be repurposed for other aging float systems, such as System 5.

Given the condition of the float and the potential impact of its failure, staff recommends proceeding with the air filled flotation repair as the most reliable solution. Approval of a \$45,000 budget is requested to complete the project.

Recommendation: Homer City Council approve Ordinance 25-33 amending the FY25 budget by allocating \$45,000 for the purchase of air filled floats in order to refloat DD float.







1 2		CITY OF HOMER HOMER, ALASKA		
3			City Manager,	
4			Port Director	
5		ORDINANCE 25-33		
6				
7		ICE OF THE CITY COUNCIL OF		
8	-	THE FY25 CAPITAL BUDGET BY		
9	-	M THE PORT RESERVES FUND FOR		
10		AIR FILLED FLOATS TO REFLO	AT DD FLOAT IN	
11 12	SYSTEM FOU	R.		
12	WHEREAS DD float	in System 4 is an original harbor	structure built in 1964 that was	
14		cation in 2002 and has been ex		
15		nking from a large snow load; and		
16	notation, posing a nort of sh			
17	WHEREAS, The pile	hoops around each piling that	secure DD float are submerged	
18	· · · ·	ould fail in high winds or ice forma	C	
19	infrastructure; and	5		
20				
21	WHEREAS, The failu	re of DD float would result in the	displacement of 36 annual stal	
22	permit holders into transi	ent moorage, which is already	at full capacity during summe	
23	months; and			
24				
25	-	e successfully utilized air-filled flo		
26	structures and have deemed this method as cost-effective and an immediate solution to restore DD float to continue its functionality; and			
27	restore DD float to continue	e its functionality; and		
28		work will primerily be completed	by in bourse staff we are elletting	
29		work will primarily be completed	-	
30 31	39,550 III the event a diver h	s needed and a contingency of 15	percent, and	
32	WHEREAS When DD	float is replaced, the air-filled flot	ation product used for this repair	
33	•	ess any other at-risk float system.		
34				
35	NOW, THEREFORE, 1	HE CITY OF HOMER ORDAINS:		
36	, , ,			
37	<u>Section 1.</u> The Ho	mer City Council hereby amend	ds the FY25 Capital Budget by	
38	appropriating \$45,000 as fo	llows:		
39				
40	<u>Fund</u>	<u>Description</u>	Amount	
41	456-0380	Refloat DD Float in System 4	\$45,000	
42				

43	Section 2. This ordinance is a budget a	mendment only is not of a permaner	nt nature
44	and is a non-code ordinance.		it nature
45			
46	ENACTED BY THE CITY COUNCIL OF HOM	IER. ALASKA this day of	.2025.
47		,	
48		CITY OF HOMER	
49			
50			
51			
52		RACHEL LORD, MAYOR	
53			
54			
55	ATTEST:		
56			
57			
58			
59	RENEE KRAUSE, MMC, CITY CLERK		
60			
61	YES:		
62	NO:		
63	ABSTAIN:		
64	ABSENT:		
65			
66	First Reading:		
67	Public Hearing:		
68	Second Reading:		
69	Effective Date:		

CITY OF HOMER FINANCIAL SUPPLEMENT

DESCRIPTION DD float in System 4 is an original harbor structu loss of flotation, posing a risk of sinking from a l that they could fail in high winds or ice formatio 36 annual stall permit holders into transient mo flotation as a method on other float structures a its functionality. While the work will primarily b 15 percent. When DD float is replaced, the air-fi		sk of sinking from a large vinds or ice formation, fu ers into transient moorag her float structures and f work will primarily be co	snow load. The pile hoops aro rther endangering harbor infra ge, which is already at full capac have deemed this method as co mpleted by in-house staff, we a	und each piling that secure DD floa structure. The failure of DD float w :ity during summer months. Staff I st-effective and an immediate solu re allotting \$9,350 in the event a di	at are submerged, creating the risk rould result in the displacement of have successfully utilized air-filled ution to restore DD float to continue over is needed and a contingency of
REQUESTED AMOUNT					
REQUESTED AMOUNT	\$ 45,000				
DEPARTMENT	Port and Harbor			SPONSOR City	y Manager/Port Director
PROJECT NAME	Refloat DD Float in S	ystem 4		DATE <u>04/</u>	/09/2025

FUNDING SOURCE(S)	OPERATING	GF CARMA	GF FLEET CARMA	PORT RESERVES	WATER CARMA
	0%	0%	0%	100%	0%
	HAWSP	HART-ROADS	HART-TRAILS	PORT FLEET RESERVES	SEWER CARMA
	0%	0%	0%	0%	0%

FUNDING SOURCE 1: PORT RESE	RVES	FUNDING SOURCE 2:	FUNDING SOURCE 3:
Current Balance	\$ 1,078,438	Current Balance	Current Balance
Encumbered	\$ 551,596	Encumbered	Encumbered
Requested Amount	\$ 45,000	Requested Amount	Requested Amount
Other Items on Current Agenda	\$ 46,800	Other Items on Current Agenda	Other Items on Current Agenda
Remaining Balance	\$ 435,042	Remaining Balance	Remaining Balance
FUNDING SOURCE 4:		FUNDING SOURCE 5:	FUNDING SOURCE 6:
Current Balance		Current Balance	Current Balance
Encumbered		Encumbered	Encumbered
Requested Amount		Requested Amount	Requested Amount
Remaining Balance		Remaining Balance	Remaining Balance

CC-25-104



Ordinance 25-34, An Ordinance of the City Council of Homer, Alaska Amending the FY25 Capital Budget by Appropriating \$45,500 from the Port Reserves Fund for the Purpose of Replacing a Fender on the Deep Water Dock and Authorizing Single-Source Procurement. City Manager/Port Director.

Item Type:	Back Up Memorandum	
Prepared For:	Mayor Lord and Homer City Council	
Date:	March 25, 2025	
From:	Bryan Hawkins, Port Director	
Through:	Melissa Jacobsen, City Manager	

The Deep Water Dock, built in 1990, has three berths for ships to moor and is designed for large vessels that are too big to utilize the Homer Small Boat Harbor. The dock's outer face measures 345 feet but can accommodate vessels up to 800 feet long by extending past the dock when moored. Offset fenders are crucial for protecting the Deep Water Dock and support piles from the weight and impact of large vessels mooring at the dock. These fenders are designed to absorb shock during docking operations and the inside berth fenders weigh



approximately 30,000 lbs. The fender system is designed to slide overtop of two pin piles that are driven into the seafloor and then are bolted to the dock face with brackets. Between the fender and dock are large rubber shock absorbers to assist with potential impact that can occur when a ship arrives at the berth.

Fender Damage and Cause

Port Maintenance discovered a damaged fender on the Deep Water Dock on the inside berth. Bolts that support the fender have corroded, and several timbers on the fender are damaged or broken.

Memorandum City Council April 14, 2025

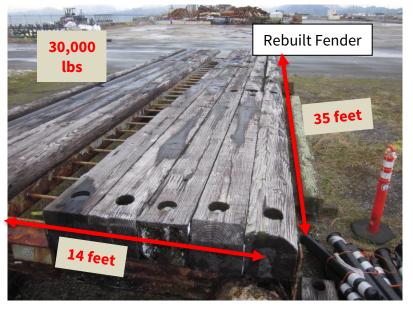
Staff also noted that the fender unit had dropped by six inches and appeared to just be hanging from the dock fasteners.

The issue was traced to old piling infrastructure left during the original construction of the Deep Water Dock which is protruding from the seafloor and interfering with this fender unit.

Repair Plan

Fortunately, Port Maintenance has a rebuilt spare fender for the inside berth, saving costs. However, because of the physical size (14' wide, 35' long, and almost 30,000 lbs) specialized crew and equipment are needed for its installation.

- A mobile crane will be necessary to be positioned on the dock to lift and remove the current
 - fender and replace it with the "ready-to-go" rebuilt fender.
- A diver will be required to cut off and remove the derelict piling that was left from the original installation of the deep water dock.
- Drill and epoxy new anchoring bolts into the dock face to secure the fender brackets to the dock.
- Once the dock is ready, the new fender will be installed and bolted into place with the assistance of the mobile crane.



Request for Single-Source Contractor

Due to the specialized nature of this this fender repair, it is crucial to hire Alaska Industrial Services, LLC, a contractor experienced in dock fender systems, underwater cutting, crane operations, and structural fastening. Their familiarity with this dock ensures repairs are done correctly and on time. Choosing single source



Memorandum City Council April 14, 2025

procurement ensures that the contractor will have the necessary tools, equipment, and expertise, eliminating the need for multiple contractors.

This repair plan to replace the dock fender will ensure the continued functionality of the inside berth for vessels using the Homer Port facility. Authorization of a single-source procurement will ensure the Deep Water Dock will be repaired correctly and timely to provide a fully operational fender.

Recommendation: Homer City Council approve Ordinance 25-34 amending the FY25 budget by allocating \$45,500 and authorizing single source procurement for the fender repair.

1		CITY OF HOMER			
2		HOMER, ALASKA	City Managar/		
3 4			City Manager/ Port Director		
4 5		ORDINANCE 25-34	FUILDITECTO		
6		ORDINANCE 25-54			
7	AN ORDINANCE	OF THE CITY COUNCIL OF HOMER,	ALASKA		
8		FY25 CAPITAL BUDGET BY APPROP			
9		E PORT RESERVES FUND FOR THE PUR			
10	-	ENDER ON THE DEEP WATER DO			
11	AUTHORIZING SIN	IGLE-SOURCE PROCUREMENT.			
12					
13	WHEREAS, The fenders o	n the Deep Water Dock (DWD) protect	the dock's structure by		
14	absorbing the shock during doc	king operations to secure safe landings	for vessels; and		
15			·		
16	WHEREAS, A misplaced	piling from the original construction v	vas cut off rather than		
17	removed; and				
18					
19	WHEREAS, One of the fe	nders on the DWD was damaged on t	he inside berth due to		
20	repeated contact with this misp	laced piling at low tide; and			
21					
22		goes unrepaired, it would mean no usag	ge of the inside berth or		
23	access for vessels to utilize the c	rane, on the DWD; and			
24					
25		Alaska Industrial Services, LLC, th	0		
26	procurement, is necessary for this repair as it requires specialized and familiar knowledge of				
27	the DWD, underwater cutting, mobile crane operations, and structural fastening; and				
28			· · · ·		
29	-	n the total amount allocated is a 159	% contingency for any		
30	unanticipated costs.				
31	NOW THEREFORE THE				
32	NOW, THEREFORE, THE	CITY OF HOMER ORDAINS:			
33 24	Section 1 The Homor	City Council boroby amonds the EV	25 Capital Rudget by		
34 35	<u>Section 1.</u> The Homer City Council hereby amends the FY25 Capital Budget by appropriating \$45,500 as follows:				
36	appropriating \$45,500 as 101100.	5.			
30 37	Fund Des	scription	Amount		
37		D Fender Repair	\$45,500		
39			÷ 10,000		
40	Section 2. This ordinance	e is a budget amendment only, is not	of a permanent nature		
41	and is a non-code ordinance.				
42					

43	ENACTED BY THE CITY COUNCIL OF HO	MER, ALASKA this day of	,2025.
44			
45		CITY OF HOMER	
46			
47			
48			
49		RACHEL LORD, MAYOR	
50			
51			
52	ATTEST:		
53			
54			
55			
56	RENEE KRAUSE, MMC, CITY CLERK		
57			
58	YES:		
59	NO:		
60	ABSTAIN:		
61	ABSENT:		
62			
63	First Reading:		
64	Public Hearing:		
65	Second Reading:		
66	Effective Date:		

CITY OF HOMER FINANCIAL SUPPLEMENT

PROJECT NAME	DWD Fender Replacement	DATE <u>04/09/2025</u>		
DEPARTMENT	Port and Harbor	SPONSOR City Manager/Port Director		
REQUESTED AMOUNT	\$ 45,500			
	-			
DESCRIPTION		s for vessels to utilize the crane, on the DWD. Contracting Alaska ecessary for this repair as it requires specialized and familiar		

FUNDING SOURCE(S)	OPERATING	GF CARMA	GF FLEET CARMA	PORT RESERVES	WATER CARMA
	0%	0%	0%	100%	0%
	HAWSP	HART-ROADS	HART-TRAILS	PORT FLEET RESERVES	SEWER CARMA
	0%	0%	0%	0%	0%

FUNDING SOURCE 1: PORT RESE	RVES	FUNDING SOURCE 2:	FUNDING SOURCE 3:
Current Balance	\$ 1,078,438	Current Balance	Current Balance
Encumbered	\$ 551,596	Encumbered	Encumbered
Requested Amount	\$ 45,500	Requested Amount	Requested Amount
Other Items on Current Agenda	\$ 46,300	Other Items on Current Agenda	Other Items on Current Agenda
Remaining Balance	\$ 435,042	Remaining Balance	Remaining Balance
FUNDING SOURCE 4:		FUNDING SOURCE 5:	FUNDING SOURCE 6:
Current Balance		Current Balance	Current Balance
Encumbered		Encumbered	Encumbered
Requested Amount		Requested Amount	Requested Amount
Remaining Balance		Remaining Balance	Remaining Balance



Ordinance 25-35, An Ordinance of the City Council of Homer, Alaska, Amending the FY25 Capital Budget by Re-appropriating Alaska Department of Environmental Conservation (ADEC) Alaska Clean Water Action (ACWA) Grant Funds from the Beluga Slough Green Infrastructure Stormwater Treatment System Project to the Purchase of Hydroseeding Equipment. City Manager/Public Works Director.

ltem Type:	Backup Memorandum
Prepared For:	City Council
Date:	April 4, 2025
From:	Daniel Kort, Public Works Director
Through:	Melissa Jacobsen, City Manager

- I. **Issue:** The purpose of this Memorandum is to request re-appropriation of the remaining ACWA Grant funds from the Beluga Slough Green Infrastructure Stormwater Management Project towards the purchase of a Hydroseeder.
- **II. Background:** Ordinance 24-67, requesting an additional \$100,000 from Homer Accelerated Roads and Trails Fund (HART) was postponed until the January 27, 2025 meeting so a more indepth analysis of the status of the HART Fund could be conducted. After bidding of the construction project, a substitute Ordinance 24-67(S) was introduced for \$360,000 from HART Roads because the original \$100,000 was not sufficient to cover the cost of construction. Council did not pass this ordinance.

ADEC does not want to return the remaining grant balance of \$84,031.90 to the EPA, and has been lobbying the Public Works Department for ways to re-direct this grant money towards another stormwater effort. The City has expressed to ADEC that we do not have a current proposed project that could be completed prior to the deadline of June 30, 2025. It was at this time that ADEC offered up the opportunity to use this funding to purchase equipment that would be used to improve stormwater management.

It was expressed to ADEC that the Public Works Department has submitted a budget request as part of its capital request for the purchase of a hydroseeder to re-seed ditches after ditch maintenance was conducted. We explained to them that the current practice was to conduct ditching maintenance and leave the mineral soils exposed and wait for natural revegetation to re-seed the exposed soils from adjacent native plant life. This revegetation sometimes takes a few years to get a good foothold, and in the meantime we experience some erosion of the mineral soils. The hydroseeded ditches will encourage swift revegetation of disturbed surfaces. It was further explained that the end result will have a greater effect in water quality improvement and erosion reduction than the original green infrastructure project.

A quote was provided in the amount of \$99,808. ADEC approved the use of the grant funds to purchase the equipment and additionally offered to supplement the grant in the amount of \$15,776.10 to cover the full purchase of the equipment.

III. RECOMMENDATIONS: That the City Council re-appropriate the remaining ACWA Grant funds from the Beluga Slough Green Infrastructure Stormwater Management Project to the purchase of a hydroseeder and accept the additional grant funds in the amount of \$15,776.10

1	CITY OF HOMER
2	HOMER, ALASKA
3	City Manager/
4	Public Works Director
5	ORDINANCE 25-35
6	
7	AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
8	AMENDING THE FY25 CAPITAL BUDGET BY ACCEPTING AN
9 10	ADDITIONAL \$15,776.10 FROM ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION'S (ADEC) ALASKA CLEAN
10	WATER ACTIONS (ACWA) GRANT FUNDS AND REAPPROPRIATING
12	EXISTING FUNDS FROM THE BELUGA SLOUGH GREEN
13	INFRASTRUCTURE STORMWATER TREATMENT SYSTEM PROJECT
14	TO THE PURCHASE OF A HYDROSEEDER.
15	
16	WHEREAS, The ADEC administers the ACWA grant program that provides funding for
17	projects that support local stewardship of clean waters; and
18	h Jana a shikin a shi
19	WHEREAS, Ordinance 24-67 requesting an additional \$100,000 from Homer Accelerated
20	Roads and Trails Fund (HART) was postponed until the January 27, 2025 meeting for a deeper
21	analysis of the status of the HART Fund; and
22	
23	WHEREAS, A substitution Ordinance 24-67(S) for \$360,000 was proposed for
24	introduction to replace Ordinance 24-67 after the project bid opening; and
25	
26	WHEREAS, Ordinance 24-67 failed to pass; and
27	
28	WHEREAS, The ADEC remained in contact with the Public Works Department asking the
29	department to continue looking for ways to spend the remaining grant funds on stormwater
30	improvements; and
31	
32	WHEREAS, The ADEC offered the option of procurement of equipment related to
33	stormwater treatment; and
34	
35	WHEREAS, The Public Works Department had already submitted a FY26 Capital Budget
36	request to purchase a Hydroseeder; and
37	
38	WHEREAS, The updated cost estimate of \$99,808 exceed the remaining grant dollars
39	available of \$84,031.90; and
40	

41 42	WHEREAS, The ADEC approved the use of the grant funds to be re-directed to the purchase of the Hydroseeder and offered to supplement the shortfall of \$15,776.10 with other				
43 44	left over grant funds; and				
45	WHEREAS, No City	funds are required as a match to rec	eive the additional ADEC ACWA		
46	Grant funding.				
47					
48	NOW, THEREFORE	THE CITY OF HOMER ORDAINS:			
49					
50		Iomer City Council hereby amends			
51		90 from the ACWA Grant to the pu	rchase of a Hydroseeder and		
52	acceptance of an addition	al \$15,776.10 of ACWA Grant money:			
53					
54	Fund	Description	Amount		
55	151-7027	Reappropriated ACWA Grant	\$84,031.90		
56 57	Soction 2 The L	Iomer City Council hereby amends	the EV2E Capital Budget by		
58		ing an additional \$15,808 of ACWA Gr	1 0 1		
59	accepting and appropriation		ant money.		
60	Fund	Description	Amount		
61	151-7027	Additional Funding ACWA Grant	\$15,776.10		
62		6	. ,		
63	<u>Section 3</u> . The tota	l project cost for the purchase of a Hy	droseeder is \$99,808 as follows:		
64					
65	<u>Fund</u>	<u>Description</u>	<u>Amount</u>		
66	151-7027	Reappropriated ACWA Grant	\$84,031.90		
67	151-7027	Additional Funding ACWA Grant	\$15,776.10		
68					
69	Section 4. The City	Manager is authorized to execute th	e appropriate documents.		
70	Contion 5 This is a	budget emendment erdinenes is to	manaran in natura and shall		
71 72	<u>Section 5</u> . This is a budget amendment ordinance, is temporary in nature, and shall not be codified.				
72	not be counieu.				
73 74	ENACTED BY THE C	TTY COUNCIL OF HOMER, ALASKA, th	is day of April 2025		
75			<u> </u>		
76					
77		CITY OF HO	MER		
78					
79					
80					
81		RACHEL LOF	RD, MAYOR		

Page 3 of 3 ORDINANCE 24-035 CITY OF HOMER

82

- 83 ATTEST:
- 84
- 85
- 86
- 87 RENEE KRAUSE, MMC, CITY CLERK
- 88
- 89 YES:
- 90 NO:
- 91 ABSENT:
- 92 ABSTAIN:
- 93
- 94 First Reading:
- 95 Public Hearing:
- 96 Second Reading:
- 97 Effective Date:



MEMORANDUM

Resolution 25-027 A Resolution of the City Council of Homer Alaska, Approving the Assignment of a Ground Lease and Security Agreement between the City and Berth II, Inc., for the Property with a Legal Description of T7S R13W Section 1 Seward Meridian HM0890034 Homer Spit Amended Lot 32, in the Homer Recording District, State of Alaska, also known as Kenai Peninsula Borough Parcel No. 18103432 and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager/Port Director.

ltem Type:	Backup Memorandum
Prepared For:	Mayor Lord and City Council
Date:	April 4, 2025
From:	Mark Bowman, Port Property Associate
Through:	Melissa Jacobsen, City Manager

Berth II, Inc. (Berth II), has a lease with the city for the property located at 4400 Homer Spit Road, also identified as Homer Spit Amended Lot 32.

Berth II notified the Port and Harbor that they had sold the building on said property, at which time Berth II was informed that in order to be in compliance, the building owner and lessee was required to be the same entity. Berth II with largely the same owners and members of Happy Face, LLC, requested assignment of the Lease between Berth II and the City to Happy Face, LLC. An application with the required documentation was submitted.

The application and required documentation was reviewed by Port and Harbor Staff.

The proper procedure is to execute an Assignment of Lease document, which together with the original lease document will constitute the full agreement between the City and the new tenant.

Port and Harbor staff will provide assurance that proper procedures will be followed to terminate the lease between Berth II, Inc. and the City to assure the validity and assignment of the Happy Face, LLC., lease.

The City Manager has reviewed the lease document. The application and required relevant documents are attached with confidential materials provided separately.

49

Recommendation: Approve Resolution 25-027

Attachments: Lease Application Packet for Happy Face, LLC





www.cityofhomer-ak.gov

port@cityofhomer-ak.gov (p) 907-235-3160 (f) 907-235-3152

City of Homer Lease Application Proposal Review & Staff Recommendations

Proposal Synopsis	
Application is for:	Happy Face LLC
Lease Proposal Synopsis and Recommendation:	The request for a Lease Assignment is due to the building ownership and current lease being under different legal entities. This lease is an assignment from Berth II, Inc. to Happy Face LLC. After the lease with Berth II, Inc. was signed, the ownership of the building was transferred to a separate entity. The City, however, requires that a tenant be the owner of all structures on their property, requiring a new lease agreement be executed with the entity that owns and manages the building.

Criteria Checklist using City of Homer Code 18.08.060				
The lease application provides a clear, precise written narrative that addresses all proposal criteria:	⊠ Yes	□ No	□ N/A	 Insufficient
Notes:				
1. Property plan is compatible with neighboring uses and consistent with applicable land use regulations including the land allocation plan; comprehensive plan:	⊠ Yes	No	□ N/A	 Insufficient
Notes:				
2. The development plan includes phases and timetables for the proposal: <u>Notes:</u> The building is currently being remodeled with planned	Yes occupa	No No ncy date	N/A N/A of May 1,	Insufficient 2025.
3. The development plan proposes a capital investment plan: <u>Notes:</u> Upper unit will house main administrative headquarter Association (SWAPA) and two additional office spaces availabl the property will consist of 3 separate rental commercial units who are prepared to apply to the City for sublease approval: S	e to be s . Two of	subleased the units	out. The have pro	e lower level of spective tenants
4. The applicant is experienced in the proposed business or venture:	⊠ Yes	No	N/A	 Insufficient
Paf 4				

<u>Notes:</u> As noted in the Lease Application: "As owners of Berth Happy Face LLC] they have been operating as local landlords in Homer since that time, with an excellent record both with addition to operating rental property in Homer, the owners h Valdez, AK." Berth II has a slightly different list of owners than Percentage of ownership of the businesses is also different.	since Aug the City a ave prope	ust 1993 nd the Ke erty in Se	and have nai Penir ward, Ano	had a presence Isula Borough. In Chorage, and
5. The applicant has the financial capability or backing including a credit history, prior lease history, and assets that will be used to support the proposed development:	⊠ Yes	No	□ N/A	 Insufficient
<u>Notes:</u> Southwest Alaska Pilots Association (SWAPA), previou known history of business ownership and financial resources	• •	-		
6. The proposal states the number of employees anticipated: <u>Notes:</u> Verbally stated: The six Sublessees' business activities creation of a number of additional jobs.	Yes Son the p	No roperty a	N/A nre likely t	Insufficient to result in the
7. The proposed lease rate was included in the proposal. Notes: The rate that was applied to Berth II, Inc. will be the rate	Yes Yes	No No d to Hap	N/A N/A by Face, L	Insufficient LC.
8. Information about other financial impacts such as tax revenues, stimulation of related or spin-off economic development, or the value of improvements left behind upon termination of the lease was included in the application. <u>Notes:</u> Verbally provided: Marine Commercial retail rentals a opportunity for increased businesses opportunity and the tax		•		
9. Other long-term social economic development information was included in the proposal.	⊠ Yes	No	□ N/A	 Insufficient
<u>Notes:</u> As stated in the Lease Application: "This location is pr businesses will provide a service for locals and tourists alike, development."	ime for th	ie summe	er season	and these
10. Residency or licensure of the applicant has been established in the city, Kenai peninsula borough, and/or the state of Alaska, as identified in the city's request for proposal and permitted under state and federal law:	Yes	No	N/A	 Insufficient

<u>Notes:</u> The members of the Happy Face LLC, largely the same as the owners of Berth II, Inc. have been operating under Berth II, Inc. as local landlords since 1993 and have an excellent record with both the City of Homer and Kenai Peninsula Borough.

18.08.060 (b) Determination of the rent amount shall take i	nto con	siderati	on the fol	lowing factors:
(Record comments below as a				-
1. Appraisal or tax assessed valuation;				
2. The highest and best use of the land;				
3. Development (existing and planned);				
4. Economic development objectives;				
5. The location of the property;				
		an Iond	10 10/0	\/A\ 1 2010]
6. Alternative valuation methodologies as negotiated by bo	-			
The rent amounts will be unchanged from the rate applied to E			d on squa	re footage of the
property at the current appraised rate with Consumer Price Inc	Jex Incre	ases.		
FOR CURRENT ASSIGNMENTS ONLY – Current lessee is in full compliance with the lease terms and is aligible for	Yes	No		
full compliance with the lease terms and is eligible for lease reassignment: The purpose of this Lease Application	res	NO	N/A	<u>Insufficient</u>
for an Assignment is to gain compliance with the City's lease				
terms. The City was notified, after the fact, that the building				
on the Leased Property was placed under a separate LLC in				
order to reduce exposure financial risk. Berth II, Inc / Happy				
Face, LLC has been prompt in completing the application to				
correct this violation.				
FOR CURRENT TENANTS ONLY – the lessee is in good		\bowtie		
standing: See above.	Yes	No	N/A	<u>Insufficient</u>
All applicable documentation has been provided:				
Lease Application and Written Narrative	\boxtimes			
	Yes	No	N/A	<u>Insufficient</u>
Property Plan				
Development Plan				
Financial Information				
Business Entity and Licensing Information	£1	/ A + - 1 : -		
⊠ Verification that Insurance can be provided at Signing of Lease (Auto Liability is Pending and may be requested depending on the results of communication between a local insurance provider and				
AMLJIA to determine need.	etween	a local li	isurance	provider and
City Planning & Other Agency Approval Information – H	appy Fa	ce. LI C h	as been v	vorking with Fd
Gross, Associate Planner. Report is attached. An additional request for approval from City Planning				
will be submitted for a windbreak for outside seating for th				
<u>U</u>	·			

Comments/Recommendations from Public Works	
Public Works has no additional comments.	
Comments/Recommendations from Planning & Zoning	
Planning and Zoning review plans provided a permit for a deck. See attached plans and	l documents.
Additional Comments/Recommendations from Port & Harbor Staff (if applicable)	
	N/A
Comments from City Manager's Office	
	□ N/A

Recommendation from Port & Harbor Advisory Commission (if applicable)	
	□ N/A

Recommended Action to City Council	
	□ N/A

Application Verified By:

City Manager Approval:	Date:	
	_	

Attachments:

- Port Staff Review Checklist
- Lease Application
- Lease Application Narrative
- Berth II Lease Document
- Resolution 24-068 Assigning Lease to Berth II, Inc.
- List of SWAPA members, ownership percentage and mailing addresses
- Happy Face LLC Business License
- Certificate of Organization from State of Alaska Department of Commerce
- Articles of Organization
- Domestic Limited Liability Company Initial Biennial Report
- Kenai Peninsula Borough Certificate of Authority to Collect Borough Sales Tax

- Certificate of Insurance for Commercial General Liability
- State of Alaska State Fire Marshal Plan Review and letter
- As-built from 05/23/2024 with additional drawings reflecting current plans
 - Diagram of existing building with parking areas identified
 - Borough Plat Spit Map enlarged
 - o Landscape plans
- City Planning Deck Zoning Permit
- Applicant References: (Confidential)
- Northrim Bank January and February, 2025 statements (Confidential)



City Lease Application For City-Owned Real Property

Homer Port & Harbor 4311 Freight Dock Road Homer, AK 99603 Phone: (907)235-3160 Fax: (907)235-3152 port@cityofhomer-ak.gov

Lease Application Instructions

- The information provided on the following form shall be used by City Staff, City Council, and the Port and Harbor Advisory Commission (for City land on the Homer Spit) during the review process of your lease proposal. It is considered public information and will be included in the public meeting packets.
- Any financial information/documents included with your application is considered confidential and will be used by City Staff only; it will not be part of the public review process.
- Please complete all sections of the form, or put "N/A" if non-applicable.
- All applicable fees must be included with your application in order to process the application. Payments
 can be made either by check payable to "City of Homer" or by credit card. Current fees established by the
 City Fee Schedule are:

Lease Application Fee – For New Long-Term Leases	\$1,000.00	
Lease Amendment/Transfer Fee – For Assignment of an Existing Lease to a New Lessee	\$500.00	BUDDENER

Submit your completed application, required documents, and application fee to:

Homer Port & Harbor 4311 Freight Dock Road Homer, AK 99603 Email: rkriegh@cityofhomer-ak.gov Direct Phone: (907)235-3161

- Your application will go through an initial review to ensure completeness and Lease Staff will be in touch to coordinate any follow-up meetings, requests for missing information, and to schedule your lease application/proposal for the applicable public meetings.
- Lease applications and proposal are evaluated based on the criteria outlined in HCC 18.08.060.

Lease Application Questions?

Contact: Roslyn Kriegh, Port Property Associate Email: rkriegh@cityofhomer-ak.gov Direct Phone: (907)235-3161



Request for New Lease; Existing Lessee - Applicant is a current lessee with no remaining options to renew

Request for Assignment of Lease – Applicant is requesting to have an existing lease transferred to a new owner/business

Property Inform	ation
Physical Address:	4400 HOMER SPIT ROAD, HOMER, AK 99603
Square Footage:	24,639 Full Lot Portion of Lot KPB Parcel No.: 18103432
Legal Description of Property:	T 7S R 13W SEC 1 SEWARD MERIDIAN HM 0890034 HOMER SPIT AMENDED LOT 32

Applicant Informat	ion
Business Name:	HAPPY FACE LLC
Representative's Full Name & Title:	JOHN STEWART PRESIDENT
Mailing Address:	P.O. BOX 3147
City, State, ZIP Code:	HOMER, AK 99603
Phone Number(s):	907-235-8783
Email:	office@swpilots.net

Business Entity & Financial Information

NIA	Sole or Individual Proprietorship – Attached documentation must provide owner's full name, address, and verify they are the sole owner.				
	Is entity authorized to do business in Alaska?	No Yes – As of what date:			
\square	Partnership – Attached documentation must provide Partners' full names, addresses, and share percentages.				
	Date of Organization: 10/04/2024	Type of Partnership: LLC			
	Is Partnership authorized to do business in Alaska?				

Docusign Envelope ID: 7C52EB20-9967-4293-B497-0BE64E0FD707

NA		- Attached documentation must provide the full names of Officers and Principal Stockholders addresses, and share percentages.					
	Date of Orgai	nization: Type of Corporation:					
	Is Corporatio	n authorized to do business in Alaska? No Yes – As of what date:					
	Corporation is held: Privately Publicly – How and where is stock traded:						
MA	Other – Pleas	lease explain:					
Capa	of of Financial ability to t Obligations:	of the three credit bureaus (i.e. Experian, Equifax, TransUnion) or records of prior lease					
		Documentation of Applicant's Financial Backing: Records showing applicant has secured the funding necessary to implement their development/improvement plan and/or purchase the business (if applicable).					
Structure and the second		MA Documentation of Business' Vitality: Minimum of two years (past year and current year) of financial statements; this includes a Balance Sheet and Profit/Loss Statement (Revenue/Expense Statement).					
Surety Information:		Has any surety or bonding company ever been required to perform upon your default or the default of any of the principals in you organization holding more than a 10% interest?					
		No Yes – Attach a statement naming the surety or bonding company, date and amount of bond, and the circumstances surrounding the default or performance.					
Bankruptcy Information:		Have you or any of the principals of your organization holding more than a 10% interest ever been declared bankrupt or are presently a debtor in a bankruptcy action?					
No Yes – Attach a statement indicating state, date, Court having juri number and to amount of assets and debt.							
Pend Litiga	0	Are you or any of the principals of your organization holding more than a 10% interest presently a party to any pending litigation?					
No Yes – Attach detailed information as to each claim, cause of action, including dates and case numbers.							
	e Proposal						

Lease Proposal	and the second secon
Type of Business/ Proposed Use of the Property:	ADMINISTRATIVE OFFICES FOR STATE PILOTS, COMMERCIAL RETAIL RENTALS.

Requested Lease Term:	MA Short Term Lease (One Year or Less) – Duration (in months):				
renn.	Long Term Lease (More Than One Year)				
	 Standardized Lease is a 20-year term with two 5-year Options to Renew; City Manager may deviate from standardized lease term when reasonable and necessary, and approved by Council (18.08.030). No more than two Options to Renew; each option cannot exceed 25% of initial lease term (18.08.110). 				
	Duration (in years): 20 No. of Options to Renew: 2				
Property Plan:	Describe your Property Plan in your written narrative. Details should include but not be limited to:				
	 Proposed utilization of the lot/space, including parking If there are existing buildings on the property and what their proposed uses are Any intentions to rent out or sublease space on the property How the use is compatible with neighboring uses and consistent with applicable land use regulations including the Land Allocation Plan; Comprehensive Plan 				
	 Provide a detailed schematic (to scale) that shows the following: * fending Size of lot - dimensions and total square footage Placement/size of existing buildings, storage units, and other miscellaneous structures Parking spaces - numbered on the drawing with a total number indicated Note: an as-built survey from a licensed surveyor may be required 				
Development Plan:	Do you have a development and/or improvement plan for the property, including plans for repairs or maintenance to any existing buildings?				
	Yes In your written narrative, provide as much information as possible on how you intend to develop/improve the property. Include a time schedule from project initiation to completion, major project milestones, cost estimate and financing plan, and any additional designs not already provided in the Property Plan's detailed schematic.				
	No In your written narrative, explain why.				
City Planning & Other Agency Approvals:	Does your business/proposed use and/or development plan require agency approval? The granting of any lease is contingent upon lessee obtaining approval, necessary permits, and/or inspection statements from all appropriate City, State and/or Federal agencies. This includes but is not limited to:				
	 Applicable permits/approval from City Planning for zoning compliance, such as Conditional Use Permits, Zoning Permits Fire Marshall Plan Review and Permitting Waste Disposal System Plan Approval – Includes fish waste if applicable Other applicable permits/inspection statements from agencies such as U.S. Army Corps of Engineers, U.S. Environmental Protection Agency, and Alaska Department of Environmental Conservation Division of Environmental Health 				
	Explain in your written narrative what necessary approvals, permits, and/or inspections are applicable to your business/proposed use and the current status of your application with those agencies.				
	Attach any relevant documentation that verifies completion or pending status.				

Insurance Requirements:	The granting of any lease is contingent upon lessee obtaining and keeping in full force insurance as outlined in HCC 18.08.170. Certificates of insurance showing the required insurance is in effect and identifying the City as an additional insured must be provided to the City at the time a lease becomes effective and annually thereafter, and upon every change in insurance provider of insurance coverage. Provide proof of insurability for public liability insurance in the amount of not less than \$1,000,000 coverage per occurrence for bodily injury, including death, and property damage, and the City of Homer as co-insured. Additional insurance limits or types may be required due to the nature of the business, lease, or exposure.
Benefits & Impacts on Community:	 In your written narrative answer the following questions: What experience do you have in the proposed business or venture? How long have you resided or conducted business in the City, Kenai Peninsula Borough and/or the State of Alaska? What are some of the economic, social, and financial benefits and/or impacts you business/proposed use brings to the community?
Applicant References:	 In your written narrative, list four persons or firms with whom the Applicant or its owners have conducted business transactions with during the past three years. Two references named shall have knowledge of your financial management history, of which at least one must be your principal financial institution. Two of the references must have knowledge of your business expertise. Each reference must include the following: Full Name Name of the organization/business and their title at this entity Address Phone number and email address Nature of association with Applicant
Additional Information:	Include in your written narrative, or attach relevant documentation, that you deem pertinent to your application/lease proposal. Criteria for evaluating and approving proposals and competing lease applications can be found under HCC 18.08.060.

1	
\boxtimes	Written Narrative
	 Business Entity and Licensing Information State of Alaska Business License Current State of Alaska Biennial Report If Partnership: Statement of Partnership/Partnership Agreement If Corporation: Articles of Incorporation & Bylaws Any additional documentation concerning the formation or operation of the entity
\square	Financial Information
	Property Plan – Detailed Schematic of Property
	Development Plan documents/plans, if any
\boxtimes	Proof of Insurability; verification that insurance can be provided at signing of lease

)f 5 58

P

City Planning & Other Agency Approval Information, if any

Application Signatures

By signing, I agree that the above information is true and correct to the best of my knowledge. I certify that I am authorized to sign as the applicant on behalf of the entity I represent.

MB Signature: D447808810F0486

Date: 3/24/25

Printed Name & Title: John Stewart, President

Office Use Only						
Received By & Date:			Fee Processed: \$		Date:	
Date Application Accepted as Complete/Submitted for Review:			Application Timeout Date: (1 year from receipt)	ערידאין איז איז דער בענענערייר יידאיאאר בערער איז איז בערער איז איז איז גערער איז איז איז איז איז איז איז איז ע		
Submitted for Dept. Review:		🗖 Port & Harbo	r 🗖 Economic Development	C Finance	D Public Works	
Submitted for City Manager Review:		ſ	Approved on:		Denied on:	
For Existing Leases Exempt from Competitive Bidding:	Current Lease Expires with No Options to renew: 6 mos. Prior to date of lease termination (Council Approval Deadline): Request received within 12 to 18 mo. timeframe from expiration of lease date:					

Page 5 of 5

59

LEASE APPLICATION NARRATIVE: HAPPY FACE LLC 4400 HOMER SPIT ROAD, HOMER, AK 99603 (4400 HSR) PROPERTY PLAN AND PROPOSED UTILIZATION

Happy Face LLC (HF) would like to propose assuming the City Lease from Berth II Inc (BII). Please note that HF and BII, whilst two separate entities, have common ownership. BII has transferred the property to HF via a simple title transfer.

The total property at 4400 HSR spans approximately 24,639 sf and is strategically located on the Homer Spit ensuring easy access to essential maritime and logistical operations. The main building spans approximately 7,392 sf.

4400 HSR will be the main administrative headquarters of the Southwest Alaska Pilots Association (SWAPA). SWAPA currently operates from 1230 Ocean Drive, Homer, AK 99603 and will move its operations to 4400 HSR. SWAPA pilots may also use the premises as accommodation for pilots prior to vessel assignments. SWAPA is renting the upper level of 4400 HSR and has a lease agreement in place. There will also be two additional offices on the upper level which may be leased out.

The lower level of the property will consist of 3 separate rental commercial units. HF intends to rent these out beginning this summer and has leases in place with two local businesses.

Spittoon LLC – operating as a BBQ restaurant from Unit 1. This tenant has history of working with existing and long-standing businesses in Homer, including 'Fat Olives'.

Uncle Thirsty's LLC – operating as a liquor store from Unit 3. This tenant has history of working with existing and long-standing businesses in Homer, operating as The Grog Shop.

We are actively seeking a suitable tenant for Unit 2. We expect this to also be a retail space.

This location is prime for the summer season and these businesses will provide a service for locals and tourists alike, fostering community growth and economic development.

Plans and permits will be provided with this Lease Application.

Compatibility statement: SWAPA has been in the maritime business for 50 years. SWAPA pilots are transported to ships calling in Cook Inlet via the pilot vessels "Katmai" and "Mary Dele" which are docked in the Homer Harbor and are operated by Alaska Nautical Services, LLC (ANS). The members of Happy Face, LLC are also members of ANS.

The owners of Happy Face LLC have many years of experience in the proposed business. As owners of Berth II, Inc. they have been operating as local landlords since August 1993 and have had a presence in Homer since that time, with an excellent record both with the City and the Kenai Peninsula Borough. In addition to operating rental property in Homer, the owners have property in Seward, Anchorage, and Valdez, AK.

GROUND LEASE AND SECURITY AGREEMENT

BETWEEN

CITY OF HOMER, ALASKA

AND

BERTH II INC.

Dated July 1, 2024

Page 1 of 32

62

GROUND LEASE AND SECURITY AGREEMENT

GROUND LEASE AND SECURITY AGREEMENT ("Lease") dated as of July 1, 2024, between the CITY OF HOMER, an Alaska municipal corporation ("Landlord"), whose address is 491 East Pioneer Avenue, Homer, Alaska 99603, and BERTH II INC. an Alaska corporation ("Tenant"), whose address is 4400 Homer Spit Road, Homer, Alaska, 99603.

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

RECITALS

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

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

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

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

ARTICLE 1. DEFINITIONS AND ATTACHMENTS

1.01 Definitions. As used herein, the term:

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

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

(c) "Base Rent" is defined in Section 4.01.

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

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

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

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

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

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

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

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

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

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

- (n) "Leasehold Mortgage" is defined in Section 13.01.
- (o) "Property" is defined in Section 2.01.
- (p) "Rent" means Base Rent plus any Additional Rent.
- (q) "Qualified Mortgagee" is defined in Section 13.03.
- (r) "Required Improvements" is defined in Section 6.02.

Page 3 of 32

(s) "Term" means the Initial Term plus any Extended Term.

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

Exhibit "A" Schedule of Organization, Owners, Percentage of Ownership

Exhibit "B" Conformed Copy of Resolution Authorizing Lease and Authorizing Signers to Sign Lease Agreement on Behalf of Tenant

Exhibit "C" Legal Description of Property

Exhibit "D" Tenant's Lease Proposal

Exhibit "E" Site Plan

Exhibit "F" Required Improvements Floor Plan

Exhibit "G" Permission to Obtain Insurance Policies

ARTICLE 2. THE PROPERTY

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

Lot 32, of the Amended Plat of the Homer Spit, according to Plat No. 89-34. Homer Recording District, State of Alaska, as depicted on Exhibit C, containing 24,639 square feet, more or less, also known as Kenai Peninsula Borough Tax Parcel No. 181-034-32;

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

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

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

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

ARTICLE 3. TERM

Page 4 of 32

3.01 Lease Term. The term of this Lease is 20 years, commencing on July 1, 2024, and ending on June 30, 2044 (the "Term").

3.02 Lease Renewal.

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

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

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

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

3.05. Options to Extend Lease Term.

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

- (1) Tenant gives Landlord written notice of its exercise of the option not more than one year and not less than 120 days before day the Term would otherwise expire; and
- (2) the City Manager determines that the lessee is in full compliance with the terms of the lease at the time of renewal.

(b) Tenant's failure to exercise an option to extend the Term in strict compliance with all the requirements in subsection (a) renders that option and all options as to subsequent Extended Terms null and void.

ARTICLE 4. RENT, TAXES, ASSESSMENTS AND UTILITIES

4.01 Base Rent. Tenant shall pay to Landlord an initial annual rent of \$23,653.44 (as such may later be adjusted per the terms of this Lease, the "Base Rent"). Base Rent is payable monthly in advance in installments of \$1,971.12, plus sales and all other taxes Landlord is authorized or obligated to collect on such transactions, on July 1, 2024, and on the first (1st) day of each month thereafter, at the office of the City of Homer, 491 East Pioneer Avenue, Homer, Alaska 99603-7645, or at such other place as Landlord may designate in writing. All Base Rent shall be paid without prior demand or notice and without deduction or offset. Base Rent that is not paid on or before the due date will bear interest at the Default Rate. Base Rent is subject to adjustment as provided in Section 4.02.

4.02 Rent Adjustments.

(a) **Five-Year Appraised Rent Adjustments.** Starting on January 1, 2029, and in every fifth year thereafter, Landlord will obtain an appraisal by a qualified real estate appraiser of the fair rental value of the Property as if privately owned in fee simple, excluding the value of alterations, additions or improvements (other than utilities) made by Tenant (or by Tenant's predecessors under the Lease, if Tenant is party to this Lease by assignment). Following receipt of each such appraisal, the Base Rent will be adjusted (the "Five Year Rent Adjustment"), effective on the anniversary of the commencement of the term (each such date is a "Five Year Rent Adjustment Date"), to an amount equal to the greater of (1) the area of the Property in square feet, multiplied by the fair rental value per square foot determined by the appraisal, and (2) the Base Rent in effect immediately before the Five Year Rent Adjustment Date. The Base Rent as adjusted on a Five Year Rent Adjustment Date thereafter shall be the Base Rent.

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

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

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

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

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

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

ARTICLE 5. SECURITY INTEREST

To secure the performance of Tenant's obligations under this Lease, including without limitation the obligations to pay rent and other sums to be paid by Tenant, Tenant grants to Landlord a lien and security interest in the following collateral: ("Collateral"): (1) all security deposits or other monies owing from Landlord to Tenant (as collateral in the possession of the secured party); (2) all insurance proceeds from any policy insuring the Property or improvements thereon; (3) all compensation payable to Tenant as a result of eminent domain proceedings or a transfer in lieu thereof; (4) all rents from Tenant's subletting of all or a part of the Property; and (5) all improvements on the Property, including any Required Improvements. Said lien and security interest will be in addition to Landlord's liens provided by law.

This Lease shall constitute a mortgage by Tenant as mortgagor of all right, title and interest of Tenant in and to any and all improvements on the Property, including any Required Improvements, in favor of Landlord as mortgagee, and the recorded memorandum of this Lease shall reference Landlord as mortgagee of such improvements. In addition, Tenant shall execute, such financing statements and other instruments as Landlord may now or hereafter reasonably request to evidence the liens, mortgages and security interests granted by Tenant hereunder, including any deed of trust pertaining to additions, alterations and improvements on the Property. This Lease also constitutes a security agreement under the Uniform Commercial Code as enacted in Alaska ("UCC"), and Landlord will have all rights and remedies of a secured party under the UCC regarding the Collateral.

ARTICLE 6. USE AND IMPROVEMENT OF PROPERTY

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

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

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

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

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

(c) Not less than five (5) days before commencing construction, Tenant shall give Landlord written notice of its intent to commence construction, and furnish to Landlord the following:

- (1) Proof that all applicable federal, state and local permits required for the construction have been obtained.
- (2) For construction, alteration or restoration of Required Improvements, a current certificate of insurance with the coverages specified in Section 9.04(c).

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

6.05 Additional and Replacement Improvements.

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

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

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

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

6.08 Disposition of Improvements at End of Term.

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

(b) One year before the expiration of the Term, the Landlord and Tenant shall determine if the buildings, fixtures and improvements constructed or maintained on the Property, including the Required Improvements, are structurally sound and in good condition. If such buildings, fixtures and improvements constructed or maintained on the Property are structurally sound and in good condition. Tenant shall leave such improvements intact with all components, including without limitation doors, windows, and plumbing, electrical and mechanical fixtures and

Page 9 of 32

systems, in good condition and ready for use or occupancy, upon expiration of the Term, and Tenant shall execute, acknowledge, and deliver to Landlord a proper instrument in writing releasing and quitclaiming to Landlord all of Tenant's interest in such buildings, fixtures and improvements. Tenant shall be obligated to and shall remove, prior to the expiration of the Term, any buildings, fixtures and improvements constructed or maintained on the Property that are not structurally sound and in good condition, and Landlord shall not have or obtain any ownership interest in such buildings, fixtures and improvements by reason of this Lease.

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

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

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

ARTICLE 7. CARE AND USE OF THE PROPERTY

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

7.02 Repair of Improvements.

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

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

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

Page 10 of 32

- (2) if the repair or restoration of the Required Improvements would be contrary to law, either party may terminate this Lease immediately by giving notice to the other party; or
- (3) if such damage or casualty to the Required Improvements occurs within three years before the end of the Term, Tenant may, in lieu of restoring or replacing the Required Improvements, terminate this Lease by giving written notice of termination to Landlord within 120 days after such damage or casualty.

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

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

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

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

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

7.07 Signs. Tenant may only erect signs on the Property that comply with state and local sign laws and ordinances. City Planning Department approval is required prior to the erection of any sign on the Property.

7.08 Garbage Disposal. Tenant shall keep any garbage, trash, rubbish or other refuse in industry standard containers until removed, and cause all garbage, trash, rubbish or other refuse on the Property to be collected and transported to a Kenai Peninsula Borough solid waste facility or transfer station at least once a week. Tenant may not place garbage, trash, rubbish or other refuse

Page 11 of 32

from the Property in Landlord's garbage disposal facilities on the Homer Spit or any other public facility.

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

ARTICLE 8. ASSIGNMENT AND SUBLEASE

8.01 Assignment or Sublease Absent Consent is Void.

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

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

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

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

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

ARTICLE 9. LIABILITY, INDEMNITY AND INSURANCE

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

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

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

9.04 Insurance Requirements.

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

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

- (1) Comprehensive general liability insurance with limits of liability not less than a combined single limit for bodily injury and property damage of \$1,000,000 each occurrence and \$2,000,000 aggregate. This insurance shall also be endorsed to provide contractual liability insuring Tenant's obligations to indemnify under this Lease.
- (2) Comprehensive automobile liability covering all owned, hired and non-owned vehicles with coverage limits not less than \$1,000,000 occurrence combined single limit for bodily injury and property damage.
- (3) Workers' compensation insurance as required by AS 23.30.045. This coverage shall include employer's liability protection not less than \$1,000,000 per person, \$1,000,000 per occurrence. Where applicable, coverage for all federal acts (i.e. U.S. Longshoremen and Harbor Worker's Compensation and Jones Acts) shall also be included. The workers' compensation insurance shall contain a waiver of subrogation clause in favor of Landlord.
- (4) Based on the authorized uses of the Property stated in Section 6.01, environmental insurance is not required. However, if Tenant uses the Property, with or without authorization from the Landlord, for purposes other than those stated in paragraph

Page 13 of 32

Section 6.01, if Landlord so elects, and within 10 days after Landlord gives notice of such election, Tenant shall procure and at all times thereafter maintain, at its expense, environmental remediation and environmental impairment liability, including sudden and accidental coverage, gradual pollution coverage, and cleanup cost coverage associated with any activity by Tenant or others on, from, or related to the Property, with coverage limits not less than \$1,000,000 for any one accident or occurrence. Coverage shall extend to loss arising as a result of the work or services or products furnished, used or handled in connection with Tenant's operations contemplated under this Lease.

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

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

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

ARTICLE 10. ENVIRONMENTAL MATTERS

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

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

10.03 Compliance with Environmental Laws. Tenant at all times and in all respects shall comply, and will use its best efforts to cause all tenants, subtenants and other users and occupants of the Property to comply, with all Environmental Laws, including without limitation the duty to undertake the following specific actions: (i) Tenant shall, at its own expense, procure, maintain in effect and comply with all conditions of, any and all permits, licenses and other governmental and regulatory approvals required by all Environmental Laws, including without limitation permits required for discharge of (appropriately treated) Hazardous Substances into the ambient air or any

Page 14 of 32

sanitary sewers serving the Property; and (ii) except as discharged into the ambient air or a sanitary sewer in strict compliance with all applicable Environmental Laws, all Hazardous Substances from or on the Property to be treated and/or disposed of by Tenant will be removed and transported solely by duly licensed transporters to a duly licensed treatment and/or disposal facility for final treatment and/or disposal (except when applicable Environmental Laws permit on-site treatment or disposal in a sanitary landfill).

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

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

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

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

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

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

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

ARTICLE 11. CONDEMNATION

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

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

11.03. Partial Taking. If the taking or transfer of part of the Property causes the remainder of the Property to be not effectively and practicably usable in the opinion of the Tenant for the purpose of operation thereon of Tenant's business, this Lease and all of Tenant's interest thereunder will terminate on the date title to the Property vests in the condemning authority. If the taking or transfer of part of the Property leaves the remainder of the Property effectively and practicably usable in the opinion of Tenant for the operation of Tenant's business, this Lease and all of Tenant's interest thereunder will terminate as to the portion of the Property so taken or transferred on the date title to the Property vests in the condemning authority, but will continue in full force and effect as to the portion of the Property not so taken or transferred, and the Base Rent will abate in the proportion that the portion of the Property taken bears to all of the Property.

11.04 Compensation. Landlord and Tenant each may make a claim against the condemning or taking authority for the amount of just compensation due to it. Tenant shall make no claim against Landlord for damages for termination of the leasehold or interference with Tenant's business, even if Landlord is the condemning or taking authority. Neither Tenant nor Landlord will have any rights in or to any award made to the other by the condemning authority; provided, that if a single award to Landlord includes specific damages for loss of Tenant's leasehold interest separately awarded in the eminent domain proceeding and not as a part of the damages recoverable by Landlord, Landlord will transmit such separately awarded damages to Tenant.

ARTICLE 12. DEFAULT

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

Page 16 of 32

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

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

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

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

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

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

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

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

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

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

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

- (1) from time to time, an amount equal to the sum of all Base Rent and other sums that have become due and remain unpaid, less the rent, if any, collected by Landlord on reletting the Property reduced by the amount of all expenses incurred by Landlord in connection with reletting the Property; or
- (2) immediately upon Tenant's default, an amount equal to the difference between the Base Rent and the fair rental value of the Property for the remainder of the Term, discounted to the date of such default at a rate per annum equal to the rate at which Landlord could borrow funds for the same period as of the date of such default.

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

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

ARTICLE 13. LEASEHOLD MORTGAGES

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

13.02 Subordinate to Lease. The Leasehold Mortgage and all rights acquired under it shall be subject and subordinate to all the terms of this Lease, and to all rights and interests of Landlord except as otherwise provided in this Lease.

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

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

13.05 Notice to Qualified Mortgagee.

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

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

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

13.06 Performance of Tenant Obligations.

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

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

(c) If Tenant defaults in the payment of any monetary obligation hereunder, Landlord shall not terminate this Lease unless and until Landlord provides written notice of such default to each Qualified Mortgagee and no Qualified Mortgagee cures such default within 10 days after the expiration of any grace or cure periods granted Tenant herein. If Tenant defaults in the performance of any non-monetary obligation hereunder, Landlord shall not terminate this Lease unless and until Landlord provides written notice of such default to each Qualified Mortgagee and no Qualified written notice of such default to each Qualified Mortgagee and no Qualified Mortgagee cures such default to each Qualified Mortgagee and no Qualified Mortgagee cures such default within 30 days after the expiration of any grace or cure periods granted Tenant herein.

13.07 Possession by Qualified Mortgagee. A Qualified Mortgagee may take possession of the Property and vest in the interest of Tenant in this Lease upon the performance of the following conditions:

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

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

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

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

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

ARTICLE 14. GENERAL PROVISIONS

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

14.02 Estoppel Certificates. Either party shall at any time and from time to time upon not less than 30 days prior written request by the other party, execute, acknowledge and deliver to such party, or to its designee, a statement in writing certifying that this Lease is in full force and effect and has not been amended (or, if there has been any amendment thereof, that the same is in full force and effect as amended and stating the amendment or amendments); that there are no defaults existing, (or, if there is any claimed default, stating the nature and extent thereof); and stating the dates to which the Base Rent and other charges have been paid in advance. The requesting party shall pay the cost of preparing an estoppel certificate, including the cost of conducting due diligence investigation and attorney's fees.

14.03 Delivery of Notices -Method and Time. All notices, demands or requests from one party to another shall be delivered in person or be sent by (i) mail, certified or registered, postage prepaid, (ii) reputable overnight air courier service, or (iii) electronic mail or facsimile transmission (accompanied by reasonable evidence of receipt of the transmission and with a confirmation copy mailed by first class mail no later than the day after transmission) to the address for the recipient in Section 14.04 and will be deemed to have been given at the time of delivery or, if mailed, three (3) days after the date of mailing.

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

Port Property Associate Homer Port & Harbor 4311 Freight Dock Road Homer, Alaska 99603 Facsimile: (907) 235-3160 Email: port@cityofhomer-ak.gov

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

John Stewart BERTH II INC. PO Box 3147 Homer, Alaska 99603 Email: <u>office@swpilots.net</u>

Each party may, from time to time, designate a different address or different agent for service of process by notice given in conformity with Section 14.03.

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

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

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

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

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

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

Page 21 of 32

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

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

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

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

14.15 Attorney's Fees.

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

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

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

14.17 Entire Agreement, Amendment. This Lease constitutes the entire and integrated agreement between Landlord and Tenant concerning the subject matter hereof, and supersedes all prior negotiations, representations or agreements, either written or oral. No affirmation, representation or warranty relating to the subject matter hereof by any employee, agent or other representative of Landlord shall bind Landlord or be enforceable by Tenant unless specifically set forth in this Lease. This Lease may be amended only by written instrument executed and acknowledged by both Landlord and Tenant.

14.18 Governing Law and Venue. This Lease will be governed by, construed and enforced in accordance with, the laws of the State of Alaska. Any action or suit arising between the parties in relation to or in connection with this Lease, or for the breach thereof, shall be brought in the trial courts of the State of Alaska for the Third Judicial District at Homer.

Page 22 of 32

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

14.20 Prior Lease Amended and Superseded. Landlord and Tenant are parties to a prior lease affecting the Property dated January, 21st, 2019, a memorandum of which has been recorded in the records of the Homer Recording District under Document No. 2019-000183-0 (the "Prior Lease"). This Lease replaces and supersedes the Prior Lease effective as of July 1, 2024, and on and after that date the Prior Lease shall have no force or effect, except that it shall remain in effect as to events, rights, obligations, or remedies arising or accruing under the Prior Lease prior to that date.

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

Landlord:

Tenant:

CITY OF HOMER BERTH II INC Bv: Melissa Jacobsen, Interim City Manager John Stewart, President

ACKNOWLEDGMENTS

STATE OF ALASKA)) ss. THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me on Univ a9, 2024, by Melissa Jacobsen, Interim City Manager of the City of Homer, an Alaska municipal corporation, on behalf of the City of Homer.

NOTARY PUBLIC
BOBBIE R KRAUSE
STATE OF ALASKA
My Commission Expires August 6, 2027

Notary Public in and for Alaska My Commission Expires: 2004 2027

STATE OF ALASKA

THIRD JUDICIAL DISTRICT

	The fore	going instrum	ent was acknow	ledged b	efore 1	ne on	ly 19	, 20)24,
by _	John	Stewar	ł	, 8	as	Preside	At	(title)	of
13e	rth II	Inc		(name	of	entity)	on	behalf	of
Be	rthI	Inc	_ (name of entity	/).					

)) ss.

)



2

Notary Public in and for Alaska

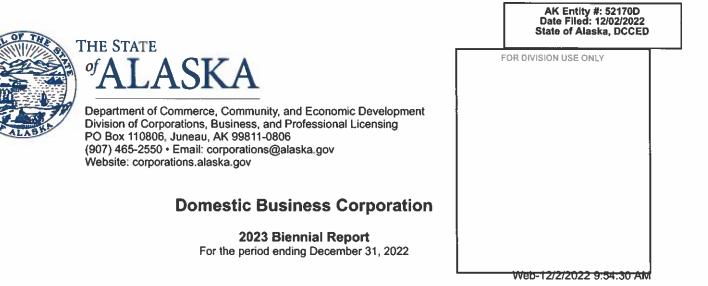
My Commission Expires: 6/23/26

Page 24 of 32

EXHIBIT A

SCHEDULE OF ORGANIZATION, OWNERS, PERCENTAGE OF OWNERSHIP

Page 25 of 32



Due Date: This report along with its fees are due by January 2, 2023

Fees: If postmarked before February 2, 2023, the fee is \$100.00. If postmarked on or after February 2, 2023 then this report is delinquent and the fee is \$137.50.

Entity Name: BERTH II, INC.

Entity Number: 52170D

Home Country: UNITED STATES

Home State/Prov.: ALASKA

Physical Address: 1230 OCEAN DR, HOMER, AK 99603

Mailing Address: PO BOX 3147, HOMER, AK 99603

Registered Agent information cannot be changed on this form. Per Alaska Statutes, to update or change the Registered Agent information this entity must submit the Statement of Change form for this entity type along with its filing fee.

Name: Matthew Michalski

Physical Address: 5412 W DIMOND BLVD APT #4, ANCHORAGE, AK 99502

Mailing Address: 5412 W DIMOND BLVD APT #4, ANCHORAGE, AK 99502 Officials: The following is a complete list of officials who will be on record as a result of this filing.

- Provide all officials and required information. Use only the titles provided.
- Mandatory Officers (3) and Directors (1), who must be individuals: this entity must have a President, Secretary, and Treasurer. The President and Secretary cannot be the same person unless the President is 100% Shareholder. This entity must have at least one (1) Director. Provide all the individuals who are directors.
- Shareholders: the entity must provide all Shareholders who own 5% or more of the Issued Shares. Shareholders may be an individual or another entity.
- · Alien Affiliates: the entity must provide all Alien Affiliates (non-U.S.), which may be an individual or another entity.

Full Legal Name	Complete Mailing Address	% Owned	Alien Affiliate	Assistant Secretary	Assistant Treasurer	Director	President	Secretary	Shareholder	Treasurer	Vice President
James Cunningham	64255 FLINTLOCK LN, HOMER, AK 99603	6.66				х			X		x
Peter Garay	PO BOX 2653, HOMER, AK 99603	6.67							x		\square
lan Maury	911 R St, ANCHORAGE, AK 99501	6.66							x		\square
Matthew Michalski	5412 W DIMOND BLVD APT #4, ANCHORAGE, AK 99502	6.66				x			x		
CHRISTOPHER MITCHELL	PO BOX 3245, HOMER, AK 99603	6.66				х			x		\square
MICHAEL O'HARA	9048 SAHALEE DR, ANCHORAGE, AK 99507	6.67						Γ	x		\square
Jeffrey Pierce	17321 YELLOWSTONE DR, EAGLE RIVER, AK 99577	6.67							x		
R. O. Baker II Revocable Trust	PO BOX 870, ANCHOR POINT, AK 99566	6.67							x		
Donal Ryan	57425 E. END RD, HOMER, AK 99603	6.67				X		X	X	X	
C VINCENT TILLION	791 OCEAN DR LP, HOMER, AK 99603	6.67							X		
Bryan Vermette	PMB 204 35555 KENAI SPUR HWY, SOLDOTNA, AK 99669	6.67							x		
CAROLYN VERMETTE	PO BOX 1105, KASILOF, AK 99610	6.66							X		
Andrew Wakefield	214 E 120TH AVE, ANCHORAGE, AK 99515		Γ			X	X		Γ		
WAKEFIELD REVOCABLE TRUST	214 E 120TH AVE, ANCHORAGE, AK 99515	6.67					$\left[\right]$		×		
Ronald Ward, II	2164 ARCADIA DR, ANCHORAGE, AK 99517	6.67			Γ				X		\square
Joshua Weston	PO BOX 1692, HOMER, AK 99603	6.67				X			X	Γ	

If necessary, attach a list of additional officers on a separate 8.5 X 11 sheet of paper.

Purpose: PROPERTY RENTALS

NAICS Code: 531110 - LESSORS OF RESIDENTIAL BUILDINGS AND DWELLINGS

New NAICS Code (optional):

Issued Shares: The entity must provide the number of Issued Shares

- Do not leave Issued Shares blank.
- If there are Shareholders then you must provide a number of Issued Shares. Do not exceed the number of Authorized Shares.
- · If there are no Issued Shares (and no Shareholders) then provide "0" or "zero" or "none".
- To change Class, Series, Authorized Shares, or Par Value submit an amendment.

Class Series Authorized Shares Par V		Par Value	Number of Issued Shares	
Common		50000	0.00000	15
			-	

Mandatory. Do not leave blank.

This form is for use by the named entity only. Only persons who are authorized by the above Official(s) of the named entity may make changes to it. If you proceed to make changes to this form or any information on it, you will be certifying under penalty of perjury that you are authorized to make those changes, and that everything on the form is true and correct. In addition, persons who file documents with the commissioner that are known to the person to be false in material respects are guilty of a class A misdemeanor. Continuation means you have read this and understand it.

Name: Annie Wiard

EXHIBIT B

CONFORMED COPY OF RESOLUTION AUTHORIZING LEASE AND AUTHORIZING SIGNERS TO SIGN LEASE AGREEMENT ON BEHALF OF TENANT

Page 26 of 32

1	CITY OF HOMER
2	HOMER, ALASKA
3	City Manager
4	RESOLUTION 24-068
5	
6	A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
7	APPROVING A LEASE ASSIGNMENT FROM Y & C, LLC TO BERTH II,
8	INC FOR A NEW 20-YEAR LEASE WITH OPTIONS FOR 2
9	CONSECUTIVE 5 YEAR RENEWALS FOR LOT 32, AS SHOWN ON THE
10	PLAT NO. 89-34, AT AN ANNUAL RATE OF \$23,653.44 AND
11	AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE
12	THE APPROPRIATE DOCUMENTS.
13	
14	WHEREAS, Berth II, Inc. applied to transfer the Y & C LLC lease as part of its purchase of
15	the site buildings; and
16	
17	WHEREAS, Berth II, Inc. submitted a complete application pursuant to Homer City Code
18	(HCC) Title 18; and
19	
20	WHEREAS, Berth II, Inc., has indicated in their lease application their intention of
21	subleasing the existing business space on the first floor, in addition to establishing sleeping
22	quarters and administrative office space for their pilots and crew on the second floor; and
23	
24	WHEREAS, Per HCC 18.08.110 the lease is in compliance and the past lease history has
25	shown contractual obligations are satisfactorily met; and
26	
27	WHEREAS, The City Administration and the Port and Harbor Advisory Commission on
28	May 22, 2024 reviewed the application pursuant HCC 18.08.060 and recommend a 20-year lease
29	with options for 2 consecutive 5-year renewals on Lot 32, as shown on the plat entitled HOMER
30	SPIT filed as amended plat number 89-34; and
31	
32	WHEREAS, HCC 18.08.160 (4) states the Council shall approve or deny the request for
33	lease assignment via resolution.
34	
35	NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby approves the
36	lease assignment of the aforementioned Lease from Y & C LLC. to Berth II, Inc., and authorizes
37	the City Manager to execute a 20-year lease with options for 2 consecutive 5-year renewals on
38	lot 32, as shown on the plat entitled HOMER SPIT filed as amended plat number 89-34, at an
39	annual base rent of \$23,653.44 for the purpose of operating administrative office space,
40	temporary pilot accommodations, and subleasing to local businesses.
41	
42	
43	

Page 2 of 2 RESOLUTION 24-068 CITY OF HOMER

44	PASSED AND ADOPTED by the Home	er City Council on this 10 th day of June, 2024.
45		
46		CITY OF HOMER
47		110
48		VChot
49		art Itohn
50		KEN CASTNER, MAYOR
51		
52	ATTEST:	
53		
54	0.11	
55	Renec Grause	
56	RENEE KRAUSE ACTING CITY CLERK	
57		
58	Fiscal Note: \$\$23,653.44 Annually	
		HOMED

Achich 32

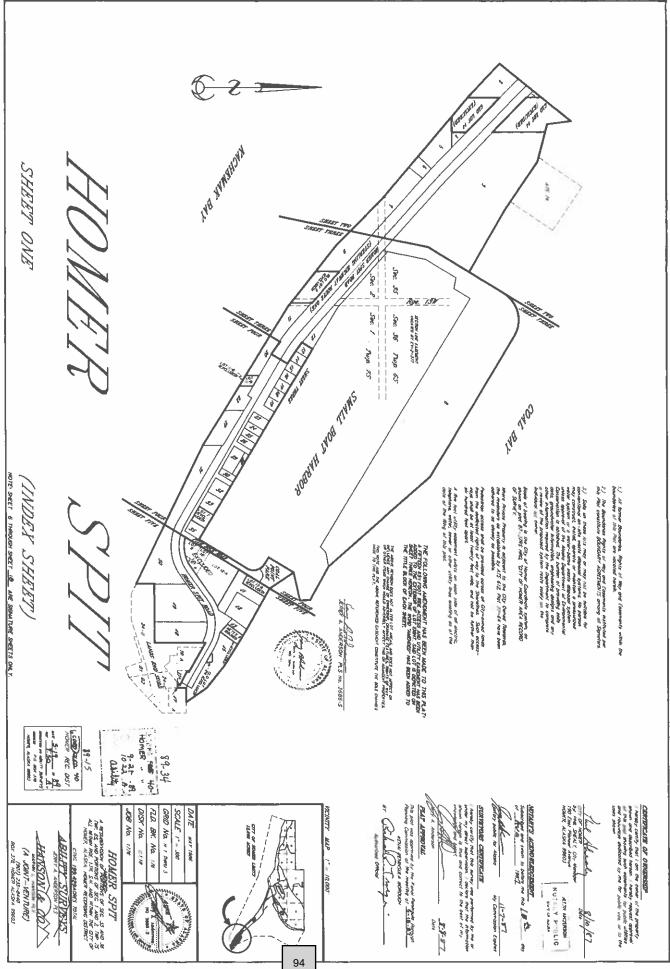
EXHIBIT C

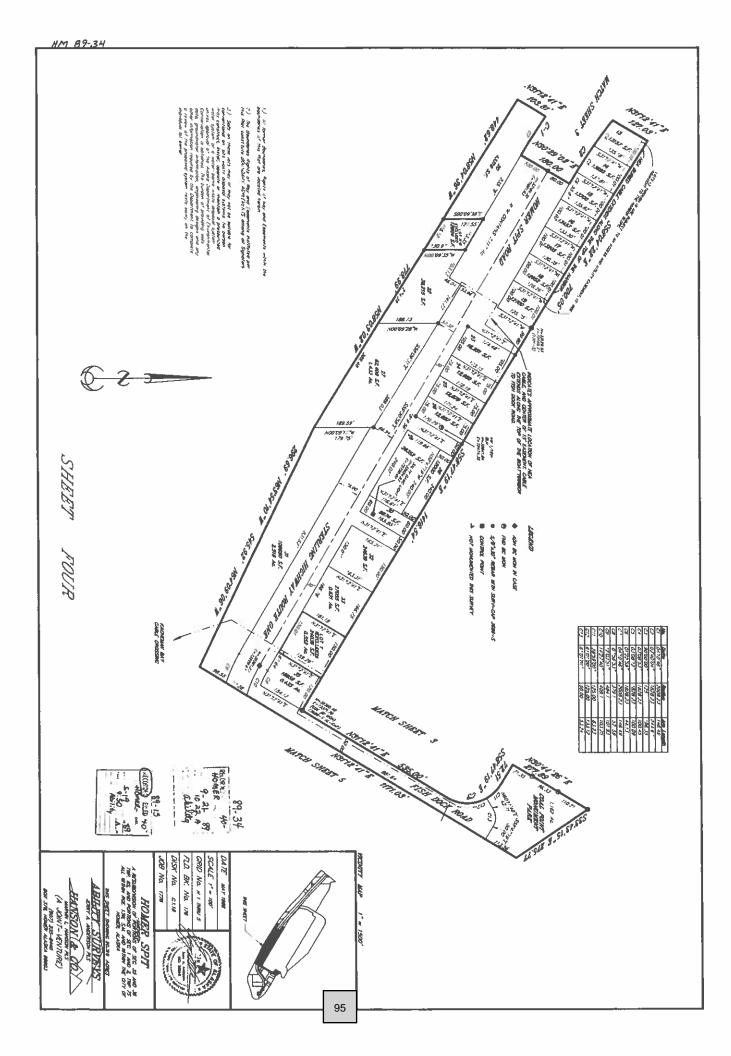
LOCATION OF PROPERTY

(Section 2.01)

Page 27 of 32

.





3	89-1	5	
REC	ORDEDSF	ited 4	0-
	omer	_REC. DIST.	
DATE.	5-19		89
TIME_	9:50 Ind by Abil		8M
Addres		· · ·	

ABILITY SURVEYS JERRY A. ANDERSON REGISTERED LAND SURVEYOR P.O. BOX 378 HOMER ALASKA 99603

(907) 235-8440

89-34 RECORDED - FILED 40-HOMER REC. DIST. 9-21- 1989 DATE 1022 TIME_ Requested by Address

HOMER SPIT

CERTIFICATE OF OWNERSHIP

I hereby certify that I am the owner or lessee of the property shown and described hereon. I hereby request approval of this plat showing such easements for public utilities and roadways dedicated by me for public use, if any, and fixing the property boundaries as shown.

aux lec

Robert C. Chalmers c/o Neal & Co. Box 69 Adak, Alaska 98791

NOTARY'S ACKNOWLEDGEMENT For Robert C. Chalmers

Subscribed and Sworn to before me this 29 day of ζ

NOTARY PUBLIC FOR ALASKA

MY COMMISSION EXPIRES My Commission Fasters:

Lot No. 46

Tax Parce1: 181-050-1800

SHEET 6 OF 18



1987

EXHIBIT D

TENANT'S PROPOSED USE OF THE PROPERTY

(Section 6.01)

Page 28 of 32

Lease Application Narrative: Berth II

4400 Homer Spit Road, Homer, Alaska

Property Plan and Proposed Utilization

Berth II (a wholly owned subsidiary of Southwest Alaska Pilots Association, SWAPA) would like to propose the leasing of 4400 Homer Spit Road as our main administrative headquarters with rental space below. The property spans an approximate total of 7392 square feet, strategically situated on Homer Spit with easy access to essential maritime and logistical operations. Berth II operates properties in Seward, Valdez, Anchorage, and the current main office located in Homer at 1230 Ocean Drive Homer, AK.

The existing building on the premises will be utilized primarily for our administrative offices and as accommodations for pilots prior to assignments occupying the upper levels of the structure. The lower level is designated for year-round rental space, which we aim to offer to local businesses, fostering community growth and economic development.

The initial work planned to be completed will consist of any repairs to health and safety items as outlined in the due diligence buyers inspection.

EXHIBIT E

SITE PLANS

(Section 6.02)

Page 29 of 32

EXHIBIT F

FLOOR PLANS

(Section 6.02)

Page 30 of 32

EXHIBIT G

PERMISSION TO OBTAIN INSURANCE POLICIES

(Section 9.04(d))

The City of Homer is hereby granted permission to request and obtain copies of Berth II INC. ("Tenant") insurance policies from Tenant's broker and/or insurer, _______. Tenant requests the broker/insurer to provide the City of Homer with information about and copies of all of Tenant's insurance policies providing the type of coverage required by the Lease between Tenant and the City of Homer.

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

Date: 7/19/24

* • BERTH II INC.

Shr Stewer RESEDENT (printed name) (title)

By: (printed name) (title)

1	CITY OF HOMER	
2	HOMER, ALASKA	
3		City Manager
4	RESOLUTION 24-068	
5		
6	A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,	
7	APPROVING A LEASE ASSIGNMENT FROM Y & C, LLC TO BERTH II,	
8 9	INC FOR A NEW 20-YEAR LEASE WITH OPTIONS FOR 2 CONSECUTIVE 5 YEAR RENEWALS FOR LOT 32, AS SHOWN ON THE	
	PLAT NO. 89-34, AT AN ANNUAL RATE OF \$23,653.44 AND	
10 11	AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE	
12	THE APPROPRIATE DOCUMENTS.	
13	THE AFT ROT MATE DOCOMENTS.	
14	WHEREAS, Berth II, Inc. applied to transfer the Y & C LLC lease as part of it	s purchase of
15	the site buildings; and	o parendee er
16		
17	WHEREAS, Berth II, Inc. submitted a complete application pursuant to Ho	mer City Code
18	(HCC) Title 18; and	
19		
20	WHEREAS, Berth II, Inc., has indicated in their lease application their	intention of
21	subleasing the existing business space on the first floor, in addition to establis	hing sleeping
22	quarters and administrative office space for their pilots and crew on the second	floor; and
23		
24	WHEREAS, Per HCC 18.08.110 the lease is in compliance and the past least	se history has
25	shown contractual obligations are satisfactorily met; and	
26		
27	WHEREAS, The City Administration and the Port and Harbor Advisory Co	
28	May 22, 2024 reviewed the application pursuant HCC 18.08.060 and recommend a	
29	with options for 2 consecutive 5-year renewals on Lot 32, as shown on the plat en	
30 31	SPIT filed as amended plat number 89-34; and	
32	WHEREAS, HCC 18.08.160 (4) states the Council shall approve or deny the	e request for
33	lease assignment via resolution.	ic request ior
34		
35	NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby	approves the
36	lease assignment of the aforementioned Lease from Y & C LLC. to Berth II, Inc., a	
37	the City Manager to execute a 20-year lease with options for 2 consecutive 5-yea	
38	lot 32, as shown on the plat entitled HOMER SPIT filed as amended plat number	
39	annual base rent of \$23,653.44 for the purpose of operating administrative	
40	temporary pilot accommodations, and subleasing to local businesses.	
41		
42		
43		

Page 2 of 2 RESOLUTION 24-068 CITY OF HOMER

44	PASSED AND ADOPTED by the	Homer City Council on this 10 th day of June, 2024.
45		
46		CITY OF HOMER
47		1/d.
48		1 (.het
49		Cet stown
50		KEN CASTNER, MAYOR
51		
52	ATTEST:	
53		
54	Paris Krauss	
55	Kener Grause	
56	RENEE KRAUSE ACTING CITY CLERK	
57		(h)
58	Fiscal Note: \$\$23,653.44 Annually	NOMED

-

March 31, 1964

READD

STATEMENT REGARDING OFFICIALS

ENTITY NAME: HAPPY FACE LLC

ENTITY NU	JMBER: 10287087		3/14/2025
TITLE (S)	MEMBER / MANAGER	% OWNED	MAILING ADDRESS
MEMBER			P.O. BOX 3409, HOMER, AK
MANAGER	JOHN M. STEWART	8.34%	99603
			214 E 120TH AVENUE,
MANAGER	ANDREW S. WAKEFIELD	0.00%	ANCHORAGE, AK 99515
			PMB 134, 35555 KENAI
MEMBER			SPUR HWY, SOLDOTNA, AK
MANAGER	JORDAN M. GOULD	8.34%	99669
MEMBER			911 R STREET
MANAGER	IAN H. MAURY	8.34%	ANCHORAGE, AK 99501
MEMBER			2550 CURLEW CIRCLE,
MANAGER	MATTHEW J. MICHALSKI	8.34%	ANCHORAGE, AK 99502
MEMBER			791 OCEAN DRIVE LOOP,
MANAGER	C. VINCENT TILLION	8.33%	HOMER, AK 99603
	CUNNINGHAM COMMUNITY		64255 FLINTLOCK LANE
MEMBER	PROPERTY TRUST	8.33%	HOMER, AK 99603
			6635 HOLLY LANE,
MEMBER	CHRISTOPHER R. BUCKLEY	8.33%	ANCHORAGE, AK 99502
			2164 ARCADIA DRIVE,
MEMBER	RONALD A. WARD, II	8.33%	ANCHORAGE, AK 99517
			P.O. BOX 3245
MEMBER	CHRISTOPHER R. MITCHELL	8.33%	HOMER, AK 99603
			P.O. BOX 1692
MEMBER	JOSHUA S. WESTON	8.33%	HOMER, AK 99603
			214 E. 120TH AVENUE
MEMBER	WAKEFIELD REVOCABLE TRUST	8.33%	ANCHORAGE, AK 99515
			PMB 204, 35555
			KENAI SPUR HWY
MEMBER	BRYAN D. VERMETTE	8.33%	SOLDOTNA, AK 99669

Alaska Business License # 2204977

Alaska Department of Commerce, Community, and Economic Development

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

This is to certify that

Happy Face LLC

PO BOX 3147, HOMER, AK 99603

owned by

HAPPY FACE LLC

is licensed by the department to conduct business for the period

October 11, 2024 to December 31, 2025 for the following line(s) of business:

53 - Real Estate, Rental and Leasing



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

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

Julie Sande Commissioner

Happy Face LLC PO BOX 3147 HOMER, AK 99603

Alaska Entity #10287087

State of Alaska Department of Commerce, Community, and Economic Development Corporations, Business, and Professional Licensing

Certificate of Organization

The undersigned, as Commissioner of Commerce, Community, and Economic Development of the State of Alaska, hereby certifies that a duly signed and verified filing pursuant to the provisions of Alaska Statutes has been received in this office and has been found to conform to law.

ACCORDINGLY, the undersigned, as Commissioner of Commerce, Community, and Economic Development, and by virtue of the authority vested in me by law, hereby issues this certificate to

HAPPY FACE LLC



IN TESTIMONY WHEREOF, I execute the certificate and affix the Great Seal of the State of Alaska effective **October 4, 2024**.

107

Julie Sande Commissioner

AK Entity #: 10287087 Date Filed: 10/04/2024 State of Alaska, DCCED

FOR DIVISION USE ONLY





Department of Commerce, Community, and Economic Development Division of Corporations, Business, and Professional Licensing PO Box 110806, Juneau, AK 99811-0806 (907) 465-2550 • Email: corporations@alaska.gov Website: corporations.alaska.gov

Articles of Organization

Domestic Limited Liability Company

Web-10/4/2024 12:45:40 PM

1 - Entity Name

Legal Name: HAPPY FACE LLC

2 - Purpose

Any lawful purpose

3 - NAICS Code

531190 - LESSORS OF OTHER REAL ESTATE PROPERTY

4 - Registered Agent

Name: JOHN STEWART Mailing Address: P.O. BOX 3409, HOMER, AK 99603 Physical Address: 41591 MANSON DRIVE, HOMER, AK 99603

5 - Entity Addresses

Mailing Address: P.O. BOX 3147, HOMER, AK 99603 Physical Address: 4400 HOMER SPIT ROAD, HOMER, AK 99603

6 - Management

The limited liability company is managed by a manager.

7 - Officials

Name	Address	% Owned	Titles
JOHN STEWART			Organizer

Name of person completing this online application

This form is for use by the named entity only. Only persons who are authorized by the above Official(s) of the named entity may make changes to it. If you proceed to make changes to this form or any information on it, you will be certifying under penalty of perjury that you are authorized to make those changes, and that everything on the form is true and correct. In addition, persons who file documents with the commissioner that are known to the person to be false in material respects are guilty of a class A misdemeanor. Continuation means you have read this and understand it.

Name: JENNIFER SITTON

108



Entity Name: HAPPY FACE LLC

Entity Number: 10287087

Home Country: UNITED STATES

Home State/Prov.: ALASKA

Physical Address: 4400 HOMER SPIT ROAD, HOMER, AK 99603

Mailing Address: P.O. BOX 3147, HOMER, AK 99603

Registered Agent information cannot be changed on this form. Per Alaska Statutes, to update or change the Registered Agent information this entity must submit the Statement of Change form for this entity type along with its filing fee.

Name: JOHN STEWART

Physical Address: 41591 MANSON DRIVE, HOMER, AK 99603

Mailing Address: P.O. BOX 3409, HOMER, AK 99603

Officials: The following is a complete list of officials who will be on record as a result of this filing.

- Provide all officials and required information. Use only the titles provided.
- Mandatory Members: this entity must have at least one (1) Member. A Member must own a %. In addition, this entity must provide all Members who own 5% or more of the entity. A Member may be an individual or another entity.
- Manager: If the entity is manager managed (per its articles or amendment) then there must be at least (1) Manager provided. A Manager may be a Member if the Manager also owns a % of the entity.

Full Legal Name	Complete Mailing Address	% Owned	Manager	Member
JAMES CUNNINGHAM	64255 FLINTLOCK LANE, HOMER, AK 99603	9.091	z X	z X
JORDAN GOULD	35555 KENAI SPUR HIGHWAY, #134, SOLDOTNA, AK 99669	9.091	х	х
MATTHEW MICHALSKI	2550 CURLEW CIRCLE, ANCHORAGE, AK 99502	9.091	х	х
CHRISTOPHER MITCHELL	PO BOX 3245, HOMER, AK 99603	9.091		х
JOHN STEWART	PO BOX 3409, HOMER, AK 99603	9.091	х	х
CLEMENT TILLION	791 OCEAN DRIVE LOOP, HOMER, AK 99603	9.091		х
JOSHUA WESTON	PO BOX 1692, HOMER, AK 99603	9.091		х
BRYAN VERMETTE	35555 KENAI SPUR HIGHWAY, #204, SOLDOTNA, AK 99669	9.091		х
WAKEFIELD REVOCABLE TRUST	214 E. 120TH AVENUE, ANCHORAGE, AK 99515	9.091		х
RONALD WARD, II	2164 ARCADIA DRIVE`, ANCHORAGE, AK 99517	9.09	х	х
ANDREW WAKEFIELD	214 E. 120TH AVENUE, ANCHORAGE, AK 99515		х	
IAN MAURY	911 R STREET, ANCHORAGE, AK 99501	9.091		х

If necessary, attach a list of additional officers on a separate 8.5 X 11 sheet of paper.

NAICS Code: 531190 - LESSORS OF OTHER REAL ESTATE PROPERTY

New NAICS Code (optional):

This form is for use by the named entity only. Only persons who are authorized by the above Official(s) of the named entity may make changes to it. If you proceed to make changes to this form or any information on it, you will be certifying under penalty of perjury that you are authorized to make those changes, and that everything on the form is true and correct. In addition, persons who file documents with the commissioner that are known to the person to be false in material respects are guilty of a class A misdemeanor. Continuation means you have read this and understand it.

Name: JENNIFER SITTON



Sales Tax

A Division of the Finance Department

144 North Binkley Street, Soldotna, AK 99669 | (P) 907-714-2175 | (F) 907-714-2376 | www.kpb.us

Sales Tax Account # 00213166

Sales Tax Introduction Letter and Certificate of Registration

արթարդությունը, որ անդաներությունը, որ անդաներությունը, որ անդաներին, որ

December 31, 2024

HAPPY FACE LLC PO BOX 3147 HOMER AK 99603

Dear Business Owner:

Attached is your new certificate of Authority to Collect Sales Tax.

Net proceeds of the borough-wide sales tax of 3% is dedicated to our Borough schools. In addition, sales tax is collected for, and turned over to the cities. The schools and cities must have this sales tax money to operate; therefore, enforcement of the sales tax ordinance is strictly maintained.

Businesses are encouraged to promptly file sales tax returns and remit the taxes collected each reporting period by the due date prescribed. By reporting promptly, accounts may receive a 5% credit of the sales tax up to \$1,000 per quarter. Filing is required on a **MONTHLY** basis. Please note that a return <u>MUST</u> be filed for <u>EVERY</u> reporting period, even if there were no sales (check the box, "RETURN HAS NO SALES"). The Sales Tax Division will mail returns at the end of each reporting period. The due date on the return is the day that the return <u>MUST</u> <u>BE POSTMARKED BY or TURNED IN TO OUR OFFICE BY</u>.

Returns filed online must be submitted by 5:00 p.m. of the due date.

Accounts will be subject to a missing filing fee of \$25 for each return not filed; if two (2) consecutive returns are missed a reinstatement fee of \$100 will be assessed, in addition to any penalty or interest for late filing and remittance.

The sales tax code of ordinances is available at <u>http://www.kpb.us/finance-dept/sales-tax/sales-tax-information</u>. A paper copy can be requested by phone (907)714-2175 or email <u>salestax@kpb.us</u>. The Sales Tax staff in the Finance Department will be glad to answer questions or assist in any way they can regarding your sales tax account.

Dec 31 2024 1:00AM 3

KENAI PENINSULA BOROUGH certificate of authority to collect borough sales tax

THIS IS TO CERTIFY THAT HAPPY FACE LLC

is authorized and empowered by the Mayor of the Kenai Peninsula Borough to collect for the Borough Sales Tax on retail Sales, Rents and Services imposed pursuant to Ordinance No 5.18 of the Kenai Peninsula Borough.

This certificate is non-assignable and non-transferable and must be surrendered to the Mayor by the seller to whom it was issued upon his ceasing to do business at the location named herein, or any change in ownership, form of ownership, or any other change.

111

ACCOUNT NUMBER

DATE OF

00213166

HAPPY FACE LLC
PO BOX 3147
HOMER AK 99603

Certificate

REGISTRATION January 1, 2025

THIS CERTIFICATE MUST BE DISPLAYED PROMINENTLY AT **HERE A**CE OF BUSINESS.

MAYOR

ACORD	

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 03/14/2025

C B R	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER. IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed.									
lf	SUBROGATION IS WAIVED, subject	to the	ne tei	ms and conditions of th	e polic	y, certain po	olicies may i			
	is certificate does not confer rights	o the	cert	ificate holder in lieu of su	ich en	dorsement(s				
	DUCER				CONTA NAME:	CT Chris Tra		1-2-2-2-		
Chi	nook Insurance Group, LLC				PHONE (A/C, No	p. Ext); (200) 0	60-3500	FAX (A/C, No);		
100	02 Aurora Avenue N, Suite 36 PMB 31	5			É-MAIL ADDRE	ss: chris@ch	ninookins.com	1		
Sea	attle, WA 98133						URER(S) AFFOR	DING COVERAGE		NAIC #
					INSURE	Endurer		Insurance Group		
INC	RED					NA.				
11130					INSURE	RB:				
	Happy Face LLC				INSURE	RC:				
	PO Box 3147				INSURE	RD:				
	Homer, AK 99603				INSURE	RE:				
l.					INSURE	RF:				
				NUMBER:				REVISION NUMBER:		
	HIS IS TO CERTIFY THAT THE POLICIES IDICATED, NOTWITHSTANDING ANY R ERTIFICATE MAY BE ISSUED OR MAY XCLUSIONS AND CONDITIONS OF SUCH	EQUIF PERT	REME 'AIN,	NT, TERM OR CONDITION THE INSURANCE AFFORD	of an' Ed by	Y CONTRACT	OR OTHER I S DESCRIBEI	DOCUMENT WITH RESPEC	T TO	WHICH THIS
INSR LTR		ADDL	SUBR		200111	POLICY EFF (MM/DD/YYYY)		LIMITS		
LTR			WVD	POLICY NUMBER		(MM/DD/YYYY)	(MM/DD/YYYY)			00,000
								DAMAGE TO RENTED	\$ 1,00 \$ 50,0	and a second
								PREMISES (Ea occurrence)		
									s 5,00	
A		X	X	OPK10015116304		01/01/2025	01/01/2026			00,000
	GEN'L AGGREGATE LIMIT APPLIES PER:									00,000
	POLICY PRO- JECT LOC							PRODUCTS - COMP/OP AGG	\$ 1,00	00,000
	OTHER:								\$	
<u> </u>	AUTOMOBILE LIABILITY	1						COMBINED SINGLE LIMIT (Ea accident)	\$	
	ANY AUTO	1						BODILY INJURY (Per person)	\$	
	OWNED SCHEDULED								\$	
	AUTOS ONLY AUTOS HIRED NON-OWNED							PROPERTY DAMAGE	\$ \$	
	AUTOS ONLY AUTOS ONLY	1						(Per accident)		
L			ļ						\$	
	UMBRELLA LIAB OCCUR		ŀ					EACH OCCURRENCE	\$	
	EXCESS LIAB CLAIMS-MADE							AGGREGATE	\$	
	DED RETENTION \$								\$	
	WORKERS COMPENSATION							PER OTH- STATUTE ER		
	AND EMPLOYERS' LIABILITY Y / N ANYPROPRIETOR/PARTNER/EXECUTIVE							E.L. EACH ACCIDENT	\$	
	OFFICER/MEMBEREXCLUDED? (Mandatory in NH)	N/A						E.L. DISEASE - EA EMPLOYEE	s	
	If yes, describe under DESCRIPTION OF OPERATIONS below							E.L. DISEASE - POLICY LIMIT		·······
	DESCRIPTION OF OFERATIONS DOOW	-								
	CRIPTION OF OPERATIONS / LOCATIONS / VEHIC	LES (ACORD) 101, Additional Remarks Schedu	le, may b	e attached if mor	e space is requir	ea)		
Evi	dence of Insurance for City of Homer.									
5					CAN					
	RTIFICATE HOLDER				CAN	CELLATION				
City of Homer					THE	EXPIRATION	DATE TH	ESCRIBED POLICIES BE CA EREOF, NOTICE WILL E Y PROVISIONS.		
					rized represe Christi		Trainsr		<i>c</i>	
	I					and the second se				
AC	ORD 25 (2016/03)	т	he A	CORD name and lo	egi	© 19 stered mark		ORD CORPORATION.	All rigi	hts reserved.
	. ,			11:	2					

Plan Review Approval Letter & Certificate Grantor: State of Alaska, Department of Public Safety, Division of Fire & Life Safety Grantee: HOMER CITY OF Recording District: Legal Description:

State of Alaska Office of the State Fire Marshal Plan Review

This certificate shall be posted in a conspicuous place on the premises named Southwest Pilots Association Building and shall remain

posted until construction is completed.

2024ANCH1038

NOTICE: Any changes or modifications to the approved plans **must** be resubmitted for review by the *State Fire Marshal*.

By:

Plan Review #:

Steven Jostan

Authority: AS 18.70.080 Form: 12-741 (6/01) Renovation Steven Josten Building Plans Examiner I



Department of Public Safety

DIVISION OF FIRE AND LIFE SAFETY Plan Review Bureau – Anchorage 5700 East Tudor Road Anchorage, Alaska 99705-1225 Main: 907.269.2004 Fax:907.269.0098

01/24/2025

Return to Applicant:

Matt Early 5243 Kachemak Drive Homer, AK 99603

SUBJECT:Southwest Pilots Association Building - RenovationADDRESS:4400 Homer Spit RoadCITY:HomerPLAN REVIEW:2024ANCH1038TYPE OF CONTRUCTION:V-AOCCUPANCY:B BusinessADDITIONAL OCCUPANCY:M Mercantile2021 INTERNATIONAL BUILDING AND FIRE CODE

Dear Matt Early:

Plans for the Renovation have been reviewed by this office for conformity with the State Fire Safety Regulations and are hereby approved. Enclosed is a certificate of approval that must be posted on the premises until completion of the above project.

It is prohibited to occupy this building until construction is completed, and if applicable, the Automatic Fire System(s) is installed, tested, and certified as operable. Any changes to the approved plans must be submitted to this office for review and approval.

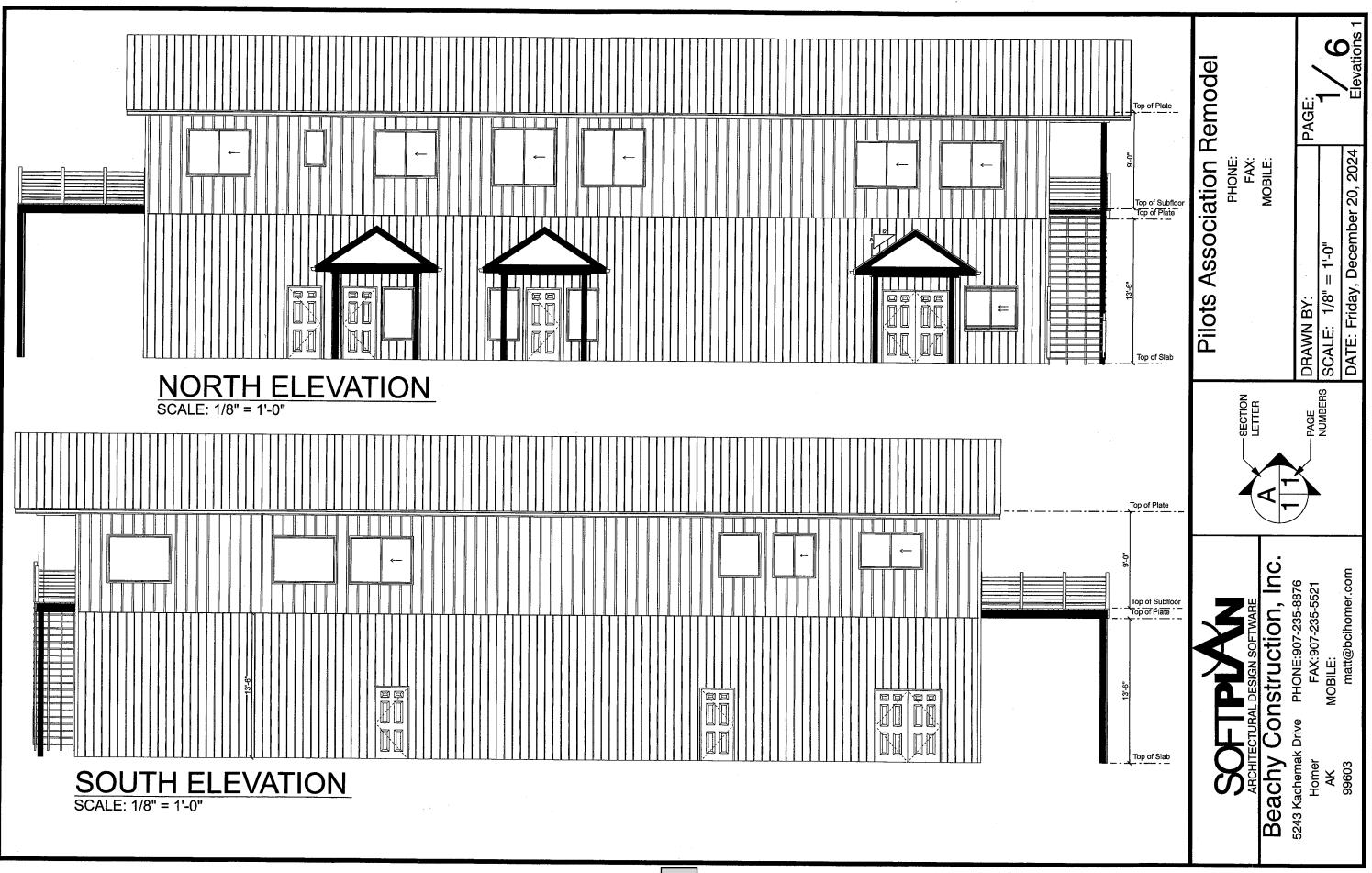
Approval of submitted plans is not approval of omissions or oversights by this office or noncompliance with any applicable regulations of the Municipal Government. The plans have not been reviewed for compliance with the federal Americans with Disabilities Act or structural requirements.

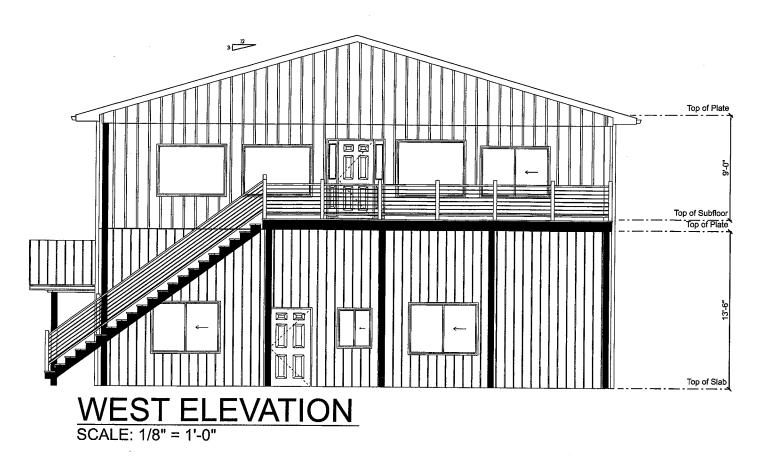
It must be understood that the inclusion of and compliance with State Fire Safety Regulations does not preclude the necessity of compliance with the requirements of local codes and ordinances.

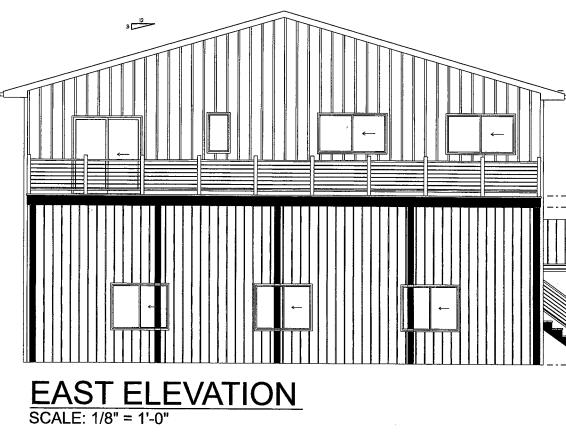
If we can be of further assistance in this matter, please feel free to contact us at the address above.

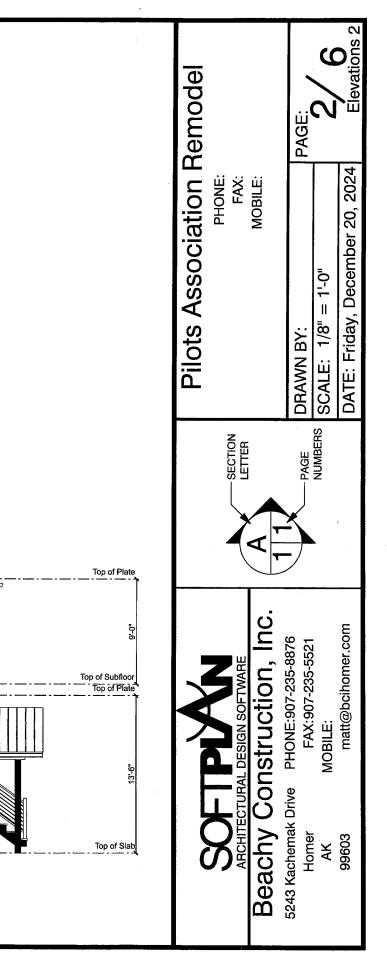
Approved By: Steven Josten Building Plans Examiner I steven.josten@alaska.gov

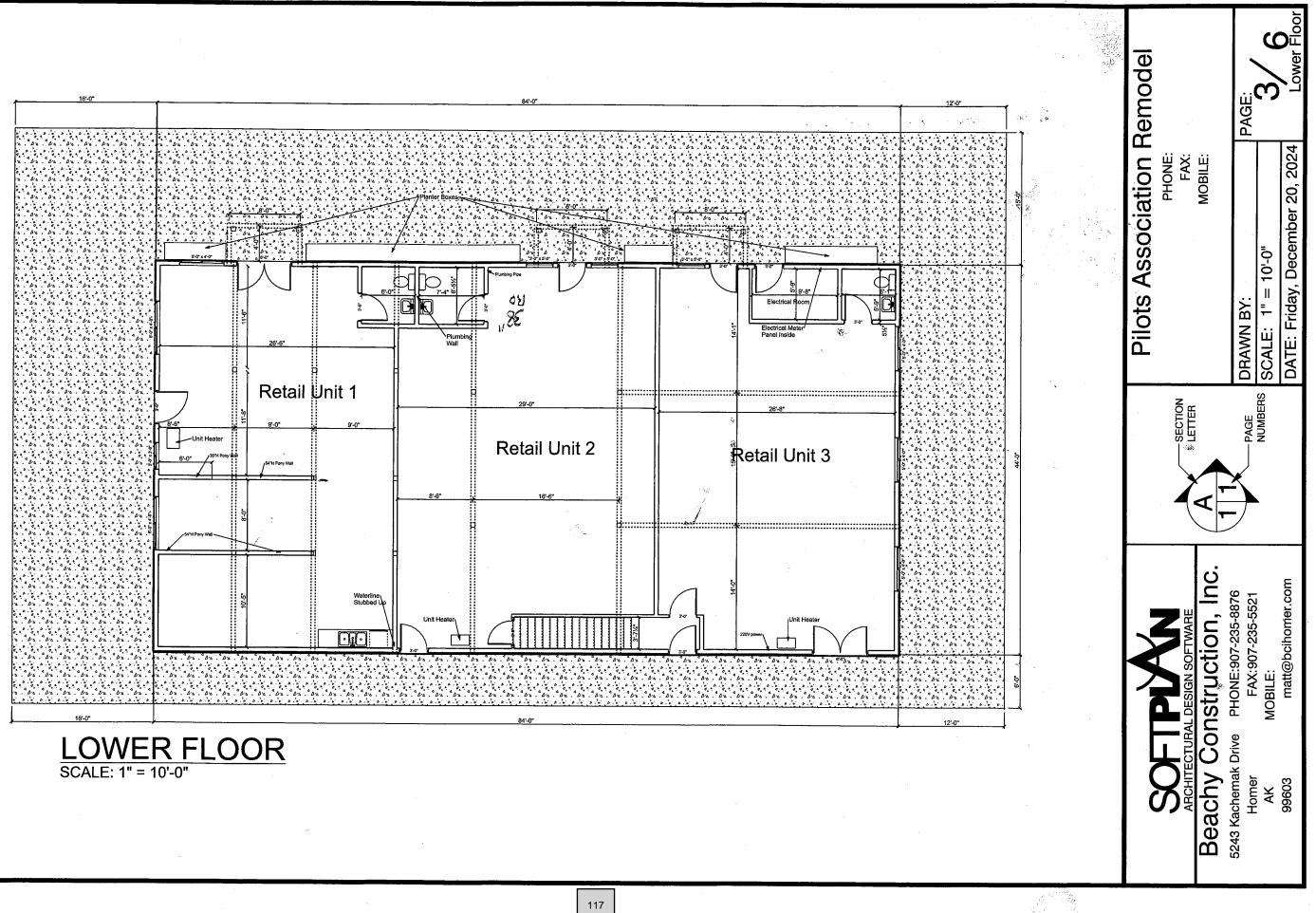
Enclosure: Approval Certificate











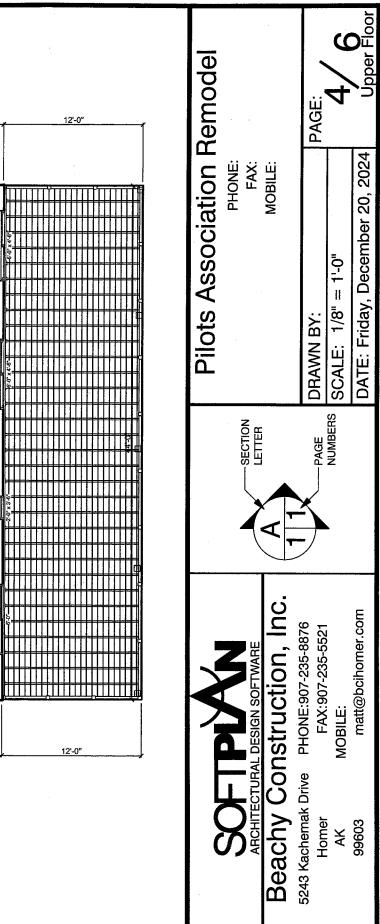


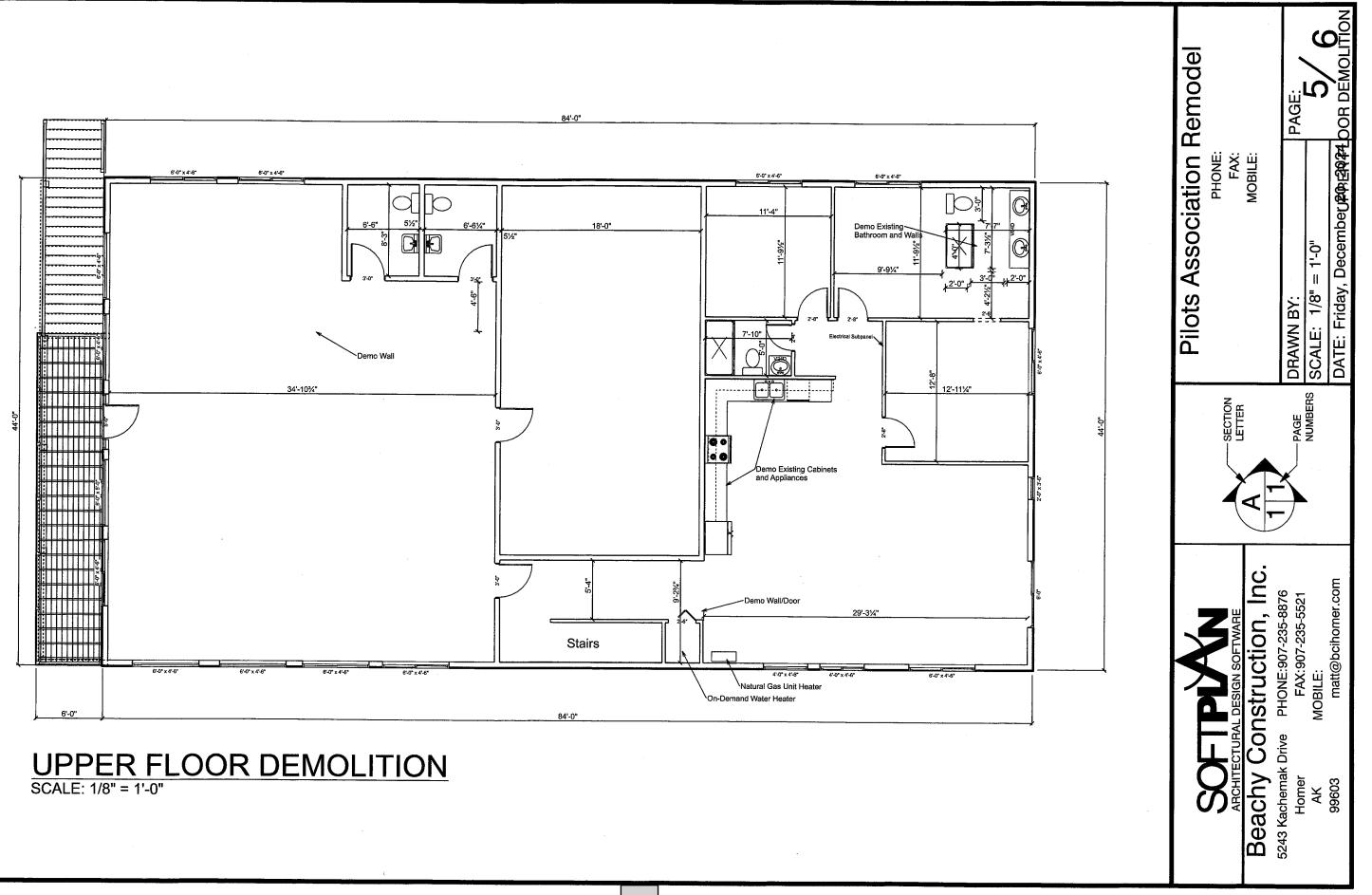
 \sim

att have

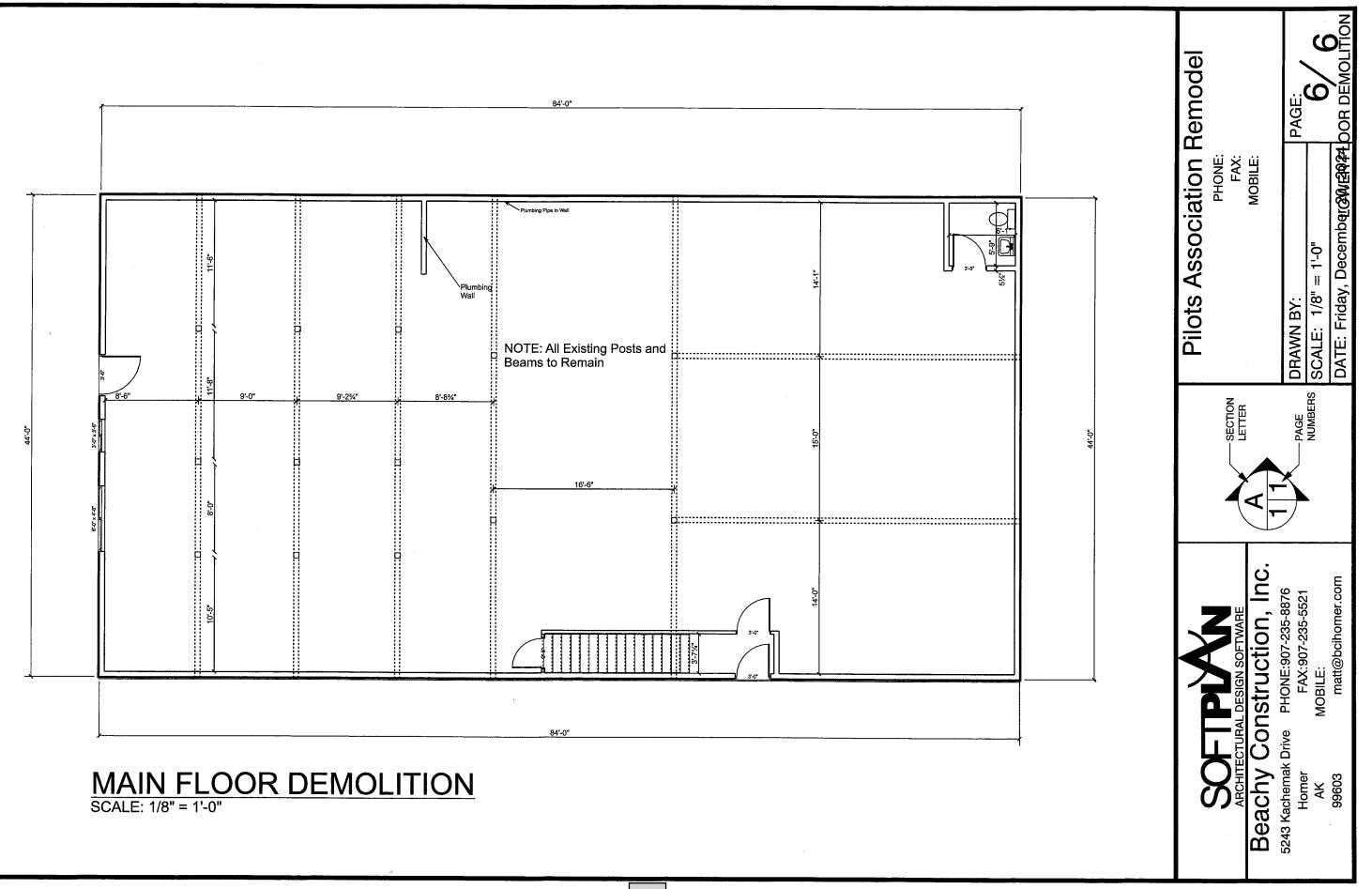
84'-0" 6'-0" x 4'-6" 6'-0" x 4'-6" 6'-0" x 5'-6" 6'-0" x 5'-6" 6'-0" x 4'-6" 2'-0" x 3'-6" 6'-0" x 4'-6" Ð \supset \bigcirc 11'-4" 12'-4¼" Unit Heater Unit Heate 5% 6'-6¼" 18'-0' 3'-0" **OFFICE 2** 20'-111/2" OFFICE 1 13'-5¾" 51/2 6-0° x4-5 Electrical Subpane 9 Ğ, 11'-8" 12'-11¼" 4'-1" 34'-10¾" Q. .. 🙆. **.**9 SWAPA FILE STORAGE 3'-0" 7'-0" 4'-0" 7'-10" ÷ 4'-9¾" 9 4'-0" 34'-10¾" 9'-0" OFFICE APARTMENT SPACE ×. SWAPA/ANS OFFICE 10'-2¾" 29'-31⁄4" Unit Heate Stairs 6'-0" x 4'-6" 6'-0" x 4'-6" 6'-0" x 4'-6" 6'-0" x 4'-6' 6'-0" x 4'-6" 4'-0" x 4'-6" 4'-0" x 4'-6 atural Gas Unit Heater On-Demand Water Heater 6'-0" 84'-0"

UPPER FLOOR SCALE: 1/8" = 1'-0"

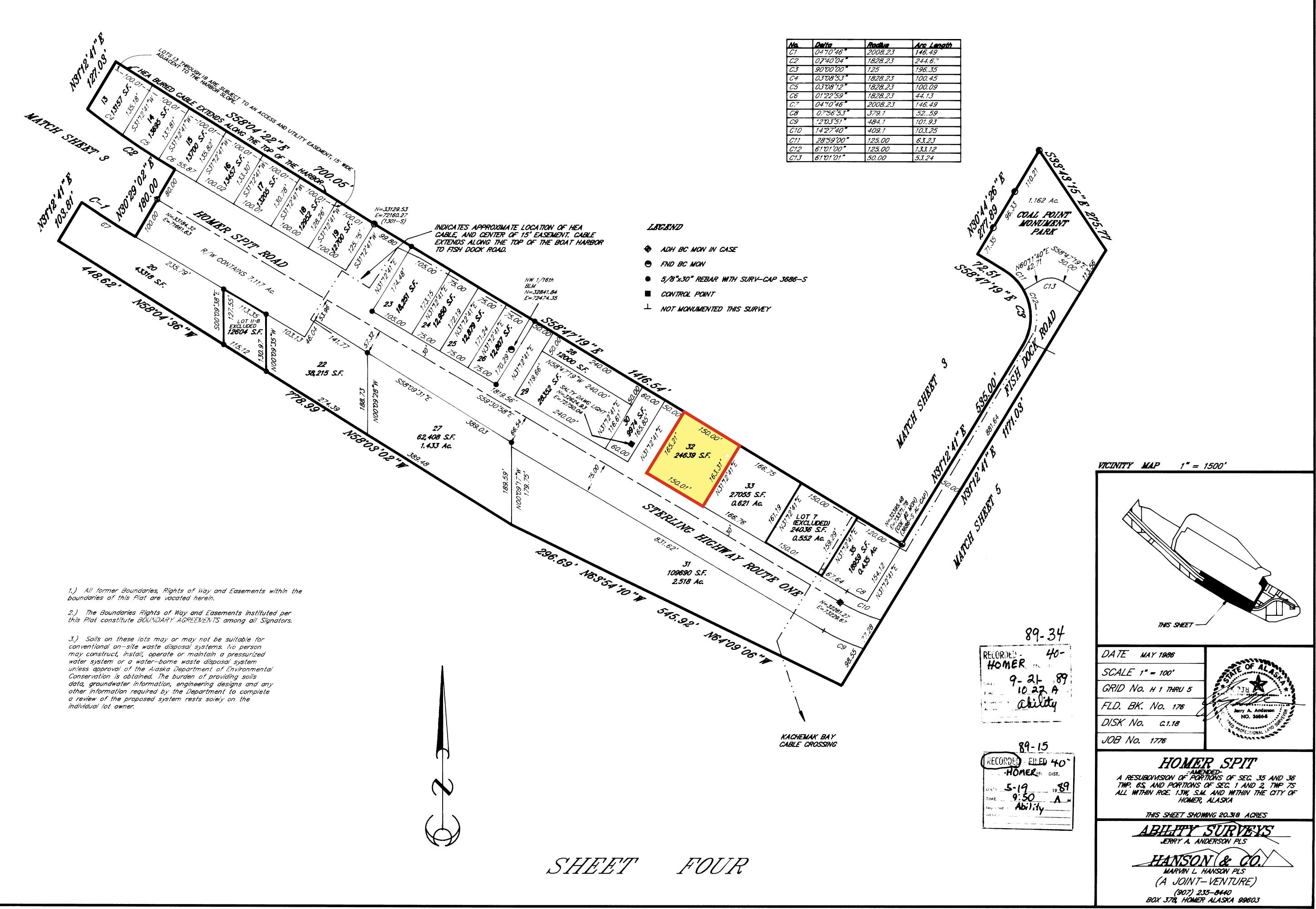




o .

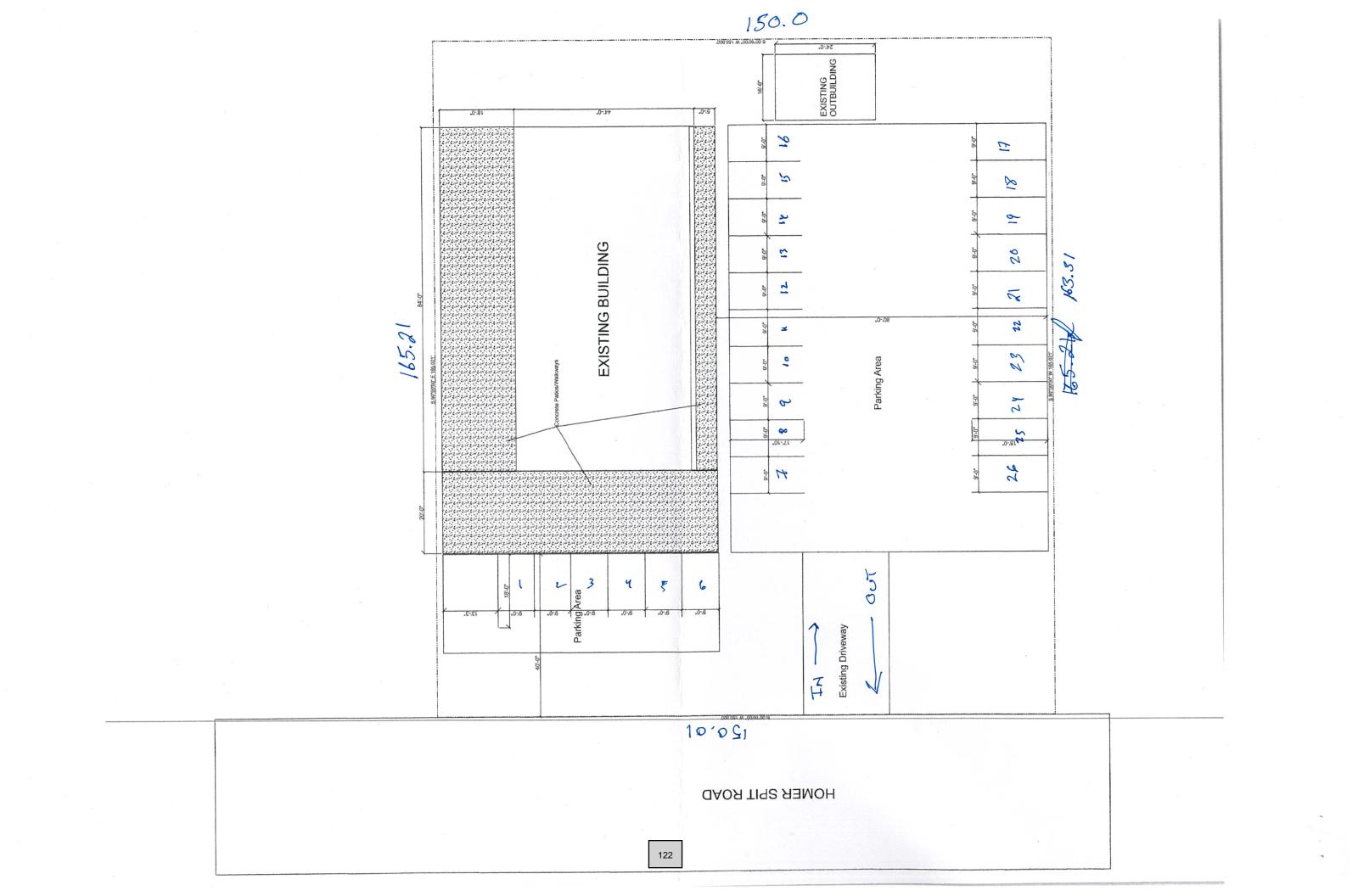


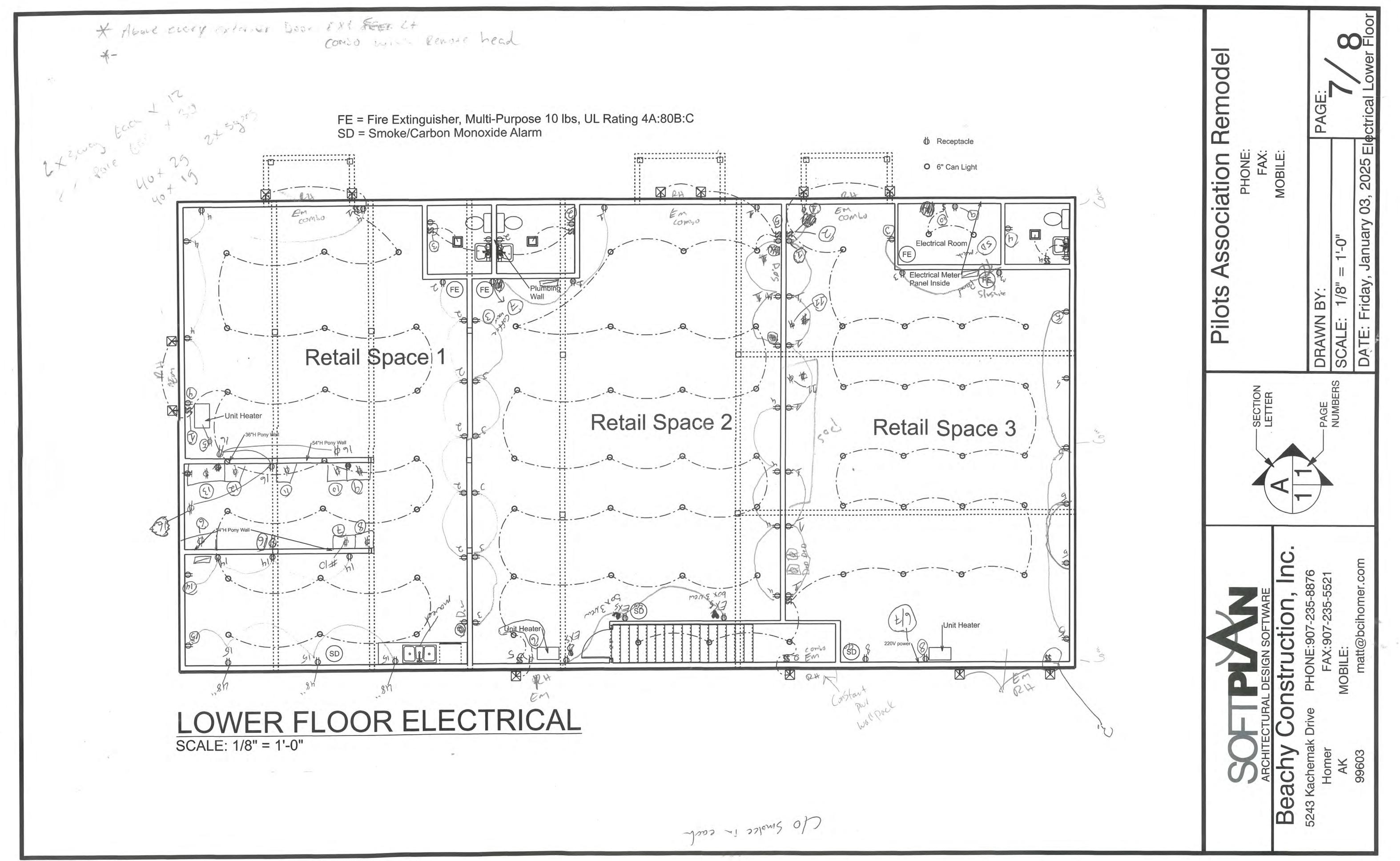
6 * * *

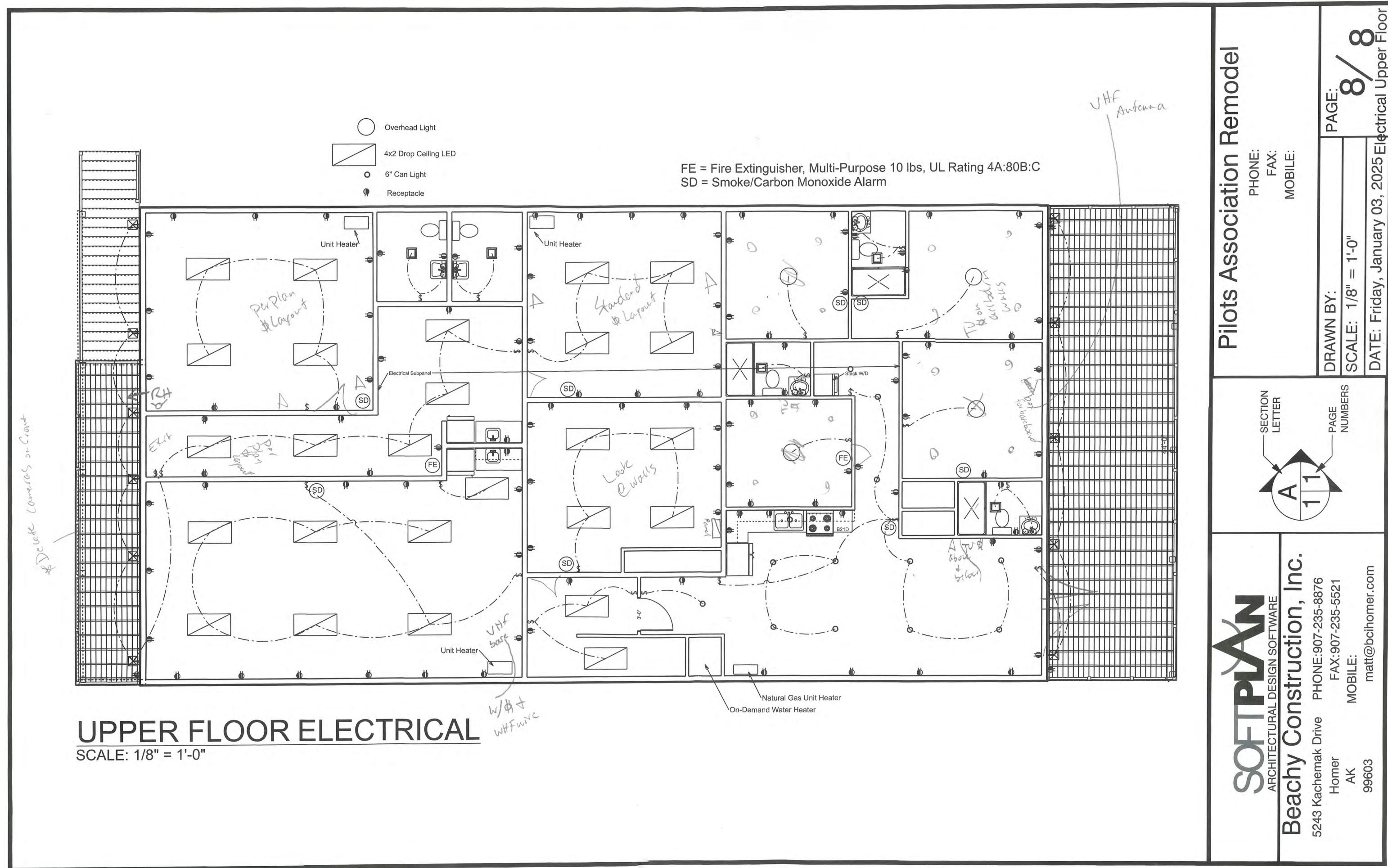




Na	Delta	Rockie	Are Length
C1	0470'46"	2008.23	146.49
С2	07'40'04"	1828.23	244.6.7
С3	90°00'00"	125	<i>196.35</i>
C4	03°08'53"	1828.23	100.45
С5	03'08'12"	1828.23	100.09
C6	01 22'59"	1828.23	44.13
<i>C.7</i>	0470'46"	2008.23	146.49
C8	07'56'53*	379.1	5259
C9	1203'51*	484.1	101.93
C10	1427'40"	409.1	103.25
C11	28'59'00"	125.00	63.23
C12	61'01'00*	125.00	133.12
C13	610101"	50.00	53.24







* 1

. .

CHANGE OF USE COU-025-001	CITY OF HOMER Planning & Zoning
	491 East Pioneer Avenue
and the start first first starts	(907) 235-3106 7/ASY
	Fax (907) 235-3118
Name of owner: HAPPY FACE LLC Street Address: 4400 Homes Soft RD. Homes	- AK 99603
	- AK 99603 wird Maridian HM 0890034 Homer SPat
Change of Use Start Date: 1/25/25	and the state of the states
	PPY FACE LLC
	HAPY FACE LLC
New Use Will Be:	
() Assembly (church, auditorium, theater)	() Storage
() Restaurant	() Service
() Educational (school, child care)	() Residential (Non-Commercial)
(火) Mercantile (retail store, drug store, etc.)	(×) Other: Fnoloyee Houston6
형 1월 1월 1월 1월 1월	김성이는 지방에 가장에 가장 관련이 있었다.
(attach additional sheet(s) for desc	cription if necessary)
I understand that if the use of the structure or parcel is cha	anged without prior approval from the City of Homer
P & Z Department, the City may take any necessary action	n to bring the structure into compliance.
It is my responsibility to contact the Fire Marshall at (907)	269-5604 to schedule a State Fire Marshall
inspection. If this use is a conditionally permitted use that (HAPC) approval, a Conditional Use Permit (CUP) must be	
to beginning this new use. Where applicable, an approved	d parking plan must be on file with P&Z.
Signature:	Date: 2/25/2025
Mailing Address: PO BOX 977 Homer AK	99603
Phone #: 720-326-6695	
FOR P&Z OFFICE U	SE ONLY
Zoned: MC	
Is new proposed use permitted in this zone?	() Y, conditionally () No
() Y, outright () Y, with additional standards	
Is there sufficient parking/an approved parking plan?	
Explain any special circumstances and attach parkin	ig plan in required. PARKENG PLAN HTTACEED
Changes in signage? NO	
Conditions:	
Edward D Show Associate Pla	muer 3/28/25
(X) Approved () Approved with conditions	() Denied
Fee from schedule: \$50.00	Pmt Rcv'd By
이상 사람이 가지 않는 것이 가지 않는 것이 없다.	Paid By: John Stewart Code 21-2106
a state and the second	Date: 2/25/25 Code 21-2106

C:\Users\egross\Documents\Change of Use Zoning Permit 20241 Updated 9/4/2024

City of Homer, AK

City of Homer

491 E. Pioneer Avenue Homer, AK 99603

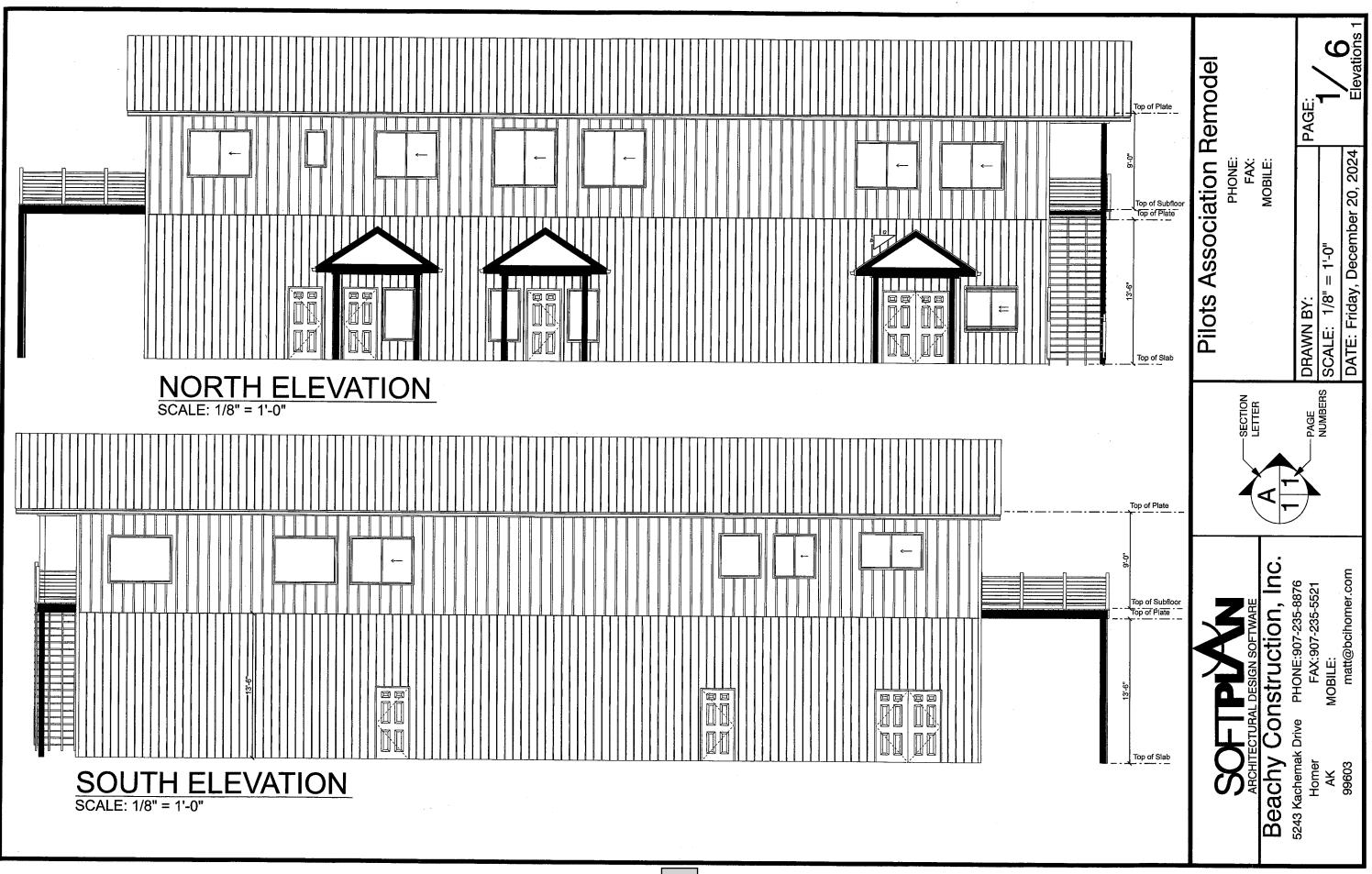
https://www.cityofhomer-ak.gov/

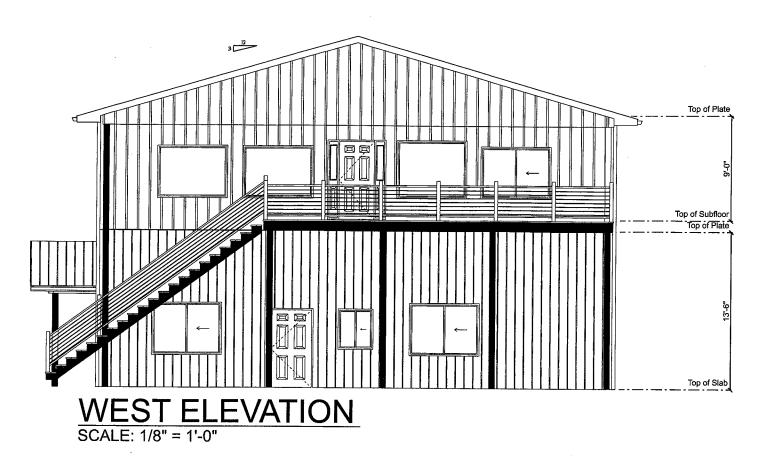
COU-025-				CHANGE	
PRIMARY PA PROJECT NA	SS: 4400 HOMER SPIT RD RCEL: 18103432 ME: HAPPY FACE BUILDII DD TWO RETAIL SPACES,	NG COU; RESTAU		ISSUED: 03 EXPIRES: 09	
APPLICANT:	City of Homer 491 East Pioneer Avenue HOMER, AK 99603		OWNER:	City of Homer 491 East Pioneer Avenue HOMER, AK 99603	
		PERMIT	DETAILS		
Detail Name				Detail Value	
Describe The ⁻	Type Of Structure And How	It Will Be Used		Happy Face Building COU Restaurant Reduced; Add Spaces, Marine Commerci	Two Retail
Legal Descript	ion of the Property (If Unkno	wn write "N/A")		T 7S R 13W SEC 1 SEWA MERIDIAN HM 0890034 H SPIT AMENDED LOT 32	
Enter The Esti	mated Market Value Of Impr	ovements		750000	
Enter The Tota (All Floors Of A	al Floor Area That Will Be Ac All Proposed Buildings Comb	Ided With Your Pro bined).	ject In Square Fo	eet 0	
How Many Tot	al Buildings Are Currently O	nsite?		1	
	al Floor Area Of The Existing ildings Combined).) Buildings, In Squa	are Feet (All Floo	rs Of 7392	
Select Zoning	District of the Project Location	on		Marine Commercial Distric	t (MC)
Current Use				Restaurant	
Proposed Use				Restaurant, Retail, Employ	ee Housing

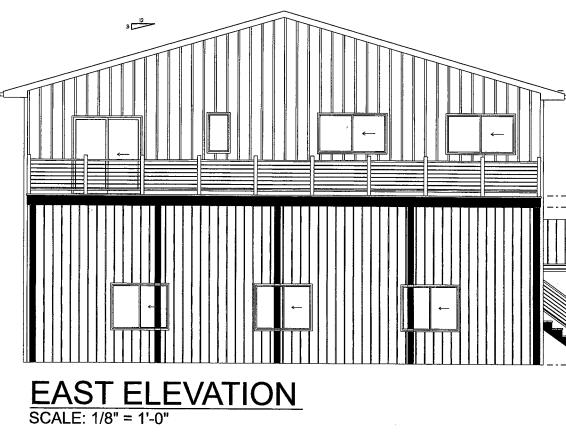
	FEES:		Paid	Due
	Change of Use Fee		\$50.00	\$0.00
		Totals :	\$50.00	\$0.00

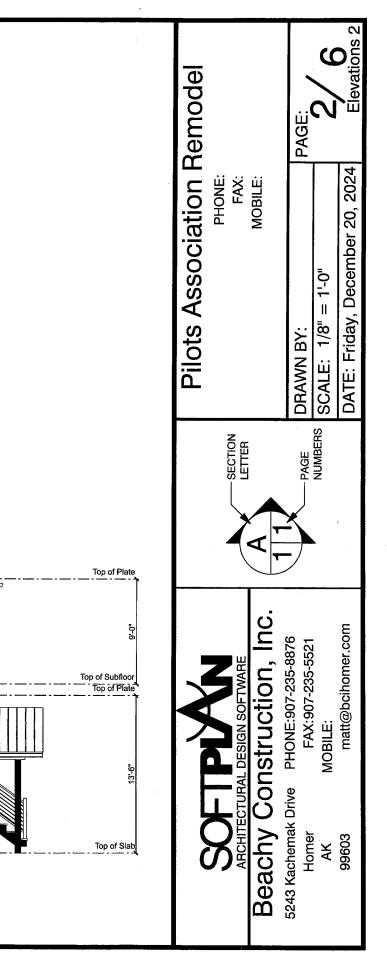
REQUIRED INSPECTIONS

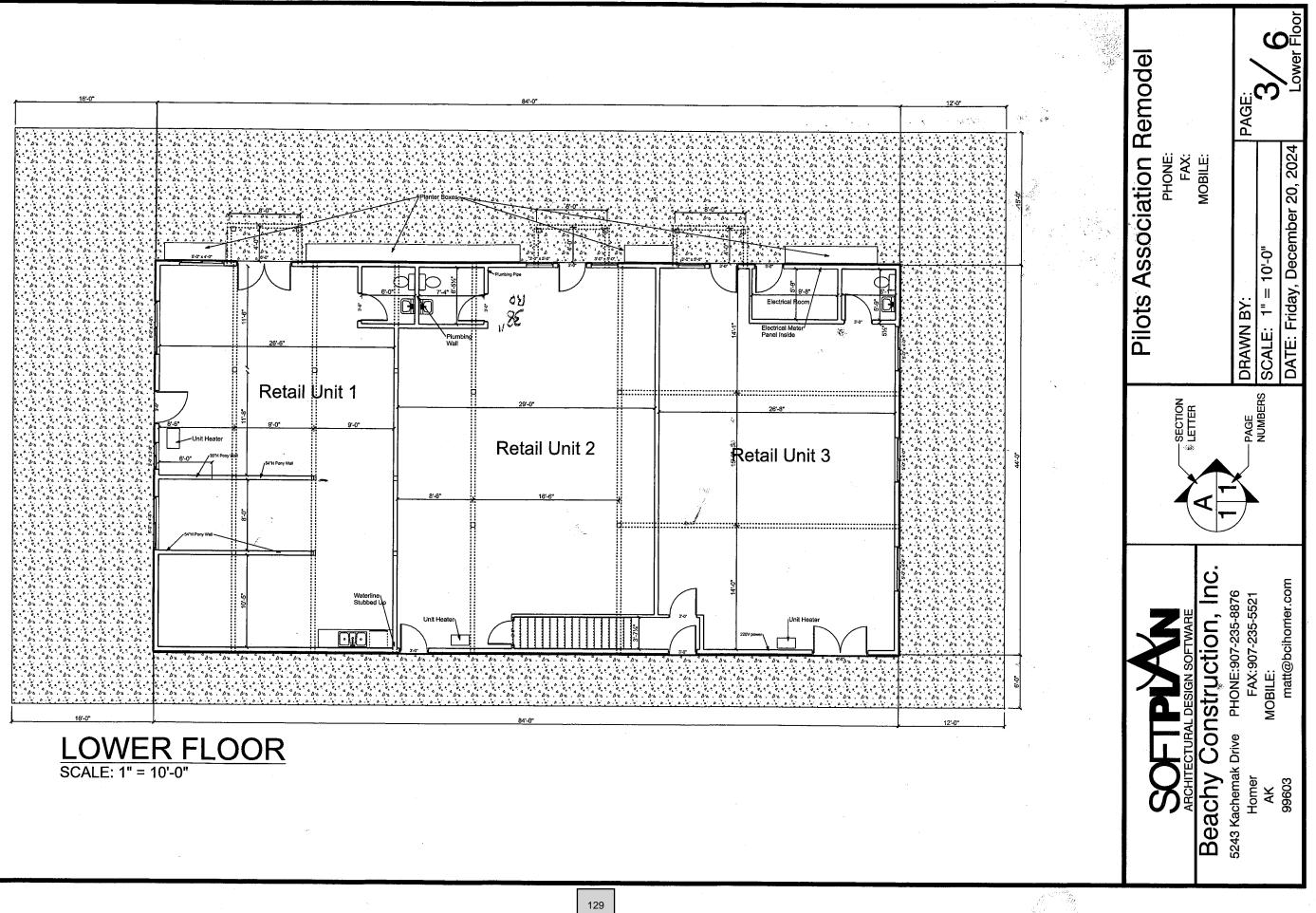












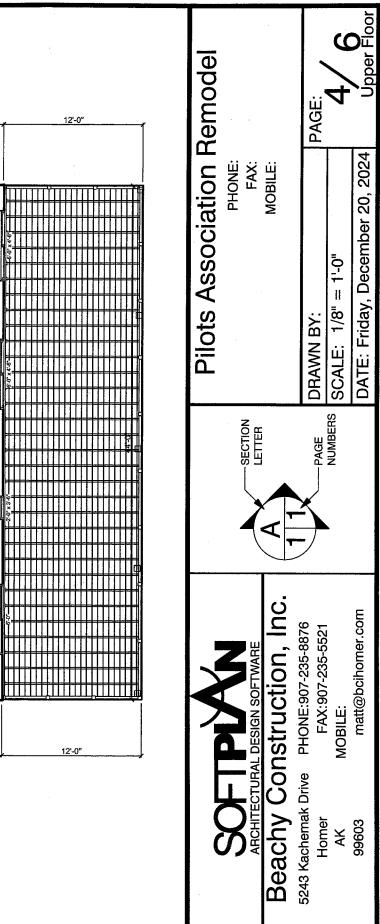


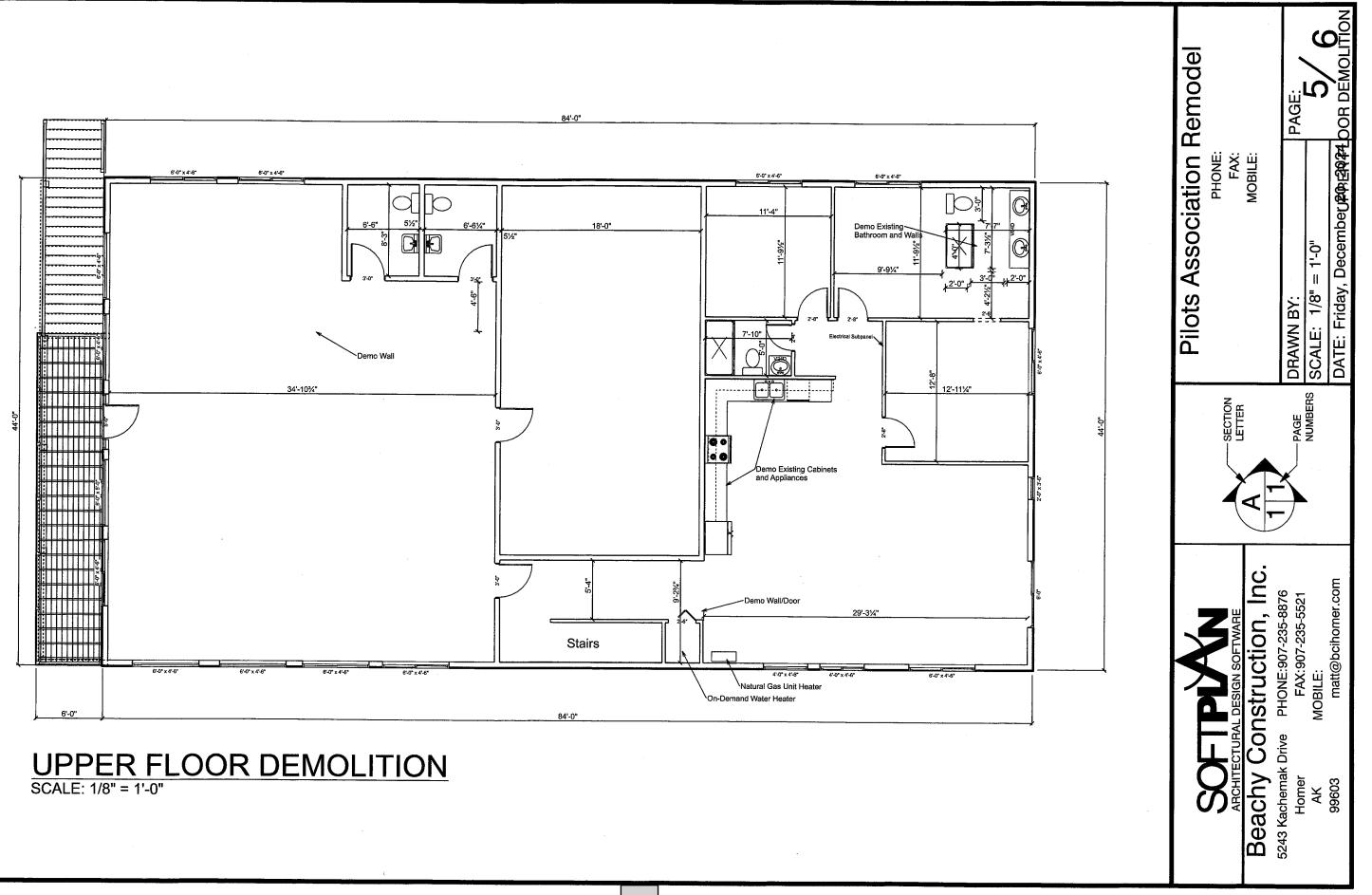
 \sim

att have

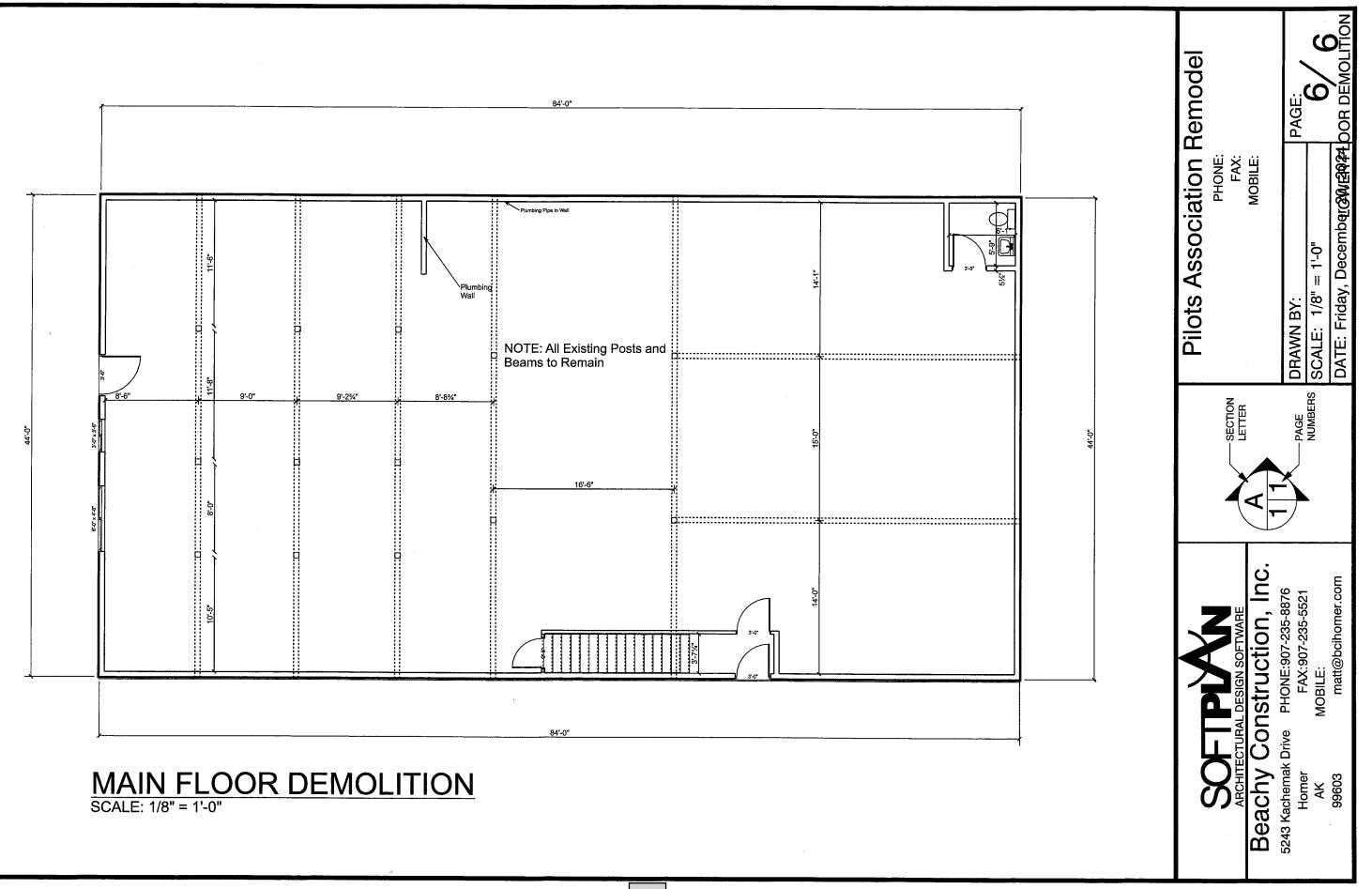
84'-0" 6'-0" x 4'-6" 6'-0" x 4'-6" 6'-0" x 5'-6" 6'-0" x 5'-6" 6'-0" x 4'-6" 2'-0" x 3'-6" 6'-0" x 4'-6" Ð \supset \bigcirc 11'-4" 12'-4¼" Unit Heater Unit Heate 5% 6'-6¼" 18'-0' 3'-0" **OFFICE 2** 20'-111/2" OFFICE 1 13'-5¾" 51/2 6-0° x4-5 Electrical Subpane 9 Ğ, 11'-8" 12'-11¼" 4'-1" 34'-10¾" Q. .. 🙆. **.**9 SWAPA FILE STORAGE 3'-0" 7'-0" 4'-0" 7'-10" ÷ 4'-9¾" 9 4'-0" 34'-10¾" 9'-0" OFFICE APARTMENT SPACE × SWAPA/ANS OFFICE 10'-2¾" 29'-31⁄4" Unit Heate Stairs 6'-0" x 4'-6" 6'-0" x 4'-6" 6'-0" x 4'-6" 6'-0" x 4'-6' 6'-0" x 4'-6" 4'-0" x 4'-6" 4'-0" x 4'-6 atural Gas Unit Heater On-Demand Water Heater 6'-0" 84'-0"

UPPER FLOOR SCALE: 1/8" = 1'-0"

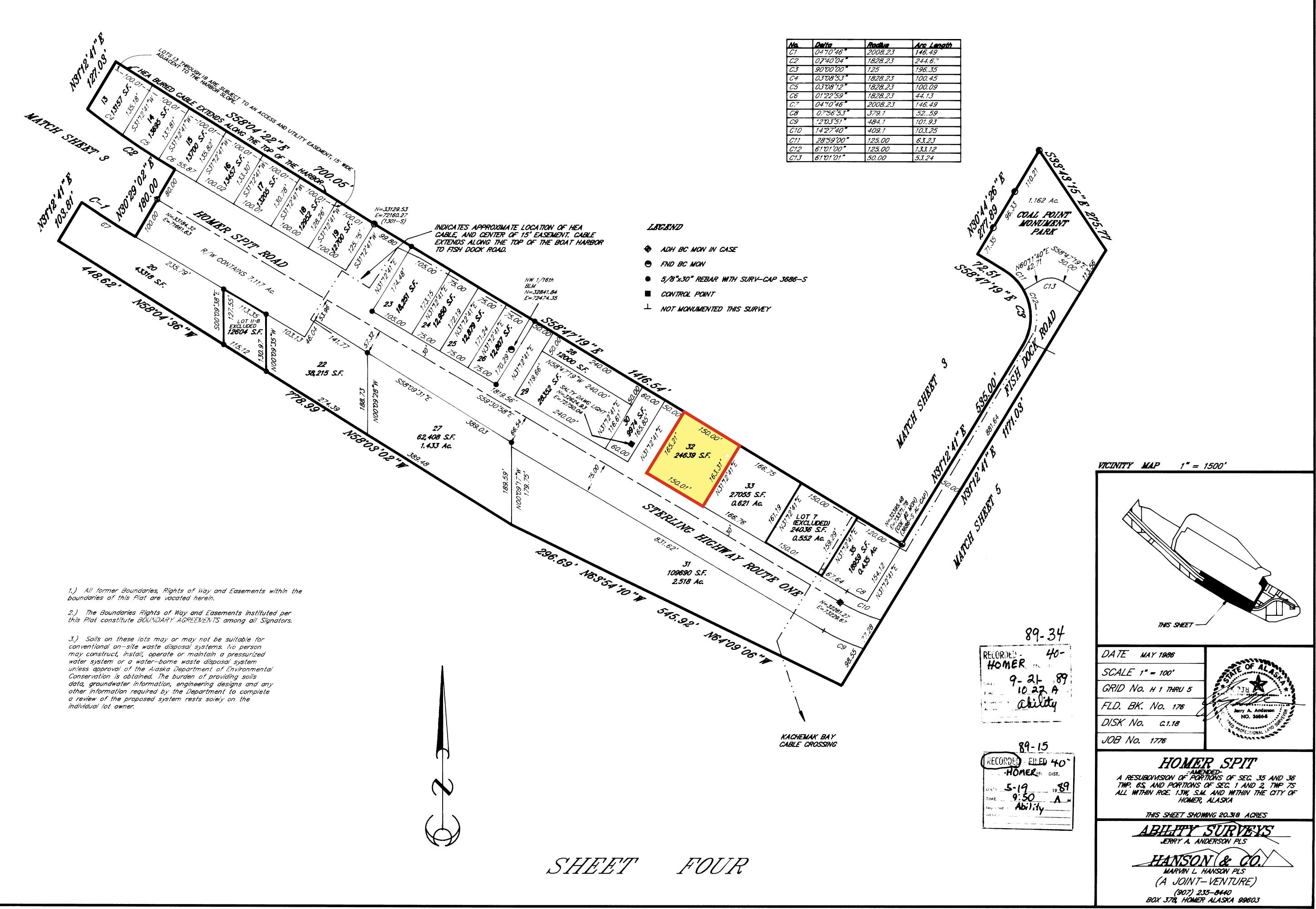




o .

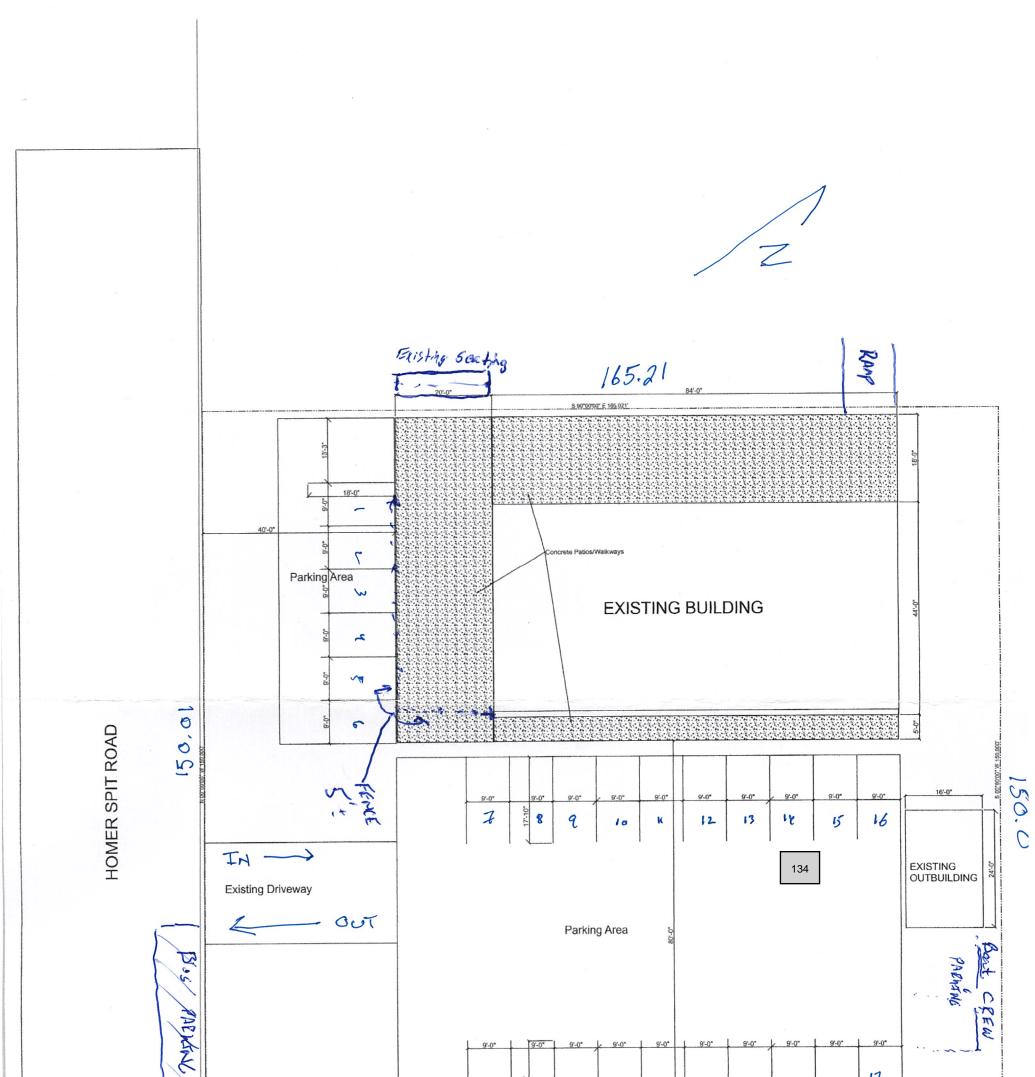


6 * * *

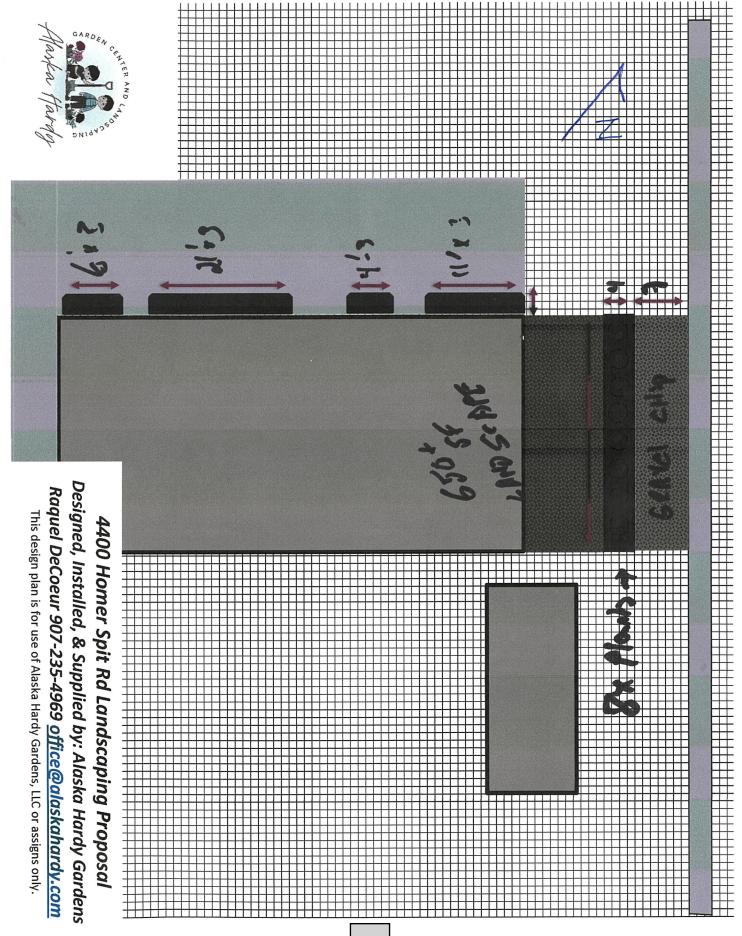




Na	Delta	Rodius	Are Length
C1	0470'46"	2008.23	146.49
С2	07'40'04"	1828.23	244.6.7
С3	90'00'00"	125	196.35
C4	03°08'53"	1828.23	100.45
С5	03'08'12"	1828.23	100.09
C6	01 22'59"	1828.23	44.13
<i>C.7</i>	0470'46"	2008.23	146.49
C8	0756'53*	379.1	5259
C9	1203'51*	484.1	101.93
C10	1427'40"	409.1	103.25
C11	28'59'00"	125.00	63.23
C12	61'01'00*	125.00	133.12
C13	610101"	50.00	53.24



26 25 2Y 21 20 5 80°00000 W 165.021 165-24 163.31



City of Homer

491 E. Pioneer Avenue Homer, AK 99603

DZP-2025-001 SITE ADDRESS: 4400 HOMER SPIT RD

PROJECT NAME: Build 657 Sq. Ft of Decks off north and South ends of building, Marine Commercial District

PARCEL: 18103432

LEGAL DESCRIPTION: T 7S R 13W SEC 1 SEWARD MERIDIAN HM 0890034 HOMER SPIT AMENDED LOT 32

PROJECT DESCRIPTION: Build Decks off of north and south ends of building

APPLICANT:

City of Homer 491 East Pioneer Avenue HOMER, AK 99603

OWNER:

City of Homer 491 East Pioneer Avenue HOMER, AK 99603

SPECIAL CONDITIONS

NOTE: Approval of this application by the City of Homer pertains only to the City's regulatory jurisdiction, and thus compliance with City Regulation does not necessarily ensure compliance with federal or state laws.

> 1). AS-BUILT SUBMITTAL REQUIREMENT: HCC 21.70.040(b). A zoning permit for a building or structure shall require the applicant to submit to City Planning an as-built survey, completed by a licensed surveyor, of the location, foundation, dimensions, and proximity to all lot lines of all buildings and structures covered by the permit, promptly after completion of the work.

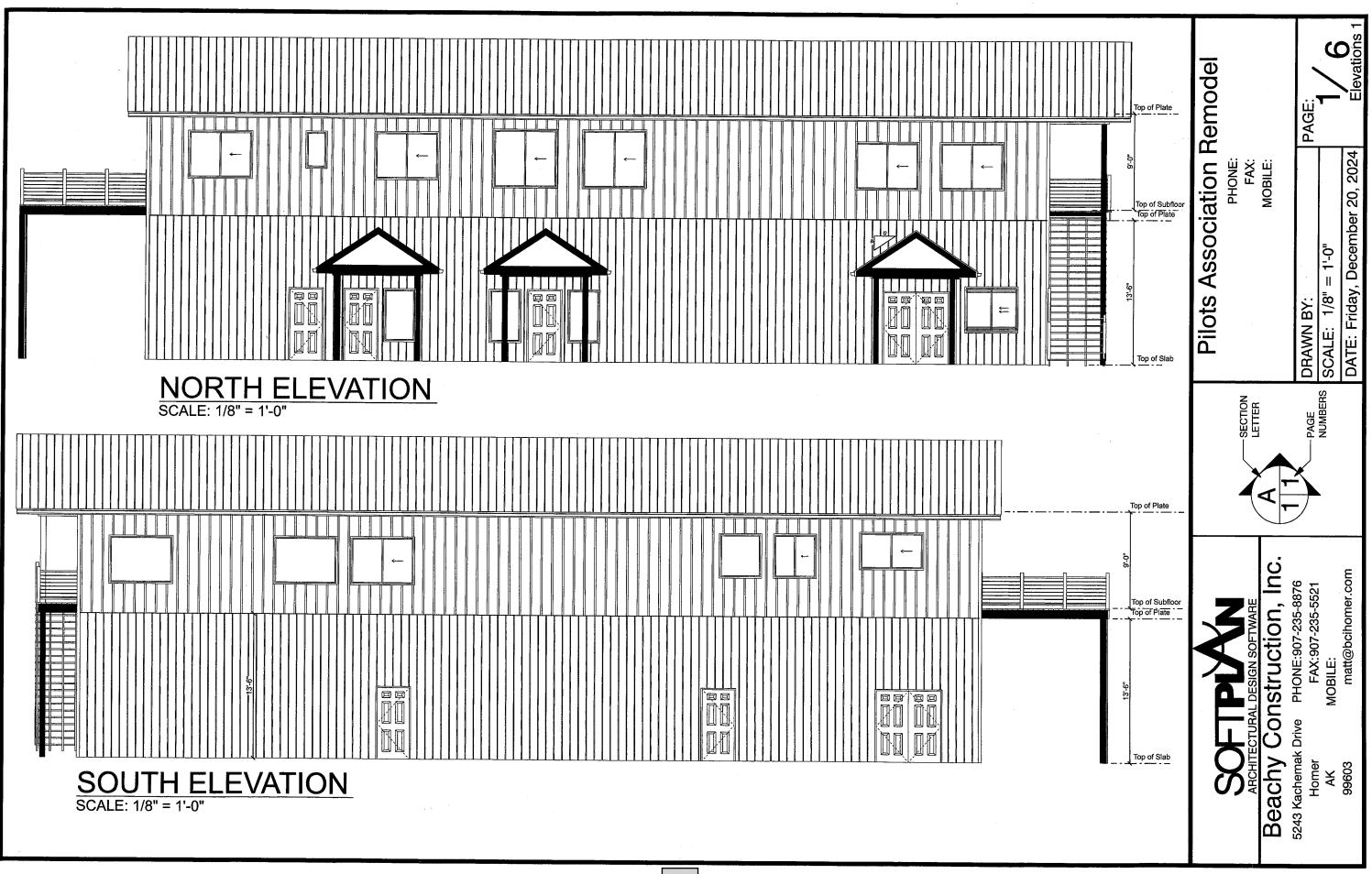
I/we hereby agree to comply with all applicable laws and regulations relating to building construction and acknowledge that I am/we are further responsible for determining which laws and regulations I/we must follow. I/we further understand that issuance of a permit does not grant a waiver of any law, building ordinance, or regulation. The permit will be issued with the understanding that the City of Homer assumes no responsibility with regard to (1) the work performed, (2) maintenance of private drainage systems that terminate in City ditch lines or drainages, including but not limited to foundation drains, proper location of lot lines, or site dimensions, (3) the accuracy of any City-held drawings, or for the permittee's interpretation thereof, and/or (4) any other matter for which the City of Homer has not expressly acknowledged its responsibility in a writing signed by all parties. I/we hereby agree to defend, indemnify, and hold harmless the City of Homer, its employees and agents from all suits, actions, or claims arising from or relating to (1) any work undertaken as a result of the issuance of the permit applied for or (2) denial of a permit.

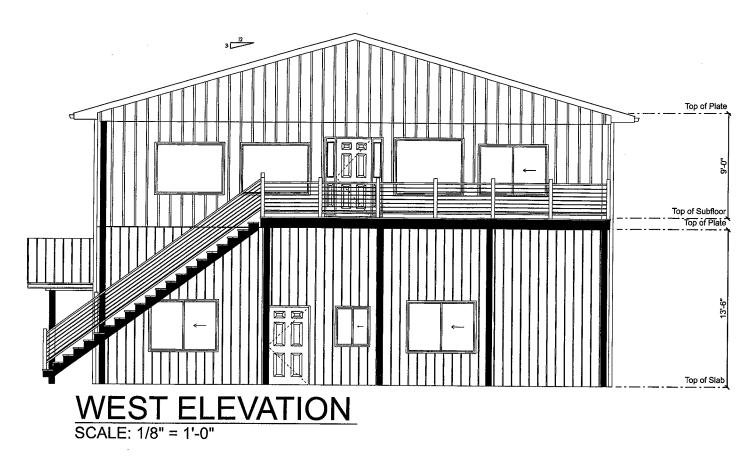
I/we understand that the application fee covers the costs associated with processing this application, and that payment of same is nonrefundable and does not assure approval of the site plan. I/we acknowledge that by signing this application I am/ we are authorizing employees or agents of the City access for exterior site inspections. This permit must be displayed so that it is readily visible from the nearest street, at the site for which the permit was obtained. If the exterior work is not completed by the permit's expiration date, one reasonable extension may be granted for good cause shown.

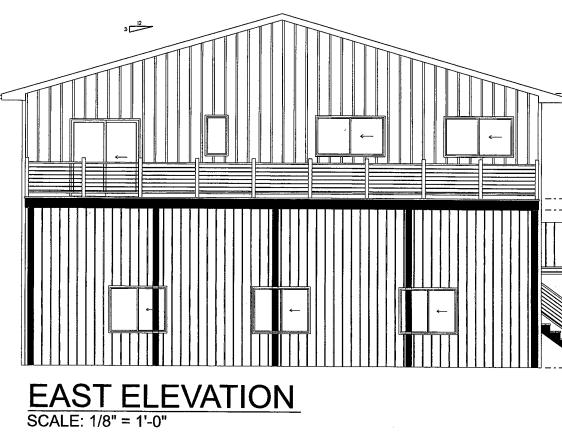
Planning Staff's Signature of Approval:	<i>Edward Gross</i> City Official	Date: 02/26/2025

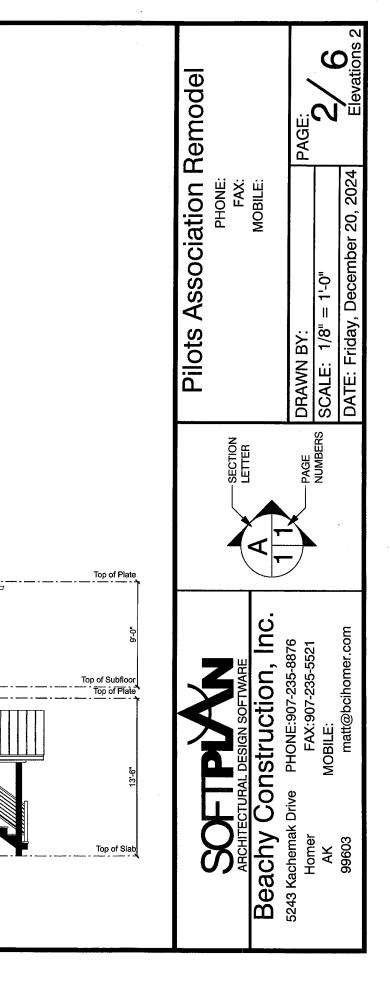


Deck Zoning Permit ISSUED: 02/26/2025 EXPIRES: 08/26/2026



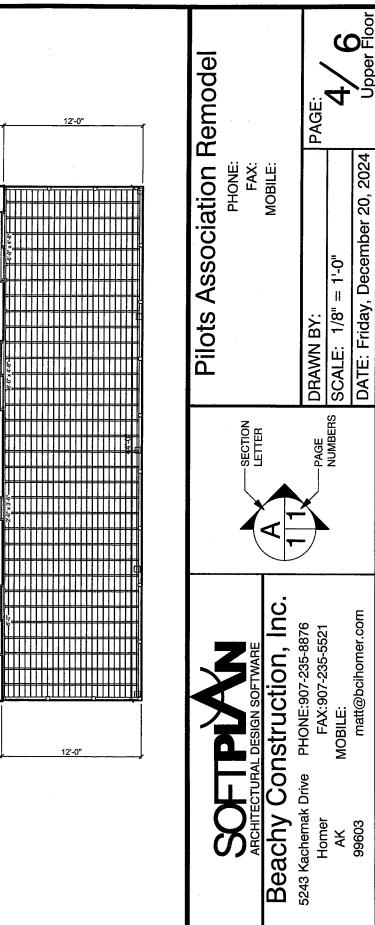






84'-0" 6'-0" x 4'-6" 6'-0" x 4'-6" 6'-0" x 5'-6" 6'-0" x 5'-6" 6'-0" x 4'-6" 2'-0" x 3'-6" 6'-0" x 4'-6" Ø C \bigcirc 11'-4" 12'-4¼" Unit Heate Unit Heate 5% 6'-61/4" 18'-0' B Ð 3'-0" **OFFICE 2** 20'-111/2" OFFICE 1 13'-5¾"]5½' 2'-8' 6-0-x4-6 Electrical Subpane 110 Õ 11'-8" 12'-11¼" 3'-0" 34'-10¾" . 🗂 **.**9 SWAPA FILE STORAGE ト 3.-0. 7'-0" 4'-0" 7'-10" φ ve x 4'-9¾" 0-0 4'-0" 34'-10¾" .9.4×.0. OFFICE APARTMENT SPACE SWAPA/ANS OFFICE 10'-23/4" 29'-31⁄4" Unit Heate Stairs 6'-0" x 4'-6" 6'-0" x 4'-6" 6'-0" x 4'-6' 6'-0" x 4'-6 6'-0" x 4'-6 4'-0" x 4'-6" 4'-0" x 4'-6 atural Gas Unit Heater On-Demand Water Heater 6'-0" 84'-0"

UPPER FLOOR SCALE: 1/8" = 1'-0"



1	CITY OF HOMER
2	HOMER, ALASKA
3	City Manager/
4	Port Director
5	RESOLUTION 25-027
6	
7	A RESOLUTION OF THE CITY COUNCIL OF HOMER ALASKA,
8	APPROVING A LEASE ASSIGNMENT FROM BERTH II INC. TO HAPPY
9	FACE LLC FOR THE PROPERTY ENTITLED T 7S R 13W SEC 1
10	SEWARD MERIDIAN HM 0890034 HOMER SPIT AMENDED LOT 32,
11	HOMER RECORDING DISTRICT, STATE OF ALASKA AND
12	AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE
13	THE APPROPRITE DOCUMENTS.
14	
15	WHEREAS, Resolution 24-068 approved a lease assignment from Y & C, LLC to Berth II
16	Inc.; and
17	
18	WHEREAS, Berth II, in order to separate components of their real estate holdings into
19	discrete entities, sold the buildings on the property to Happy Face, LLC, which is largely
20	comprised of the same members as Berth II, Inc.; and
21	WILLEDEAC Continue COD of the Lease requires that any buildings firtures and
22	WHEREAS, Section 6.02 of the Lease requires that any buildings, fixtures, and
23 24	improvement will remain the property of the Lessee; and
24 25	WHEREAS, At the direction of City staff, Happy Face, LLC, applied for an assignment for
26	the duration of the term of the Lease from Berth II, Inc.; and
27	
28	WHEREAS, The City finds the Tenants to otherwise be in compliance with the Lease and
29	considers their planned use of the facility to be appropriate for the property's Marine
30	Commercial zoning.
31	
32	NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska hereby
33	approves the lease assignment from Berth II, Inc. to Happy Face, LLC of the Ground Lease and
34	Security Agreement for the property entitled T 7S R 13W SEC 1 Seward Meridian HM 0890034
35	Homer Spit Amended Lot 32, Homer Recording District, State of Alaska and authorizes the City
36	Manager to negotiate and execute the appropriate documents.
37	
38	PASSED AND ADOPTED by the Homer City Council this 14th day of April, 2025.

Page 2 of 2 Resolution 25-027 CITY OF HOMER

39		
40		CITY OF HOMER
41		
42		
43		
44		RACHEL LORD, MAYOR
45		
46	ATTEST:	
47		
48		
49	RENEE KRAUSE, MMC, CITY CLERK	
50		
51	Fiscal Note: Resolution 24-068	
49	RENEE KRAUSE, MMC, CITY CLERK	

ASSIGNMENT AND AMENDMENT TO LEASE AGREEMENT

This Assignment and Amendment of Lease Agreement ("Assignment") is made and entered into as of April 15, 2025 ("Effective Date") by and among the **City of Homer**, an Alaska municipal corporation ("Landlord") whose address is 491 East Pioneer Avenue, Homer, Alaska 99603, and **Berth II, Inc.**, an Alaska Limited Liability Company ("Tenant") whose address is 4400 Homer Spit Road, Homer, AK 99603, and **Happy Face LLC** ("Assignee") whose address is P.O. Box 3147 Homer, Alaska 99603, and assigns and amends the Lease dated July 1, 2024.

RECITALS

WHEREAS, Tenant and Landlord are parties to that certain Ground Lease and Security Agreement ("Lease") dated February 1, 2019 assigned to tenant in Assignment dated July 1, 2024, (a copy of which is attached hereto as Exhibit F) for the property entitled T 7S R 13W SEC 1 SEWARD MERIDIAN HM 0890034 HOMER SPIT AMENDED LOT 32, for a term of twenty (20) years which expires June 30, 2044 with two (2) additional five (5) year renewal terms;

WHEREAS, Under Section 8.01 of the Lease Tenant shall not assign or sublease its interest in this Lease or in the Property without first obtaining the written consent of City Council, which will not be withheld unreasonably, and in accordance with Section 18.08.160(b) of the Code of Ordinances of the City of Homer, Alaska ("Homer City Code"), Tenant submitted to Landlord a written Request for Assignment on April 8, 2025;

WHEREAS, Landlord has reviewed the request and determined Tenant is in good standing and eligible to assign the lease, and Assignee's application (attached hereto as Exhibit A) and determined the Assignee can fulfill the terms of the Lease and requirements under Homer City Code Chapter 18.08;

NOW, THEREFORE in consideration of the mutual consent of all listed parties and the receipt and legal sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENT

1. Assignment/Assumption:

Effective as the Effective Date, Tenant hereby assigns and transfers to Assignee all of Tenant's (a) right, title and interest, claim and demand in the Lease including, but not limited to, all renewal rights thereunder, and (b) rights to all improvements, tenements, hereditaments, and appurtenances belonging or appertaining to the Property. Assignee hereby accepts such Assignment, expressly assumes Tenant's interest in the Lease and agrees to perform all the obligations imposed on the Tenant under the Lease (as amended by this Agreement) as a direct obligation to Landlord.

2. Landlord'sConsent:

Landlord provides its written consent dated April 14, 2025 (a copy of which is attached hereto as Exhibit B), to the Assignment as setforthin Section 1 above.

3. Amendment(s) to Lease:

3.1 ARTICLE14 GENERAL PROVISIONS, Section 14.04 Addresses for Notices, shall be amended to read as follows:

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

Port Property Associate Homer Port & Harbor 4311Freight Dock Road Homer, Alaska 99603 Facsimile: {907} 235-3152 Email: leases@ci.homer.ak.us

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

John Stewart, President Happy Face LLC POBox 3147 Homer, Alaska 99603 Email: office@swpilots.net

Each party may, from time to time, designate a different address or different agent for service of process by notice given in conformity with Section 14.03.

4. No Further Verification.

Except as set forth in this Agreement, all of the terms and provisions of the Lease shall continue to apply and shall remain unmodified and in full force and effect Effective as of the date hereof, all references to the "Lease" shall refer to the Lease as amended by this Agreement.

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

LESSOR:	CITY OF HOMER
	By: Melissa Jacobsen, City Manager
TENANT:	BERTH II INC.
	By: John Stewart, President
ASSIGNEE:	Happy Face LLC
	Ву:
	John Stewart, President
STATE OF ALASKA)) SS.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me on _____, 20____, 20____ by Melissa Jacobsen, City Manager of the City of Homer, an Alaska municipal corporation, on behalf of the City of Homer.

Notary Public in and for Alaska My Commission Expires: _____ STATE OF ALASKA)) SS. THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me on _____, 20 _____ by John Stewart, President of Berth II Inc., an Alaska Corporation.

Notary Public in and for Alaska My Commission Expires: _____

The foregoing instrument was acknowledged before me on _____, 20 ____ by John Stewart, President of Happy Face LLC, an Alaska Limited Liability Company.

Notary Public in and for Alaska My Commission Expires: _____

After recording return to:

Port Property Associate Homer Port and Harbor 4311 Freight Dock Road Homer, AK 99603

Page 4 of 5

EXHIBIT A

ASSIGNEE'S LEASE APPLICATION INCLUDING THE PROPOSED USE OF THE PROPERTY, & SCHEDULE OF ORGANIZATIONS, OWNERS, PERCENTAGE OF OWNERSHIP

Assignee, Happy Face LLC, is an Alaska Limited Liability Company organized under the laws of the State of Alaska. Attached to this exhibit is the Assignee's lease application including the proposed use of the property, a certificate issued by that state describing its legal organization and certifying that the Assignee is licensed in the State of Alaska and is in good standing.

EXHIBIT B

CONFORMED COPY OF CITY OF RESOLUTION AUTHORIZING ASSIGNMENT AND AMENDMENT OF LEASE AND AUTHORIZING SIGNERS TO SIGN ASSIGNMENT AND AMMENDMENT TO LEASE AGREEMENT ON BEHALF OF TENANT

EXHIBIT C

CERTIFICATE OF INSURANCE

As required per Section 9.04(d) of the Original Ground Lease found in Exhibit F.

EXHIBIT D

PERMISSION TO OBTAIN INSURANCE POLICIES

As required per Section 9.04(d) of the Original Ground Lease found in Exhibit F.

The City of Homer is hereby granted permission to request and obtain copies of Happy Face, LLC ("Tenant") insurance policies from Tenant's broker and/or insurer, ______. Tenant requests the broker/insurer to provide the City of Homer with information about and copies of all of Tenant's insurance policies providing the type of coverage required by the Lease between Tenant and the City of Homer.

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

Date: _____

Happy Face LLC

By:

John Stewart, President

EXHIBIT E

MOBILE FOOD VENDOR PERMIT ISSUED BY THE CITY OF HOMER

[Not Applicable]

EXHIBIT F

ORIGINAL GROUND LEASE & SECURITY AGREEMENT

Attached to this exhibit is the Ground Lease and Security Agreement ("Lease") dated January 21, 2019, entered into by the City of Homer and Happy Face LLC, previously assigned as amended to Berth II Inc. in the Assignment and Amendment dated July 1, 2024, and assigned as amended to The Happy Face LLC, herewith this Assignment and Amendment to Lease Agreement.

1 2	CITY OF HOMER HOMER, ALASKA
3	City Manager/
4	Finance Director
5	RESOLUTION 25-029
6	
7	A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
8	ACCEPTING THE FISCAL YEAR 2024 BASIC FINANCIAL
9	STATEMENTS AND ACKNOWLEDGING THE MANAGEMENT LETTER
10	SUBMITTED BY THE CITY'S INDEPENDENT AUDITOR, BDO USA, PC
11	AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE
12	FINANCIAL REPORT.
13	WHEPEAS REALISA BC conducted the annual audit submitted the Fiscal Vear 2024
14 15	WHEREAS, BDO USA, PC conducted the annual audit, submitted the Fiscal Year 2024 Basic Financial Statements, and the management letter was delivered for review and
15	distributed to the Mayor and City Council on April 2, 2025; and
17	distributed to the Mayor and enty council on April 2, 2023, and
18	WHEREAS, BDO USA, PC made a public presentation during the Regular Meeting of April
19	14, 2025.
20	
21	NOW, THEREFORE, BE IT RESOLVED by the City Council of Homer, Alaska, that the Fiscal
22	Year 2024 Basic Financial Statements are accepted and that the management letter is
23	acknowledged as submitted by BDO USA, PC, the City's independent auditor.
24	
25	PASSED AND ADOPTED by the Homer City Council this 14 th day of April, 2025.
26	
27	CITY OF HOMER
28	
29	
30	
31	RACHEL LORD, MAYOR
32	ATTEST:
33 34	
34 35	
35 36	RENEE KRAUSE, MMC, CITY CLERK
37	NENEE MAADE, MAC, CHT CLEAR
38	
39	Fiscal Note: N/A



Resolution 25-031, A Resolution of the City Council of Homer, Alaska Awarding the Contract for the Ohlson Lane West Bunnell Avenue Roadway and Water Improvements Project to the firm of East Road Services of Homer Alaska in the Amount of \$2,064,000 and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Clerk.

Item Type:	Backup Memorandum
Prepared For:	Mayor Lord and City Council
Date:	April 9, 2025
From:	Leon Galbraith, P.E., City Engineer
Through:	Melissa Jacobsen, City Manager

Summary:

This Resolution serves to authorize a contract for construction of the Ohlson Lane and W. Bunnell Avenue road, water and stormwater improvements.

Background:

An invitation to bid for the above-referenced project was publicly advertised in the Homer News on February 27, 2025 and March 6, 2025 and in the Anchorage Daily News on March 9, 2025. The latest engineer's estimate was \$2,559,149. There were seven addendums issued on the project and 5 bids were opened at 2:00 PM on April 8, 2025. The following bids were deemed responsive:

BIDDER	AMOUNT
East Road Services	\$2,063,075.60
Southcentral Construction	\$2,235,063.00
Granite Construction Company	\$4,418,055.00
QAP	\$3,775,320.00
Bristol Infrastructure Design Services	\$3,883,569.00

Project Budget:

Funds budgeted to the project to absorb the cost of construction are as follows:

Ordinance 24-24 appropriated \$90,000 from the Water CARMA Fund to complete the design of the new water main.

Ordinance 24-61 appropriated \$2,000,000 from the HART Roads Fund for construction of the project. Ordinance 25-21 appropriated \$300,000 from the Water CARMA Fund for construction of the new water main. Ordinance 25-28 unappropriated \$268,605 from the HART Roads Fund, leaving \$1,731,395 in remaining money from HART Roads.

Additionally, the City is receiving from ADEC's State Revolving Loan Program \$491,400 in principle forgiveness for the water main replacement and \$324,000 in principle forgiveness for the construction of storm drain.

The total project funding from all sources is \$2,936,795.

Expenditures in the amount of \$67,501 for completing the project design and \$63,412 is expected to be spent on bidding and construction assistance services.

The low bid for construction, from East Road Services is for \$2,063,075.60

This leaves the project with a \$742,806.40 contingency.

Recommendation:

Public Works recommends that a contract be awarded to East Road Services in the amount of \$2,063,075.60 for construction of the Ohlson Ln. and W. Bunnell Ave. Roadway and Water Improvements Project.

1 2	CITY OF HOMER HOMER, ALASKA		
3	City Cle	erk	
	RESOLUTION 25-031		
	A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,		
	AWARDING THE CONTRACT FOR THE OHLSON LANE WEST		
	BUNNELL AVENUE ROADWAY AND WATER IMPROVEMENT		
)	PROJECT TO EAST ROAD SERVICES, INC OF HOMER, ALASKA IN THE AMOUNT NOT TO EXCEED \$2,064,000 AND AUTHORIZE THE		
	CITY MANAGER TO NEGOTIATE AND EXECUTE THE APPROPRIATE		
	DOCUMENTS.		
	DOCOMENTS.		
_	WHEREAS, In accordance with the Procurement Policy the Invitation to Bid w	ias	
5	advertised in the Homer News on February 28, 2025 and March 6, 2025, in the Anchorage Da		
5	News on March 9, 2025; and		
7			
3	WHEREAS, The Invitation to Bid was listed with three plans rooms in the State and	on	
)	the City website; and		
)			
-	WHEREAS, There were Seven Addendums issued and bids were due by 2:00 p.m.	on	
2	Tuesday, April 8, 2025, and five bids were received; and		
3			
1	WHEREAS, Bids were reviewed in accordance to the criteria established and it w		
5	determined that the firm of East Road Services, Inc. of Homer, Alaska provided the overall best		
5	selection for the services requested as identified in the Invitation to Bid documents.		
7	NOW THEREFORE REITRESOUVED that the City Council of Homor Alacka, awards t	ha	
} }	NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, awards t Contract for the Ohlson Lane West Bunnell Roadway and Water Improvement Project to Ea		
,)	Road Services, Inc. of Homer, Alaska, in the Amount Not to Exceed \$2,064,000 and authoriz		
,	the City Manager to negotiate and execute the appropriate documents.		
2	the only mundper to negotiate and execute the appropriate documents.		
3	PASSED AND ADOPTED by the Homer City Council this 14th day of April, 2025.		
4			
5	CITY OF HOMER		
5			
7			
8	RACHEL LORD, MAYOR		
	ATTEST:		
	RENEE KRAUSE, MMC, CITY CLERK		
	Fiscal Note: Ordinance 24-61 appropriated \$2,000,000 from HART Roads; \$1,997,500 remain	าร.	



Resolution 25-032, A Resolution of the City Council of Homer, Alaska Authorizing the Issuance of a Task Order to Nelson Engineering, PC in the amount of \$63,412 for Bidding and Construction Assistance Services for the Ohlson Lane and W. Bunnell Avenue Road Reconstruction Project.

Item Type:	Backup Memorandum
Prepared For:	Mayor Lord and City Council
Date:	April 9, 2025
From:	Leon Galbraith, P.E., City Engineer
Through:	Melissa Jacobsen, City Manager

Summary:

This Resolution serves to authorize a task order to Nelson Engineering, PC for bidding and construction assistance for the Ohlson Ln. and W. Bunnell Ave. Roadway & Water Improvement Project.

Background:

This project began with a design and study by Nelson Engineering in 2023 which recommended that Public Works Department reconstruct the subgrade for Ohlson Lane and West Bunnell Avenue. According to the 100% engineer's construction cost estimate, the total cost will be approximately \$2,559,149.

The project additionally replaces the water main on the affected roads as well as construct storm sewer in conjunction with the new curb to alleviate local stormwater issues. The water main is being replaced because it is an approximately 60-year old cast iron pipe that is near the end of its service life and is prone to failure. Reconstructing the roadway offers a unique opportunity to replace the aging infrastructure as part of one effort, thereby avoiding digging up the newly constructed road to make future repairs or replace the pipe. The storm sewer portion of the project will replace some aging drainage piping and improve storm drainage issues in this neighborhood as well as to accommodate the projects new street design.

Bidding and construction assistance services were not a part of Nelson's original scope of work. Nelson submitted a proposal to perform this new work on March 25, 2025 for \$63,412. The proposed scope of work included responding to answering questions during bidding, RFIs/DCVRs, review of submittals, attendance at construction meetings, limited on-site inspections, preparation of as-built drawings and permit submittals.

Enough funds are budgeted to the project to absorb the cost of the bidding and construction assistance services. Ordinance 24-24 appropriated \$90,000 from the Water CARMA Fund to complete the design of the new water main. Then, Ordinance 24-61 appropriated \$2,000,000 from the HART Roads Fund for construction of the project. Ordinance 25-21 later appropriated \$300,000 from the

Water CARMA Fund for construction of the new water main. Ordinance 25-28 then unappropriated \$268,605 from the HART Roads Fund, leaving \$1,731,395 in remaining money from HART Roads. Additionally, the City is receiving \$491,400 in principle forgiveness for the water main replacement and \$324,000 in principle forgiveness for the construction of storm drain from the ADEC's State Revolving Loan Program. The total project funding from all sources is \$2,936,795. Of this, \$67,501 has been spent completing the project design, leaving \$2,869,294. Assuming construction expenses match current estimates, we will be left with at least approximately \$310,145 to work with, which exceeds the value of Nelson's services proposal.

Recommendation:

Public Works recommends approval of Resolution 25-032 and authorize a task order to Nelson Engineering, PC in the amount of \$63,412 for bidding and construction assistance services for the Ohlson Lane West Bunnell Avenue Roadway & Water Improvement Project.

1	CITY OF HOMER		
2	HOMER, ALASKA		
3		City Manager/	
4		City Engineer	
5	RESOLUTION 25-032		
6			
7	A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALA		
8	AUTHORIZING THE ISSUANCE OF A TASK ORDER TO NELS		
9	ENGINEERING, PC IN THE AMOUNT OF \$63,412 TO PROV		
10	BIDDING AND CONSTRUCTION ASSISTANCE SERVICES FOR		
11	OHLSON LANE W BUNNELL AVENUE ROADWAY & WA		
12	IMPROVEMENT PROJECT AND AUTHORIZING THE CITY MANAG		
13	TO NEGOTIATE AND EXECUTE THE APPROPRIATE DOCUMENT	S.	
14			
15	WHEREAS, Nelson Engineering, PC was the design engineer for the	above-referenced	
16	project; and		
17			
18	WHEREAS, Bid documents were first publicly advertised February 27	2025 and bidding	
19	closed on April 8, 2025; and		
20			
21	WHEREAS, Bidding and construction assistance were not part of Nel	son Engineering's	
22	original design scope of work; and		
23			
24	WHEREAS, It is necessary for Nelson Engineering, PC to be available	to answer bidder	
25	questions, revise plans, answer design questions, review submittals, prepare record drawings		
26	and submit permit applications; and		
27			
28	WHEREAS, Nelson Engineering, PC provided a proposal for bidding	and construction	
29	assistance services in the amount of \$63,412.		
30			
31	NOW, THEREFORE, BE IT RESOLVED that the City Council of Hom	er, Alaska hereby	
32	authorizes a task order for bidding and construction assistance services fo	r the Ohlson Lane	
33	West Bunnell Avenue Roadway & Water Improvement Project to Nelson Engineering, PC in the		
34	amount of \$63,412 and authorizes the City Manager to negotiate and execut	te the appropriate	
35	documents.		
36			
37	PASSED AND ADOPTED by the Homer City Council this 14 th day of Apr	il, 2025.	
38			
39	CITY OF HOMER		
40			
41			
42			
43	RACHEL LORD, MAYOR		

Page 2 of 2 RESOLUTION 25-032 CITY OF HOMER

44	
45	ATTEST:
46	
47	
48	RENEE KRAUSE, CITY CLERK
49	
50	Fiscal Note: Ordinance 24-61



Resolution 25-033, A Resolution of the City Council of Homer, Alaska Approving a Contract to McSwain Appraisals, LLC in the Amount of \$12,000 to Provide Appraisal Services to Support the Kachemak Peatlands Project and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager/City Engineer.

Item Type:	Backup Memorandum
Prepared For:	Mayor Lord and City Council
Date:	April 8, 2025
From:	Leon Galbraith, City Engineer
Through:	Melissa Jacobsen, City Manager

Background: MacSwain Appraisals, LLC was contracted to conduct appraisals by Resolution 23-078. Ten properties were originally appraised in 2023, however due to the long project timeline the original appraisals expired before the City was able to purchase the land and five had to be re-appraised in 2024. The task orders for the 2023 appraisals were entirely expended and were paid for by Ordinance 22-08. The 2024 appraisals were paid for as indicated in the table below, which also shows the amount expended. Task Order 23-04, for the Moore Parcel, was cancelled due to several other property acquisition unknowns and the changing project design parameters at the time. The City did pay a \$3,600 retainer for the work on the Moore Parcel appraisal, but this was refunded.

Task	Parcel	Funding Source	Task Order	Task Order
Order			Value	Value
				Remaining
23-01	Kennedy Parcel	NOAA Grant	\$13,200	\$0
23-02	ENT Parcel	Ord 23-23 (A3)	\$9,300	\$0
23-03	Metacenter	Ord 23-23 (A3)	\$9,300	\$0
	Parcel			
23-04	Moore Parcel	NOAA Grant	\$10,800	\$10,800
23-05	Homer 8 Parcel	NOAA Grant	\$9,600	\$0

Appraisals Budget: NOAA grant funding is available to pay for this Moore Parcel appraisal. The grant specifies how much can be spent on each consultant employed. The line item for MacSwain is \$42,600 in total and this has been currently spent as indicated below.

Budget	\$42,600
Kennedy Parcel	-\$13,200
<u>Homer 8 Parcel</u>	-\$9,600
Total remaining	\$19,800

MacSwain has quoted us a price of approximately \$12,000 to conduct a new appraisal of the Moore and Moore owned lots.

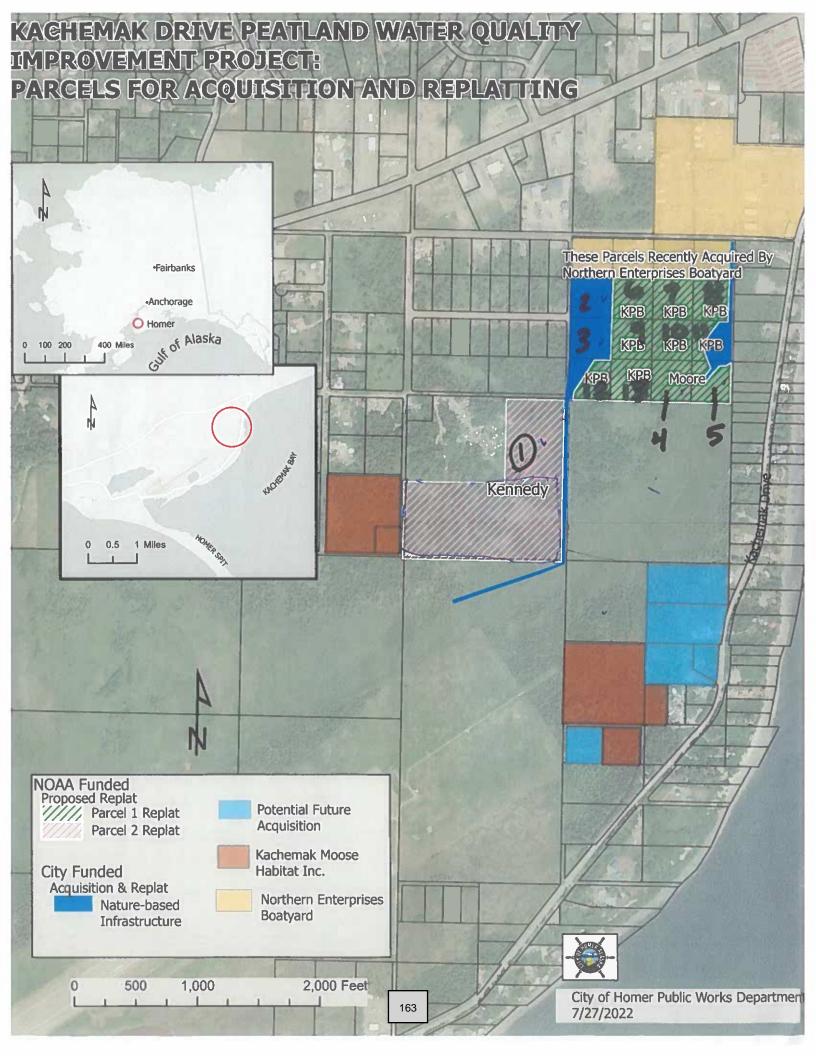
Recommendation:

Approve Resolution 25-033

Real Estate Required for Kachemak Sponge

- **Parcel #1**. Currently owned by George M. Kennedy. Original parcel measure 39 acres. We will be using NOAA funds to acquire 30 acres of wetlands, which will be preserved for conservation. The parcel needs to be replatted to carve off the 30-acre piece that will be acquired and preserved for conservation from the nine acres that will not be acquired.
- **Parcel #2.** Parcel measures 2.5 acres. Currently owned by ENT Properties LLC (Bay Weld.) Site of future Retention Pond and storm water works. The NOAA grant will not fund this acquisition since it will contain "constructed works".
- **Parcel #3.** Parcel measures 2.5 acres. Currently owned by Metacenter Properties, LLC (Josh Wexton). Site of future retention pond and storm water works. The NOAA grant will not fund this acquisition since it will contain "constructed works".
- **Parcel #4.** Parcel measures 2.5 acres. Currently owned by Kenneth & Roseleen Alaska Community Property Trust. We will be using NOAA funds to acquire this parcel, which will be preserved for conservation.
- **Parcel #5**. Parcel measures 2.5 acres. Currently owned by Kenneth & Roseleen Alaska Community Property Trust. Site of future retention pond and storm water works. The NOAA grant will not fund the portion of this acquisition that will contain "constructed works". The parcel needs to be replatted to carve off the portions that will contain "constructed works" from the portions that will be preserved.
- **Parcels # 6-10.** These 5 parcels measure 2.49 acres each, for a total of 12.45 acres, currently owned by KPB. We will be using NOAA funds to acquire these parcels, which will be preserved for conservation.
- **Parcels #11 & 12.** These two parcels measure 2.49 acres each, for a total of 4.98 acres, currently owned by the KPB. Sites of future retention pond and storm water works. The NOAA grant will not fund the portion of these parcels, which will contain "constructed works". The parcels need to be replatted to carve off the portions that will contain "constructed works" from the portions that will be preserved.
- **Parcel #13.** This parcel measures 2.49 acres and are currently owned by KPB. We will be using NOAA funds to acquire this parcel, which will be preserved for conservation.

Total Acquisition:	59.92 acres
Preserved for conservation:	52.34 acres (approximately)
Used for storm water works:	7.58 acres (approximately)



1 2	CITY OF HOMER HOMER, ALASKA	
3	·	tity Manager/
4		City Engineer
5	RESOLUTION 25-033	
6		
7	A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,	
8	APPROVING A CONTRACT TO MACSWAIN APPRAISALS, LLC	
9	IN THE AMOUNT OF \$12,000 TO PROVIDE APPRAISAL	
10	SERVICES TO SUPPORT THE KACHEMAK PEATLANDS	
11 12	PROJECT AND AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE THE APPROPRIATE	
12	DOCUMENTS.	
14	DOCOMENTS.	
15	WHEREAS, The City Council included funds in the FY25 Capital Budget to	support the
16	Kachemak Peatlands Green Infrastructure Storm Water Management Project; and	
17		
18	WHEREAS, The City has a grant from NOAA, through the Kachemak E	Bay National
19	Estuarine Research Reserve (KBNERR) which could be used to acquire peat	tlands to be
20	preserved in conservation and used as part of the Kachemak Sponge wetlan	nd treatment
21	system; and	
22		
23	WHEREAS, In order to acquire the wetlands with federal funds, we need ap	•
24	comply with the Uniform Appraisal Standards for Federal Land Acquisition (UASFL	
25 26	more stringent than the typically used Uniform Standards of Professional Appra (USPAP); and	aisal Practice
20	(USFAF), and	
28	WHEREAS, MacSwain Associates, LLC, ("MacSwain") of Anchorage, Ala	aska has the
29	necessary credentials and produced the appraisals that supported the NOAA grant	
30	and	
31	WHEREAS, MacSwain submitted a proposal to provide a new appraisal	for the total
32	contract value not to exceed \$12,000; and	
33		
34	WHEREAS, This award is not final until written notification is received by t	the firm from
35	the City of Homer.	
36		
37	NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska	
38	contract for professional real estate appraisal services to MacSwain Associ	
39 40	Anchorage, Alaska and authorizes the City Manager to negotiate and execute the documents.	appropriate
40 41	documento.	
42		

43	PASSED AND ADOPTED by the Homer City Council this 14th day of April, 2025.	
44		
45		CITY OF HOMER
46		
47		
48		
49		RACHEL LORD, MAYOR
50		
51	ATTEST:	
52		
53		
54	RENEE KRAUSE, MMC, CITY CLERK	
55		
56	Fiscal Note:	

REPORT TO MAYOR AND CITY COUNCIL

CITY OF HOMER, ALASKA

AUDIT WRAP UP: YEAR ENDED JUNE 30, 2024





Welcome

March 31, 2025 Honorable Mayor and Members of the City Council City of Homer, Alaska

Professional standards require us to communicate with you regarding matters related to the audit, that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. On January 8, 2025, we presented to management an overview of our plan for the audit of the financial statements of City of Homer, Alaska (the City) as of and for the year ended June 30, 2024, including a summary of our overall objectives for the audit, and the nature, scope, and timing of the planned audit work.

This communication is intended to elaborate on the significant findings from our audit, including our views on the qualitative aspects of the City's accounting practices and policies, management's judgments and estimates, financial statement disclosures, and other required matters.

We are pleased to be of service to the City and look forward to meeting with you to discuss our audit findings, as well as other matters that may be of interest to you, and to answer any questions you might have.

Respectfully,

BOD USA

BDO USA, P.C., a Virginia professional corporation, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO is the brand name for the BDO network and for each of the BDO Member Firms.



BIKKY SHRESTHA

Engagement Partner (907)-360-5970 / bshrestha@bdo.com



AARON RIOS Assurance Director (720) 500-0321/ arios@bdo.com



167

Assurance Senior (907)-646-7309 / jsyren@bdo.com



Contents

QUICK ACCESS TO THE FULL REPORT

INTRODUCTION	2
EXECUTIVE SUMMARY	4
INTERNAL CONTROL OVER FINANCIAL REPORTING	11
ADDITIONAL REQUIRED COMMUNICATIONS	13
APPENDIX	17

168

The following communication was prepared as part of our audit, has consequential limitations, and is intended solely for the information and use of those charged with governance (e.g., Board of Directors and Audit Committee) and, if appropriate, management of the Entity, and is not intended and should not be used by anyone other than these specified parties.

Executive Summary



Status of Our Audit

We have completed our audit of the financial statements as of and for the year ended June 30, 2024. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America. This audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

- The objective of our audit was to obtain reasonable not absolute assurance about whether the financial statements are free from material misstatements.
- The scope of the work performed was substantially the same as that described to you in our earlier Audit Planning communications.
- ▶ We issued an unmodified opinion on the financial statements and released our report on March 31, 2025.
- ▶ We issued our report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards* on March 31, 2025.





Status of Our Audit, Continued

Our responsibility for other information in documents containing the City's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform procedures to corroborate such other information. However, in accordance with professional standards, we have read the information included by the City and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements. Our responsibility also includes calling to management's attention any information that we believe is a material misstatement of fact. We have not identified any material inconsistencies or concluded there are any material misstatements of facts in the other information that management has chosen not to correct.

171

▶ All records and information requested by BDO were freely available for our inspection.





ACCOUNTING PRACTICES, POLICIES, ESTIMATES AND SIGNIFICANT UNUSUAL TRANSACTIONS

The following summarizes the more significant required communications related to our audit concerning the City's accounting practices, policies, estimates and significant unusual transactions:

The City's significant accounting practices and policies are those included in Note 1 to the financial statements. These accounting practices and policies are appropriate, comply with generally accepted accounting principles and industry practice, were consistently applied, and are adequately described within Note 1 to the financial statements.

- A summary of recently issued accounting pronouncements is included in Note 18 to the City's financial statements.
- ▶ There were no changes in significant accounting policies and practices during 2024.

Significant estimates are those that require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. The City's accounting estimates, including a description of management's processes and significant assumptions used in development of the estimates, are disclosed in Note 1 of the financial statements.

The City's Other Accounting Estimates

Accounts Receivable and Allowances

Discount Rate - Leases

172

Pension and Other Postemployment Benefits

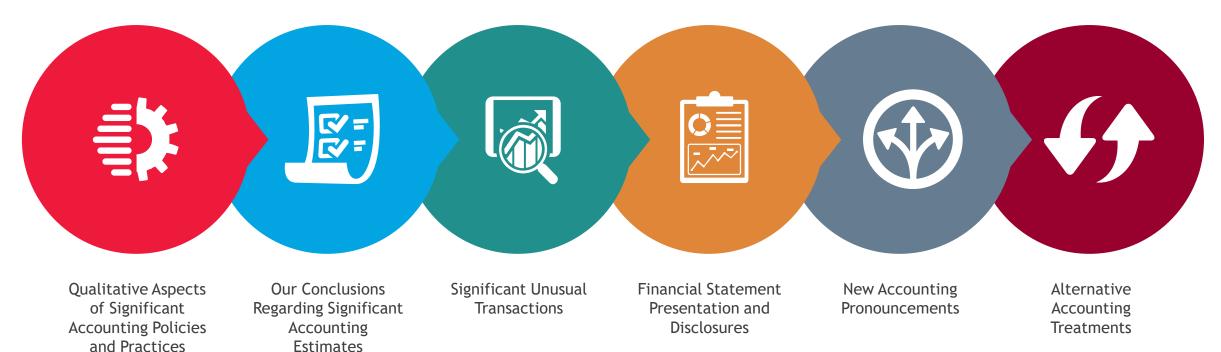
Management did not make any significant changes to the processes or significant assumptions used to develop the significant accounting estimates in 2024.

The methods used to account for significant or unusual transactions, and related disclosures, are considered appropriate.



QUALITY OF THE CITY'S FINANCIAL REPORTING

A discussion was held regarding the quality of the City's financial reporting, which included :



CORRECTED AND UNCORRECTED MISSTATEMENTS

Please refer to the schedule of corrected misstatements included in the signed representation letter.

Corrected Misstatements

Item #	Account Name and Adjustment Description	Debit	Credit
1)	Investments	\$89,598	
	Investment Income		(\$89,598)
	To accrue current year investment income		
2)	Right-of-use Assets	\$108,428	
	Lease Liabilities		(\$108,428)
	To adjust GASB 87 schedules		
3)	Inventory	\$76,207	
	Utilities Expense		(\$76,207)
	To adjust inventory schedules		



UNCORRECTED MISSTATEMENTS

Please refer to the schedule of uncorrected misstatements to be included in the signed representation letter. We concur with management's assessment that the effects of not recording such adjustments are, both individually and in the aggregate, immaterial to the financial statements taken as a whole, considering both qualitative and quantitative factors. The uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated.

Uncorrected Misstatements

Item #	Account Name and Adjustment Description	Debit	Credit	Impact on Net Position
1)	CY Investment Income	\$75,567		
	PY Investment Income		(\$75,567)	\$0
	Investment Income Accruals			
2)	CY Lease Revenue	\$36,449		
	PY Lease Revenue		(\$36,449)	\$0
Current	year cumulative uncorrected missta	tements		\$36,449
Cumulative effect of prior period uncorrected misstatements brought				
forward from last period		(\$36,449)		
Cumulative uncorrected misstatements adjusted for prior period impact		\$0		



Internal Control Over Financial Reporting



Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

We are required to communicate, in writing, to those charged with governance all material weaknesses and significant deficiencies that have been identified in the City's internal control over financial reporting. The definitions of control deficiency, significant deficiency and material weakness follow:

Category	Definition
Control Deficiency	A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.
Significant Deficiency	A deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
Material Weakness	A deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the City 's financial statements will not be prevented, or detected and corrected, on a timely basis.

177

In conjunction with our audit, we noted no material weaknesses.



Additional Required Communications



Other Required Communications

Following is a summary of other required items, along with specific discussion points as they pertain to the City:

Requirement	Discussion Point
Significant changes to planned audit strategy or significant risks initially identified	There were no significant changes to the planned audit strategy or significant risks initially identified and previously communicated to those charged with governance as part of our audit planning communications.
Obtain information from those charged with governance relevant to the audit	There were no matters noted relevant to the audit, including, but not limited to: violations or possible violations of laws or regulations; risks of material misstatement, including fraud risks; or tips or complaints regarding the City's financial reporting that we were made aware of as a result of our inquiry of those charged with governance.
Nature and extent of specialized skills or knowledge needed related to significant risks	There were no specialized skills or knowledge needed, outside of the core engagement team, to perform the planned audit procedures or evaluate audit results related to significant risks.
Consultations with other accountants	We are not aware of any consultations about accounting or auditing matters between management and other independent public accountants. Nor are we aware of opinions obtained by management from other independent public accountants on the application of requirements of an applicable financial reporting framework.
Significant findings and issues arising during the audit in connection with the City's related parties	We have evaluated whether the identified related party relationships and transactions have been appropriately identified, accounted for, and disclosed and whether the effects of the related party relationships and transactions, based on the audit evidence obtained, prevent the financial statements from achieving fair presentation.



Other Required Communications

Following is a summary of other required items, along with specific discussion points as they pertain to the City:

Requirement	Discussion Point
Disagreements with management	There were no disagreements with management about matters, whether or not satisfactorily resolved, that individually or in the aggregate could be significant to the City's financial statements or to our auditor's report.
Significant difficulties encountered during the audit	There were no significant difficulties encountered during the audit.
Matters that are difficult or contentious for which the auditor consulted outside the engagement team	There were no difficult or contentious matters that we consulted with others outside the engagement team that we reasonably determined to be relevant to those charged with governance regarding their oversight of the financial reporting process.
If applicable, other matters significant to the oversight of the City's financial reporting process, including complaints or concerns regarding accounting or auditing matters	There are no other matters that we consider significant to the oversight of the City's financial reporting process that have not been previously communicated.
Representations requested from management	Please refer to the management representation letter.

Independence

Our engagement letter to you dated November 27, 2024, describes our responsibilities in accordance with professional standards and certain regulatory authorities and *Government Auditing Standards* with regard to independence and the performance of our services. This letter also stipulates the responsibilities of the City with respect to independence as agreed to by the City. Please refer to that letter for further information.





Appendix



182



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

March 31, 2025

BDO USA, P.C. 3601 C St., Ste. 600 Anchorage, AK 99503

Ladies and gentlemen:

We are providing this letter in connection with your audit of the financial statements of City of Homer (the Government), which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the preparation and fair presentation in the financial statements of financial position, changes in net position, and cash flows in conformity with accounting principles generally accepted in the United States of America.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of the date of this representation letter, as entered on the first page, the following representations made to you during your audit:

- (1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 27, 2024, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
- (2) We have fulfilled our responsibility, as set out in the terms of the aforementioned audit engagement letter, for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- (3) The financial statements include all properly classified funds and other financial information of the primary government and all component units required to be included in the financial reporting entity by accounting



Finance Department 491 East Pioneer Avenue Homer, Alaska 99603

www.cityofhomer-ak.gov

City of Homer

finance@cityofhomer-ak.gov (p) 907-235-8121 (f) 907-235-3140

principles generally accepted in the United States of America. All funds required to be presented as major funds are identified and presented as such.

- (4) We have made available to you:
 - (a) All financial records, and related data and federal and state awards (including amendments, if any, and any other correspondence with federal and state agencies or pass-through entities relevant to federal and state programs and related activities), including the names of all related parties and all relationships and transactions with related parties, as agreed upon in the terms of the aforementioned audit engagement letter.
 - (b) All additional information that you have requested from us for the purpose of the audit.
 - (c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - (d) Minutes of the meetings of City Council, and Committees of Council Members that were held from July 1, 2023 to the date of this letter, or summaries of actions of recent meetings for which minutes have not yet been prepared.
- (5) There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices.
- (6) There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements. The financial statement misstatements relating to accounts and disclosures identified and discussed with us in the course of the audit that are listed immediately below have been corrected. We have evaluated the propriety of the corrected misstatements based on a review of both the applicable authoritative literature and the underlying supporting evidence from our files and confirm our responsibility for the decision to correct them.

Item #	Account Name and Adjustment Description	Debit	Credit
1)	Investments	\$89,598	
	Investment Income		(\$89,598)
	To accrue current year investment income		

Corrected Misstatements



Finance Department 491 East Pioneer Avenue

Homer, Alaska 99603

www.cityofhomer-ak.gov

finance@cityofhomer-ak.gov (p) 907-235-8121 (f) 907-235-3140

2)	Right-of-use Assets	\$108,428	
	Lease Liabilities		(\$108,428)
	To adjust GASB 87 schedules		
2	la sector s	674.007	
3)	Inventory	\$76,207	
	Utilities Expense		(\$76,207)
	To adjust inventory schedules		

(7) The financial statement misstatements relating to accounts and disclosures identified and discussed with us in the course of the audit that are listed immediately below have not been corrected. In our opinion, the effects of not correcting such identified financial statement misstatements are, both individually and in the aggregate, immaterial to the financial statements of the Government taken as a whole.

Uncorrected Misstatements

ltem #	Account Name and Adjustment Description	Debit	Credit	Impact on Net Position
1)	CY Investment Income	\$75,567		
	PY Investment Income		(\$75,567)	\$0
	Investment Income Accruals			
2)	CY Lease Revenue	\$36,449		
	PY Lease Revenue		(\$36,449)	\$0
Current	year cumulative uncorrected missta	tements		\$36,449
	tive effect of prior period uncorrect I from last period	ed misstateme	ents brought	(\$36,449)



www.cityofhomer-ak.gov

finance@cityofhomer-ak.gov (p) 907-235-8121 (f) 907-235-3140

Item #	Account Name and Adjustment Description	Debit	Credit	Impact on Net Position
Cumulat impact	ive uncorrected misstatements a	djusted for	prior period	\$0

(8) You have identified and discussed with us in the course of the audit the deficiencies in our internal control over financial reporting listed immediately below

Control Deficiencies Other Than Material Weaknesses or Significant Deficiencies		
1)	Reconciliations and related details provided for inventory contained formula	
(errors and were delayed in completion.	
2)	The City should establish a formal process to appropriately accrue for	
i	investment income at year-end each year.	

- 3) The City should review and ensure that its GASB 87 schedules are accurate before completion.
- (9) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud or noncompliance. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud or noncompliance. We have no knowledge of any:
 - (a) Fraud or suspected fraud involving management or involving employees who have significant roles in internal control, whether or not perceived to have a material effect on the financial statements.
 - (b) Fraud or suspected fraud involving others where the fraud could have a material effect on the financial statements.
 - (c) Allegations of fraud or suspected fraud affecting the Government received in communications from employees, former employees, regulatory agencies, law firms, predecessor accounting firms, or others.
 - (d) Instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse, whose effects should be considered when preparing the financial statements.
- (10) We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- (11) The following, where applicable and material, have been properly recorded or disclosed in the financial statements:



Finance Department 491 East Pioneer Avenue Homer, Alaska 99603

www.cityofhomer-ak.gov

finance@cityofhomer-ak.gov (p) 907-235-8121 (f) 907-235-3140

- (a) The identity of all related parties and all related party relationships and transactions of which we are aware, including revenues, expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
- (b) Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements.
- (c) Guarantees, whether written or oral, under which the Government is contingently liable.
- (d) Significant estimates and material concentrations known to management that are required to be disclosed in accordance with accounting principles generally accepted in the United States of America. In that regard, all accounting estimates that could be material to the financial statements, including key factors and significant assumptions underlying those estimates, have been identified, and we believe the estimates are reasonable in the circumstances The methods, significant assumptions, and the data used in making the accounting estimates and the related disclosures are appropriate to achieve recognition, measurement, and disclosure that is in accordance with accounting principles generally accepted in the United States of America.
- (e) The effects of all known actual or possible litigation, claims, and other liabilities or gain or loss contingencies that are required to be accrued or disclosed by accounting principles generally accepted in the United States of America, including:
 - Pending or anticipated tax refunds, other potential or pending claims, lawsuits by or against any branch of government or others;
 - Written or oral guarantees, endorsements, or unused letters of credit;
 - Unusual guarantees; or
 - Labor claims or negotiations.

Accounting principles generally accepted in the United States of America require loss contingencies to be accrued if it is probable an asset has been impaired or a liability incurred at the statement of financial position date and the amount of loss can be reasonably estimated. Such contingencies must be disclosed, but may not be accrued, if the loss is reasonably possible (but not probable) or the loss is probable but the amount of loss cannot be reasonably estimated.





www.cityofhomer-ak.gov

- (f) Commitments, such as:
 - Major capital asset purchase agreements;
 - More-than-one-year employment arrangements or contracts with suppliers or customers, or one-yearor-longer term leases;
 - Deferred compensation, bonuses, pensions plans, or severance pay; or
 - Pending sale or merger of all or a portion of the business or of an interest therein or acquisition of all or a portion of the business, assets or securities of another entity;
- (g) Joint ventures or other participations, the detailed transactions of which are not carried on our books.
- (12) There are no:
 - (a) Violations or possible violations of budget ordinances, laws or regulations and provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects could be material to the financial statements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
 - (b) Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with accounting principles generally accepted in the United States of America.
 - (c) Side agreements or other arrangements (either written or oral) that have not been disclosed to you.
 - (d) Restrictions of net position that were not properly authorized and approved, or reclassifications of net position that have not been properly reflected in the financial statements.
- (13) Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the statement of financial position date and have been appropriately reduced to their estimated net realizable value.
- (14) The Government has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.



Finance Department 491 East Pioneer Avenue Homer, Alaska 99603

www.cityofhomer-ak.gov

- (15) We have appropriately disclosed the Government's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position is properly recognized under the policy.
- (16) We have complied with all aspects of contractual agreements, including debt covenants, that would have a material effect on the financial statements in the event of noncompliance. We have also complied with the SEC disclosure rules for reporting annual financial information and material events to repositories in accordance with SEC Rule N.240, 15c2-12.
- (17) No discussions have taken place with your firm's personnel regarding employment with the Government.
- (18) We are responsible for compliance with laws, regulations and provisions of contracts and grant agreements applicable to us and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts.
- (19) Components of net position (net investment in capital assets, restricted and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.
- (20) Revenues are appropriately classified in the statement of activities within program revenues, contributions, and general revenues. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- (21) We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United State of America and we believe it is fairly presented. The methods of measurement and presentation of the supplementary information have not changed from the prior period and we have disclosed to you any significant assumptions underlying the measurement and presentation.
- (22) Required supplementary information is measured and presented in accordance with prescribed guidelines.
- (23) Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the statement of financial position date and have been appropriately reduced to their estimated net realizable value.
- (24) The Government has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- (25) We have appropriately disclosed the Government's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position is properly recognized under the policy.



Finance Department 491 East Pioneer Avenue Homer, Alaska 99603

www.cityofhomer-ak.gov

- (26) We have complied with all aspects of contractual agreements, including debt covenants, that would have a material effect on the financial statements in the event of noncompliance. We have also complied with the SEC disclosure rules for reporting annual financial information and material events to repositories in accordance with SEC Rule N.240, 15c2-12.
- (27) No discussions have taken place with your firm's personnel regarding employment with the Government.
- (28) We are responsible for compliance with laws, regulations and provisions of contracts and grant agreements applicable to us and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts.
- (29) Components of net position (net investment in capital assets, restricted and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.
- (30) Revenues are appropriately classified in the statement of activities within program revenues, contributions, and general revenues. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- (31) We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United State of America and we believe it is fairly presented. The methods of measurement and presentation of the supplementary information have not changed from the prior period and we have disclosed to you any significant assumptions underlying the measurement and presentation.
- (32) Required supplementary information is measured and presented in accordance with prescribed guidelines.
- (33) We are responsible for compliance with laws, regulations, and provisions of contracts and grant agreements applicable to us and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- (34) We have a process to track the status of audit findings and recommendations.
- (35) We have provided our views on your reported findings, conclusions, and recommendations. We are responsible for taking corrective action on audit findings and we are responsible for preparing and implementing a corrective action plan for each audit finding.
- (36) We have identified and disclosed to you the findings received for previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.



Finance Department 491 East Pioneer Avenue Homer, Alaska 99603

www.cityofhomer-ak.gov

City of Homer

- (37) There have been no known or suspected breaches of sensitive information (e.g., personnel files) caused by cyber-attack or other means, or other cybersecurity incidents, where the breach or other incident could have a material effect on the financial statements.
- (38) In connection with any electronic presentation of the financial statements and your audit report thereon on our web site, we acknowledge that:
 - We are responsible for the preparation, presentation, and content of the financial statements in the electronic format.
 - If your audit report is presented on our web site, the full financial statements upon which you reported and to which you appended your signed report will be presented.
 - We will clearly indicate in the electronic presentation on our web site the financial information that is subject to your audit report. We will clearly differentiate any information that may also be presented by us on or in connection with our web site that was contained in the published version of the financial statements and other supplementary information, but which is not part of the audited financial statements or other financial information covered by your audit report.
 - We have assessed the security over financial statement information and the audit report presented on our web site, and are satisfied that procedures in place are adequate to ensure the integrity of the information provided. We understand the risk of potential misrepresentation inherent in publishing financial information on our web site through internal failure or external manipulation.
 - If the electronic financial statements are generally made available to the public on our web site, we will include a notification to the reader that such financial statements are presented for convenience and information purposes only, and while reasonable efforts have been made to ensure the integrity of such information, they should not be relied on. A copy of the printed financial statements will be provided on request.
- (39) With respect to our participation in multi-employer defined benefit pension and other postemployment benefit (OPEB) plans:
 - (a) We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting and disclosure purposes are appropriate in the circumstances.
 - (b) We are unable to determine the possibility of a withdrawal liability in a multi-employer benefit plan.
 - (c) We agree with the findings of specialists in evaluating the net pension and OPEB liabilities and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.



Finance Department 491 East Pioneer Avenue Homer, Alaska 99603

finance@cityofhomer-ak.gov

(p) 907-235-8121 (f) 907-235-3140

(40) We have considered climate-related events and conditions when preparing the financial statements and necessary disclosures, and have communicated to you such matters, if any, and their impact on our financial reporting.

To the best of our knowledge and belief, no events, including instances of noncompliance, have occurred subsequent to the statement of financial position date and through the date of this representation letter, as entered on the first page, that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.

Very truly yours,

(Jenna de Lumeau, Controller)

(Elizabeth Fischer, Finance Director)

At BDO, our purpose is helping people thrive, every day. Together, we are focused on delivering exceptional and sustainable outcomes – for our people, our clients and our communities. Across the U.S., and in over 160 countries through our global organization, BDO professionals provide assurance, tax and advisory services for a diverse range of clients.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

BDO USA, P.C., a Virginia professional corporation, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. <u>www.bdo.com</u>.

193

Material discussed in this publication is meant to provide general information and should not be acted on without professional advice tailored to your needs.

© 2024 BDO USA, P.C. All rights reserved.





Homer Wilderness Leaders

194

Atowc

HoWL's Mission: to empower young leaders through fun and dynamic Alaskan wilderness adventures

195

HoWL's Vision: a community in which people engage joyfully, with confidence, competence and care



HoWL's Values:

- FUN
- ACCESSIBILITY
- CARE
- EDUCATION
- SAFETY





ACCESSIBILITY

CARE

"the

7%



4/49/4 200-

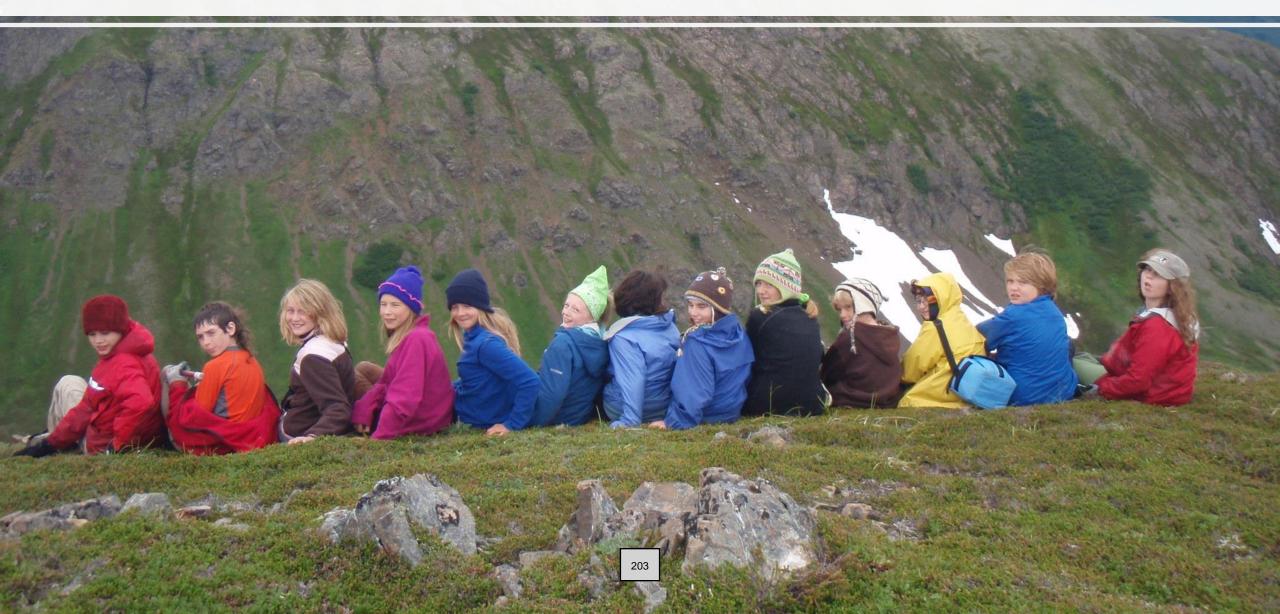




ß

V

HoWL's History in Homer



2009-Present:

- Hiking
- Camping
- Backpacking
- Rock Climbing
- Stand-Up Paddleboarding
- Mountaineering
- Survival Skills
- Trail Work
- Canoeing
- Kayaking
- Foraging



2009: First Outdoor Programs in Homer and Across the Bay

205



2010: Incorporated as a 501c3 nonprofit





2011: Began DiRtBaG Clean-Up Week

207

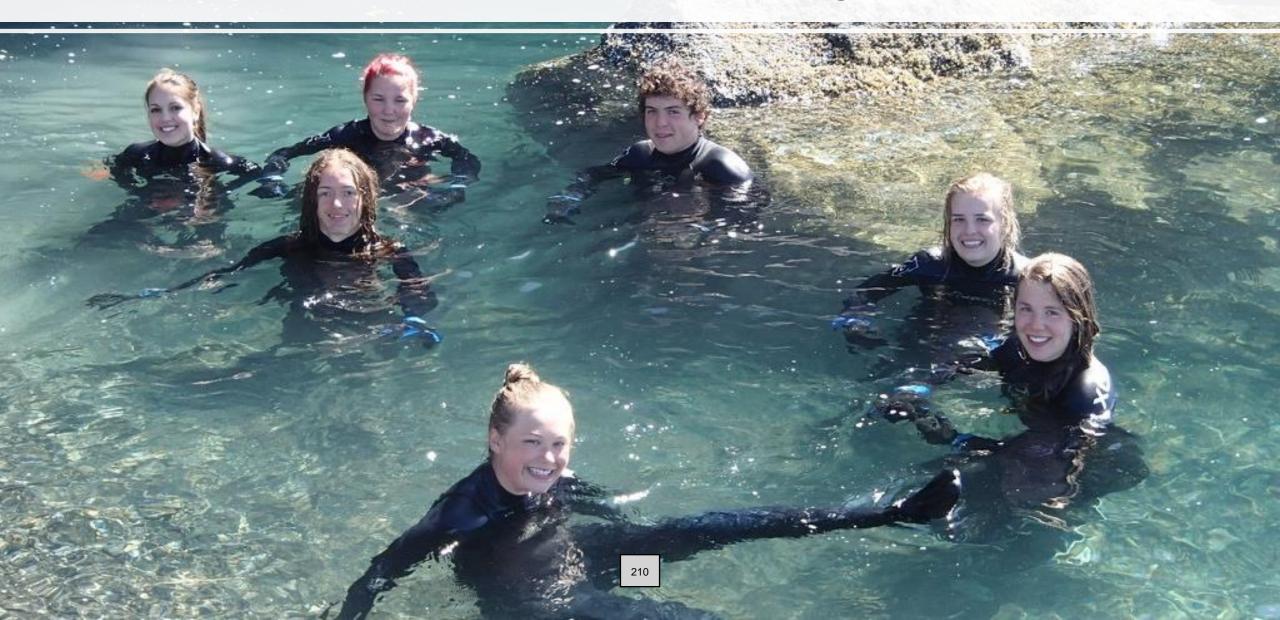
2021: Partnership with CACS





2023: initiatives to include more Native Alaskan youth in HoWL programs

2024: the HoWL Endowment Fund is created through the Homer Foundation



Since 2011: 900+ youth have cleaned up 1,700+ bags of litter from Homer's streets, beaches, sidewalks and trails.





In 2024:

78 youth cleaned up 135 bags of litter, thanks to help from the Homer Lions Club, ALPAR, Science and Art Action Club, the Center, Girls on the Run, and the support of dozens of local businesses.











Ordinance 25-28, An Ordinance of the City Council of Homer, Alaska, Amending the FY25 Capital Budget by Un-appropriating \$268,605 of Homer Accelerated Roads and Trails (HART) Roads Funds for the Ohlson Lane West Bunnell Avenue Reconstruction Project. City Manager/Public Works Director.

Item Type:	Backup Memorandum
Prepared For:	Mayor Lord and City Council
Date:	March 7, 2025
From:	Daniel Kort, Public Works Director
Through:	Melissa Jacobsen, City Manager

Summary:

Return a portion of funds appropriated for construction of the water main replacement portion of the Ohlson Lane and Bunnell Avenue Roadway and Water Improvement Project. This is not an increase in the anticipated project cost, but rather a correction in the funding sources used.

Background:

This project began with a design and study by Nelson Engineering in 2023 which recommended that Public Works Department reconstruct the subgrade for Ohlson Lane and West Bunnell Avenue. According to the 100% cost estimate, the total cost will be approximately \$2,559,149.

The project additionally replaces the water main on the affected roads as well as construct storm sewer in conjunction with the new curb to alleviate local stormwater issues. As stated in previous legislation, the water main is being replaced because it is an approximately 60-year old cast iron pipe that is near the end of its service life and is prone to failure. Approximately 10-years ago a cost estimate was developed for the replacement of this water main prior to the conception of the roadway reconstruction project, but the project was shelved for a later date. The roadway reconstruction offers a unique opportunity to replace the aging infrastructure as part of one effort, thereby avoiding digging up the newly constructed road to make future repairs or replace the pipe. The storm sewer portion of the project will replace some aging drainage piping and improve storm drainage issues in this neighborhood as well as to accommodate the projects new street design.

Public Works Department submitted questionnaires to the Alaska Department of Environmental Conservation (ADEC) in 2023 to apply for loans to cover both the water main replacement and storm drain portions of the construction project from the Alaska Drinking Water Fund and Alaska Clean Water Fund respectively. The ADEC added both the water main replacement and storm drain to their project priority list and both projects scored high and were granted 100% principal forgiveness subsidy in the following amounts:

Ohlson & Bunnell Water Main Replacement: \$491,400

Ohlson & Bunnell Storm Drain Construction: \$324,000

The principle forgiveness between the two loans totals to \$851,400 in loan subsidy which will cover a portion of the construction costs for the subject project. Ordinance 24-61 was passed on January 28, 2025 which obligated \$2,000,000 from HART Roads to supplement the two ADEC loans in order to obligate money towards the construction effort for a total of \$2,851,000, which is greater than the estimated project cost of \$2,559,149.

The updated construction cost estimate by Nelson Engineering was provided to the City around the same time as the passage of Ordinance 24-61. The cost estimate shows the water portion of the construction project is estimated to cost \$790,450. At this point, we looked into why there was such a large discrepancy between the loan application's cost estimate and the new Engineer's Estimate. This is when it was identified that the approximately 10-year old engineer's estimate was used at the time of the ADEC application because there was no better data available at the time.

For the water main replacement portion of the project, the original plan was to use an appropriation (Ordinance 23-23 (A-3)) of \$90,000 from the Water CARMA to cover design related costs, and the ADEC Loan of \$491,400 (with principle forgiveness) to cover the construction costs. The design by Nelson Engineering cost \$55,867, Alaska DOT permits cost \$2,600, and ADEC review cost \$1,088 leaving a balance of \$30,445 from the original \$90,000 Water CARMA appropriation.

Therefore, the appropriation of \$2,000,000 via Ordinance 24-61 from HART Roads actually overstated the HART Roads portion of the project cost. This proposed ordinance for supplemental appropriation is intended to fund the balance of the water portion of the construction project from Water CARMA as it originally should have been.

Estimated Construction Cost - \$790,405

Less the Anticipated remaining balance from Ordinance 23-23 (A-3) - \$30,445

Less the ADEC Loan (with principle forgiveness) - \$491,400

For a total balance of - \$268,605

The overall anticipated cost of the project has not increased, but rather the HART Roads portion of the funding via Ordinance 24-61 was mistakenly overstated. This Ordinance will remove \$268,605 of the previously appropriated \$2,000,000 HART Roads funding obligated via Ordinance 24-61 towards the Project to be returned to HART Roads balance.

Recommendation:

Public Works recommends that Ordinance 25-28 be adopted.

Attachments:

Ordinance 24-61 and backup

Ordinance 25-21 and backup

1	CITY OF HOMER
2	HOMER, ALASKA
3	City Manager/
4	Public Works Director
5	ORDINANCE 24-61
6	
7	AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
8	AMENDING THE FY25 CAPITAL BUDGET BY APPROPRIATING
9	\$2,000,000 FROM THE HOMER ACCELERATED ROADS AND TRAILS
10	(HART) ROAD FUND TO THE OHLSON LANE AND BUNNELL
11	AVENUE ROAD RECONSTRUCTION PROJECT.
12	
13	WHEREAS, Nelson Engineering has completed a 95% Design for the Ohlson Lane and
14	Bunnell Avenue Road Reconstruction Project and the 100% design is in process; and
15 16	WHEPEAS. The Engineer's cost estimate submitted with the OFO/ design estimates the
10	WHEREAS, The Engineer's cost estimate submitted with the 95% design estimates the total construction cost at \$2,370,409; and
18	
19	WHEREAS, The Public Works Department anticipates the revised total construction cost
20	estimate to be approximately \$2,850,000; and
21	
22	WHEREAS, No City funds have been budgeted for construction; and
23	
24	WHEREAS, Public Works submitted questionnaires to the Alaska Department of
25	Environmental Conservation to receive loans for a water main replacement and construction
26	of a storm drain that are both part of this project; and
27	
28	WHEREAS, The water main replacement and the storm construction are listed on the
29	ADEC's intended use plans for 2025 in the amounts of \$491,400 and \$324,000 respectively; and
30	
31	WHEREAS, ADEC has assigned principal forgiveness subsidy to both projects that will
32	cover 100% of both ADEC loans; and
33	
34	WHEREAS, The intent of this ordinance is to appropriate \$2,000,000 of HART Roads
35	funds based on current estimates to ensure project funding and to ensure the City doesn't lose
36	the benefit of the \$815,400 principal forgiveness for the storm water improvement and water
37	line replacement which are necessary components of the project.
38	
39 40	NOW, THEREFORE, THE CITY OF HOMER ORDAINS:
40 41	
·+⊥	

Page 2 of 2 ORDINANCE 24-61 CITY OF HOMER

42 43 44	Section 1. The H appropriating \$2,000,000	lomer City Council hereby amends as follows:	the FY25 Capital Budget by				
45	Transfer from:						
46	Fund	Description	Amount				
47	160	HART Road Fund	\$2,000,000				
48			+_,,				
49	Transfer to:						
50	Fund	Description	Amount				
51	215-XXXX	Ohlson Lane/Bunnell Avenue	\$2,000,000				
52		Road Reconstruction					
53							
54		budget amendment ordinance, is not	permanent in nature, and shall				
55	not be codified.						
56		CITY COUNCIL OF HOMER, ALASKA, this	28th January, 2025				
57	ENACTED BY THE	CITY COUNCIL OF HOMER, ALASKA, this	s 25 th day of November, 2024.				
58							
59		CITY OF HOM	ER				
60 61		1	//				
62	1////						
63		10/11					
64	RACHEL LORD, MAYOR						
65	ATTEST:						
66	n. · 11,						
67	_ Renee gra	use					
68	RENEE KRAUSE, MMC, CIT	Y CLERK					
69			Th an				
70	YES: 5	The state of the s	1 Acological States				
71	NO:	and the second s	and a second				
72	ABSTAIN:	1.24	A man Bar				
73	ABSENT:	CH'S CHI					
74	First Deading 11/12/	21					
75	First Reading: ///2/		v				
76 77	Public Hearing: 1125 Second Reading: 127	24					
78	Effective Date: 1/28/2	20					
	1/28/2	5					



Ordinance 24-61, An Ordinance of the City Council of Homer, Alaska Amending the FY25 Capital Budget by Appropriating \$2,000,000 from the Homer Accelerated Roads and Trails (HART) Fund to the Ohlson Lane and West Bunnell Avenue Road Reconstruction Project. City Manager/Public Works Director.

Item Type:	Backup Memorandum
Prepared For:	Mayor Lord and Homer City Council
Date:	October 15, 2024
From:	Daniel Kort, Public Works Director
Through:	Melissa Jacobsen, City Manager

Issue: Construction funds needed for the Ohlson Lane and West Bunnell Avenue Road Reconstruction Project.

Background:

This project began with a design and study by Nelson Engineering in 2023 which recommended that Public Works Department reconstruct the subgrade for Ohlson Lane and West Bunnell Avenue. On January 3, 2024, Nelson Engineering completed a 95% design for the subject project. Public Works expecting to receive the 100% design drawings in approximately one month. According to the cost estimate attached to the 95% design, the project will cost a total of \$2,370,409 to construct.

In addition to needed road improvement, this project will:

- Replace the 59-year-old cast iron pipe that is near the end of its service life and is prone to failure. This is an opportunity to replace the aging infrastructure to avoid having to dig up the newly constructed road in the near future to either repair or replace the pipe.
- Construct storm sewer in conjunction with the new curb for the street. The storm drain is being built to improve storm drainage issues in this neighborhood as well as to accommodate the projects new curb, curb bulb-outs for traffic calming and street parking.

Public Works submitted questionnaires to the Alaska Department of Environmental Conservation (ADEC) to apply for loans to cover both the water main replacement and storm drain portions of the construction project from the Alaska Drinking Water Fund and Alaska Clean Water Fund respectively. The ADEC added both the water main replacement and storm drain to their project priority list and both projects are 100% covered by principal forgiveness subsidy in the following amounts:

Ohlson & Bunnell Water Main Replacement: \$491,400

Ohlson & Bunnell Storm Drain Construction: \$324,000

Memorandum City Council November 12, 2024

The loan forgiveness totals to \$815,400 in loan subsidy which will cover a portion of the construction costs for the subject project. There are currently no other funds allocated for this construction project, meaning that to date, the City will be responsible for funding the balance of approximately \$1,555,009. That amount is expected to increase based on the 100% design, and current trends of cost increases.

Recommendation:

Public Works recommends that \$2,000,000 be allocated from the HART Roads Fund to cover construction costs for the Ohlson Lane and Bunnell Avenue Road Reconstruction Project.

CITY OF HOMER FINANCIAL SUPPLEMENT

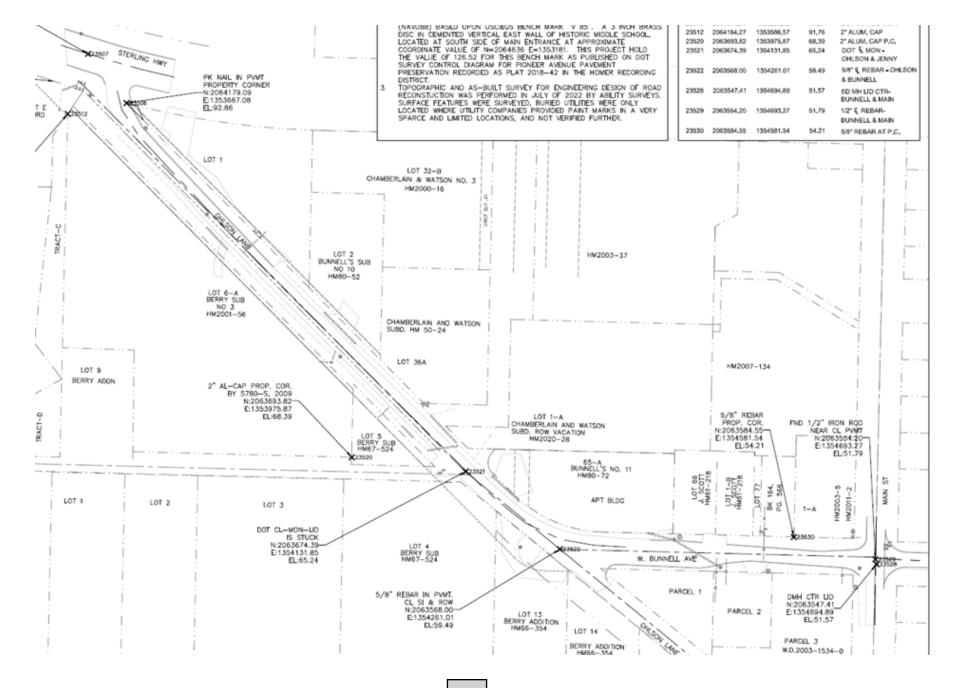
PROJECT NAME	Ohlson Ln/Bunnell Ave Road Reconstruction	DATE 11/05/2024		
DEPARTMENT	Public Works	SPONSOR <u>City Manager/PW Director</u>		
REQUESTED AMOUNT	\$ 2,000,000			
DESCRIPTION	The intent of this ordinance is to appropriate \$2,000,000 of HART			

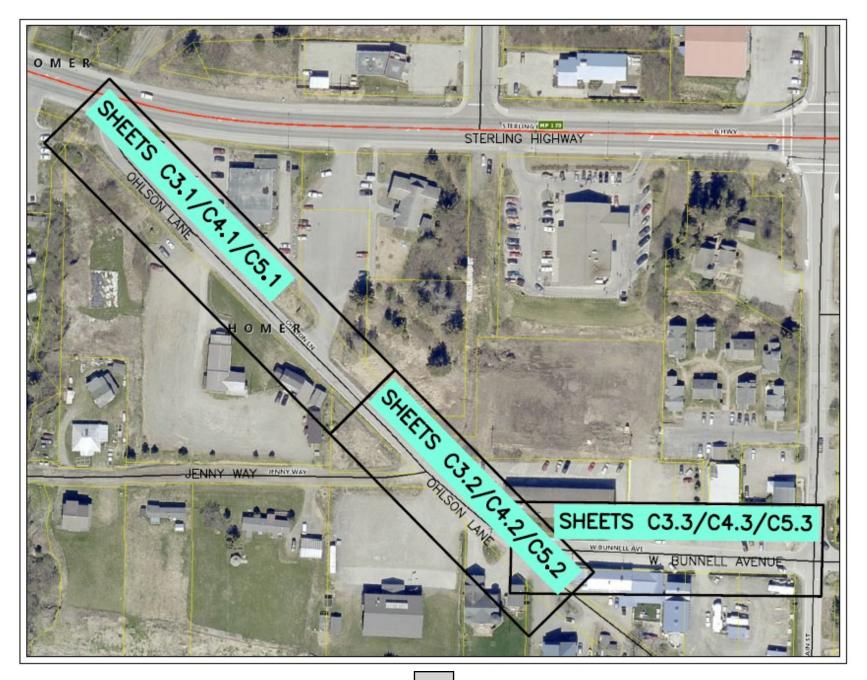
FUNDING SOURCE(S)	OPERATING	GF CARMA	GF FLEET CARMA	PORT RESERVES	WATER CARMA
	0%	0%	0%	0%	0%
	HAWSP	HART-ROADS	HART-TRAILS	PORT FLEET RESERVES	SEWER CARMA
	0%	100%	0%	0%	0%

FUNDING SOURCE 1: HART Road	s (160)	FUNDING SOURCE 2:	FUNDING SOURCE 3:
Current Balance \$5,078,117		Current Balance	Current Balance
Encumbered	\$ 2,914,817	Encumbered	Encumbered
Requested Amount \$2,000,000		Requested Amount	Requested Amount
Other Items on Current Agenda \$0		Other Items on Current Agenda	Other Items on Current Agenda
Remaining Balance \$ 163,300		Remaining Balance	Remaining Balance
FUNDING SOURCE 4:		FUNDING SOURCE 5:	FUNDING SOURCE 6:
Current Balance		Current Balance	Current Balance
Encumbered		Encumbered	Encumbered
Requested Amount		Requested Amount	Requested Amount
Remaining Balance		Remaining Balance	Remaining Balance

Project	Ordinance	Encumbrance	FY Expire
SS4A Grant Match	24-49	14,510	FY27
Speed Monitoring Devices	24-46	40,000	FY27
Bayview Park Renovation Project - Accessibility	24-42, 23-23(A-3)	82,000	FY26/FY27
FY25 Operating Budget Transfer - Roads Maintenance	24-24(A)	1,161,227	FY25
Green Infrastructure Research - Appraisals	24-24(A)	50,000	FY27
Green Infrastructure Research	24-24(A)	10,000	FY27
Ground Water Research	24-24(A)	35,000	FY27
Mt Augustine Surface Water	23-23(A-3)	193,000	FY26
Bunnell Ave Road Restoration Project - Design	23-23(A-3)	50,000	FY26
Beluga Slough Green Infrastructure Project	23-23(A-3)	125,900	FY26
Ben Walters Sidewalk Construction	23-23(A-3)	374,440	FY26
8005 - Svedlund-Herndon Sidewalk Design	23-23(A-3)	20,150	FY26
Iris Court Drainage	23-23(A-3)	240,000	FY26
Kachemak Sponge Green Infrastructure Project Property	23-23(A-3)	418,100	FY26
Vehicle Replacement (E-130 and E-114)	23-23(A-3)	37,625	FY26
Lane Dividers for West Fairview / Eric Lane	23-23(A-3)	6,000	FY26
Adams Lane Path	23-23(A-3)	55,000	FY26
Master Transportation Plan Update	22-38	1,865	FY25

2,914,817





1 2	CITY OF HOMER HOMER, ALASKA
3	City Manager/
4	Public Works Director
5	ORDINANCE 25-21
6	
7	AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
8	AMENDING THE FY25 CAPITAL BUDGET APPROPRIATING \$300,000
9	FROM THE WATER CAPITAL ASSET REPAIR MAINTENANCE
10	ALLOWANCE (CARMA) FUND FOR THE REPLACEMENT OF THE
11	WATER MAIN ON OHLSON LANE AND WEST BUNNELL AVENUE.
12	
13	WHEREAS, The City is rebuilding the roadways Ohlson Lane and West Bunnell Avenue;
14	and
15	
16	WHEREAS, The water main on both roads is 60 years old and replacing it at the same
17	time as the roadway would be more cost efficient than replacing them separately; and
18	
19	WHEREAS, The original plan was to pay for design of the water main with \$90,000 out
20	of the Water CARMA appropriated in Ordinance 23-23 (A-3) and for construction with a \$491,400
21	principal forgiveness subsidy associated with a loan offered through the Alaska Department
22	Environmental Conservation (ADEC) State Revolving Fund; and
23	
24	WHEREAS, The \$491,400 figure, that Public Works gave to the Alaska Department of
25	Environmental Conservation (ADEC) when filing the questionnaire for the loan, based off of an
26	old cost estimate, is no longer valid; and
27	
28	WHEREAS, Design work and permitting cost \$59,555 and the latest construction cost
29	estimate for the water portion of the project is \$790,450; and
30	
31	WHEREAS, The \$268,605 between total budget and total expenses cannot by covered
32	by the HART Roads appropriation from Ordinance 24-61 because that would not be in keeping
33 34	with the intent of the HART Roads Fund; and
34 35	WHEREAS in light of recent hide coming over Engineering estimates. Dublin We
35 36	WHEREAS, In light of recent bids coming over Engineer's estimates, Public Works
30 37	recommends a 11% contingency.
38	NOW THEREFORE THE CITY OF HOMER ORDAINS.
39	NOW, THEREFORE, THE CITY OF HOMER ORDAINS:
39 40	Section 1. The Homer City Council hereby amends the FY25 Capital Budget by
40 41	appropriating \$300,000 as follows:
42	
72	

PAGE 2 OF 2 ORDINANCE 25-21 CITY OF HOMER

43	<u>Fund</u>	Description	Amount
44	256-0378	Water Main Replacement	\$300,000
45		Ohlson Lane / West Bunnell Ave	Э.
46			:
47	ENACTED BY THE CIT	Y COUNCIL OF HOMER, ALASKA,	this 10th day of March, 2025.
48			1
49		Ci	TY OF HOMER
50			
51			
52			
53 54	ATTECT	´ RA	ACHELLORD, MAYOR
54 55	ATTEST:		
55 56	Rence Kraus	l	
57	RENEE KRAUSE, MMC, CITY (
58			
59			AD .
60	YES: 5	SOMO.	
61	NO: Ø	Contraction of the second	A star
62	ABSTAIN: \mathscr{P}		λ.(2003) μ.(2003)
63	ABSENT: /	Con March 31, 196	
64			
65	Introduction: 2/24/2		4.(D
66	Public Hearing: 3/10/25	5	
67	Public Hearing: 3/10/26 Second Reading: 3/10/26	5	
68	Effective Date: 3/11/24	5	· · · · · · · · · · · · · · · · · · ·
69	· ·		
70			



Ordinance 25-21, An Ordinance of the City Council of Homer, Alaska, Amending the FY25 Capital Budget Appropriating \$300,000 from the Water Capital Asset Repair Maintenance Allowance (CARMA) Fund for the Replacement of the Water Main on Ohlson Lane and Bunnell Avenue.

Item Type:	Backup Memorandum		
Prepared For:	Mayor Lord and City Council		
Date:	February 14, 2025		
From:	Daniel Kort, Public Works Director		
Through:	Melissa Jacobsen, City Manager		

Summary:

Appropriation of construction funds to amend the funding sources for the water main replacement portion of the Ohlson Lane and Bunnell Avenue Roadway and Water Improvement Project. This is not an increase in the anticipated project cost, but rather a correction in the funding sources used.

Background:

This project began with a design and study by Nelson Engineering in 2023 which recommended that Public Works Department reconstruct the subgrade for Ohlson Lane and West Bunnell Avenue. According to the 100% cost estimate, the total cost will be approximately \$2,559,149.

The project additionally replaces the water main on the affected roads as well as construct storm sewer in conjunction with the new curb to alleviate local stormwater issues. As stated in previous legislation, the water main is being replaced because it is an approximately 60-year old cast iron pipe that is near the end of its service life and is prone to failure. Approximately 10-years ago a cost estimate was developed for the replacement of this water main prior to the conception of the roadway reconstruction project, but the project was shelved for a later date. The roadway reconstruction offers a unique opportunity to replace the aging infrastructure as part of one effort, thereby avoiding digging up the newly constructed road to make future repairs or replace the pipe. The storm sewer portion of the project will replace some aging drainage piping and improve storm drainage issues in this neighborhood as well as to accommodate the projects new street design.

Public Works Department submitted questionnaires to the Alaska Department of Environmental Conservation (ADEC) in 2023 to apply for loans to cover both the water main replacement and storm drain portions of the construction project from the Alaska Drinking Water Fund and Alaska Clean Water Fund respectively. The ADEC added both the water main replacement and storm drain to their project priority list and both projects scored high and were granted 100% principal forgiveness subsidy in the following amounts:

Ohlson & Bunnell Water Main Replacement: \$491,400

Ohlson & Bunnell Storm Drain Construction: \$324,000

The principle forgiveness between the two loans totals to \$815,400 in loan subsidy which will cover a portion of the construction costs for the subject project. Ordinance 24-61 was passed on January 28, 2025 which obligated \$2,000,000 from HART Roads to supplement the two ADEC loans in order to obligate money towards the construction effort for a total of \$2,851,000, which is greater than the estimated project cost of \$2,559,149.

The updated construction cost estimate by Nelson Engineering was provided to the City around the same time as the passage of Ordinance 24-61. The cost estimate shows the water portion of the construction project is estimated to cost \$790,450. At this point, we looked into why there was such a large discrepancy between the loan application's cost estimate and the new Engineer's Estimate. This is when it was identified that the approximately 10-year old engineer's estimate was used at the time of the ADEC application because there was no better data available at the time.

For the water main replacement portion of the project, the original plan was to use an appropriation (Ordinance 23-23 (A-3)) of \$90,000 from the Water CARMA to cover design related costs, and the ADEC Loan of \$491,400 (with principle forgiveness) would cover the construction costs. The design by Nelson Engineering cost \$55,867, Alaska DOT permits cost \$2,600, and ADEC review cost \$1,088 leaving a balance of \$30,445 from the original \$90,000 Water CARMA appropriation.

Therefore, the appropriation of \$2,000,000 via Ordinance 24-61 from HART Roads actually overstated the HART Roads portion of the project cost. This proposed ordinance for supplemental appropriation is intended to fund the balance of the water portion of the construction project from Water CARMA as it originally should have been.

Estimated Construction Cost - \$790,405

Less the Anticipated remaining balance from Ordinance 23-23 (A-3) - \$30,445

Less the ADEC Loan (with principle forgiveness) - \$491,400

For a total balance of - \$268,605

The overall anticipated cost of the project has not increased, but rather the HART Roads portion of the funding via Ordinance 24-61 was mistakenly overstated. It is anticipated that this Ordinance will free up \$268,605 of the \$2,000,000 HART Roads funding obligated via Ordinance 24-61 towards the Project to be returned to HART Roads at the completion of this project.

Recommendation:

Public Works recommends that \$300,000 be appropriated from the Water CARMA Fund to cover the shortfall of \$268,605. The proposed appropriation is greater than the shortfall to provide a modest contingency of approximately 11% in effort to prevent future supplemental appropriations in the event that the bid for the water portion of the project exceeds \$790,450.

CITY OF HOMER FINANCIAL SUPPLEMENT

PROJECT NAME	Water Main Replacemer	t - Ohlson Lane and W	est Bunnell Avenue	DA	TE 02/19/20)25
DEPARTMENT	Public Works			SPONS	OR <u>City Man</u>	ager/PW Director
REQUESTED AMOUNT	\$ 300,000					
DESCRIPTION	time as the roadway would out of the Water CARMA app offered through the Alaska Alaska Department of Envir Design work and permitting between total budget and t	be more cost efficient th propriated in Ordinance 2 Department Environmen onmental Conservation (5 cost \$59,555 and the lat otal expenses cannot by	an replacing them separa 23-23 (A-3) and for constr tal Conservation (ADEC) ! ADEC) when filing the qu est construction cost esti covered by the HART Roa	he water main on both roads is itely. The original plan was to juction with a \$491,400 principa State Revolving Fund. The \$493 estionnaire for the loan, based mate for the water portion of t ids appropriation from Ordinar ig over Engineer's estimates, Pi	oay for design of l forgiveness sub ,400 figure, that off of an old cost ne project is \$790 ce 24-61 becaus	the water main with \$90,000 osidy associated with a loan Public Works gave to the estimate, is no longer valid. 0,450. The \$268,605 e that would not be in
						_

FUNDING SOURCE(S)	OPERATING	GF CARMA	GF FLEET CARMA	PORT RESERVES	WATER CARMA
	0%	0%	0%	0%	100%
	HAWSP	HART-ROADS	HART-TRAILS	PORT FLEET RESERVES	SEWER CARMA
	0%	0%	0%	0%	0%

FUNDING SOURCE 1: WATER CAR	RMA (256-0378)	FUNDING SOURCE 2:	FUNDING SOURCE 3:
Current Balance \$2,222,705		Current Balance	Current Balance
Encumbered	\$ 1,156,706	Encumbered	Encumbered
Requested Amount \$ 300,000		Requested Amount	Requested Amount
Other Items on Current Agenda	\$17,000	Other Items on Current Agenda	Other Items on Current Agenda
Remaining Balance \$ 748,999		Remaining Balance	Remaining Balance
FUNDING SOURCE 4:		FUNDING SOURCE 5:	FUNDING SOURCE 6:
Current Balance		Current Balance	Current Balance
Encumbered		Encumbered	Encumbered
Requested Amount		Requested Amount	Requested Amount
Remaining Balance		Remaining Balance	Remaining Balance

1	CITY OF HOMER
2	HOMER, ALASKA
3	City Manager/
4	Public Works Director
5	ORDINANCE 25-28
6	
7	AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
8	AMENDING THE FY25 CAPITAL BUDGET BY UNAPPROPRIATING
9	\$268,605 OF HOMER ACCELERATED ROADS AND TRAILS (HART)
10	ROADS FUNDS FOR THE OHLSON LANE WEST BUNNELL AVENUE
11	RECONSTRUCTION PROJECT.
12	
13	WHEREAS, The City is rebuilding the roadways Ohlson Lane and West Bunnell Avenue;
14	and
15	
16	WHEREAS, The water main on both roads is 60 years old and replacing it at the same
17	time as the roadway would be more cost efficient than replacing them separately; and
18	
19	WHEREAS, The original plan was to pay for design of the water main with \$90,000 out
20	of the Water CARMA appropriated in Ordinance 23-23 (A-3) and for construction with a \$491,400
21	principal forgiveness subsidy associated with a loan offered through the Alaska Department
22	Environmental Conservation (ADEC) State Revolving Fund; and
23	
24	WHEREAS, The \$491,400 figure, that Public Works gave to the Alaska Department of
25	Environmental Conservation (ADEC) when filing the questionnaire for the loan, based off of an
26	old cost estimate, is no longer valid; and
27	
28	WHEREAS, Design work and permitting cost \$59,555 and the latest construction cost
29	estimate for the water portion of the project is \$790,450; and
30	
31	WHEREAS, The \$268,605 between total budget and total expenses cannot by covered
32	by the HART Roads appropriation from Ordinance 24-61 because that would not be in keeping
33	with the intent of the HART Roads Fund; and
34	
35	WHEREAS, Ordinance 25-21 appropriated \$300,000 from Water CARMA to cover
36	expenses related to the water line replacement.
37	
38	NOW, THEREFORE, THE CITY OF HOMER ORDAINS:
39	
40	Section 1. The Homer City Council hereby amends the FY25 Capital Budget by
41	unencumbering \$268,605 of HART Roads funding for the Ohlson Lane and West Bunnell

42	-	ement of the water mains on Ohlson Lane and
43	West Bunnell Avenue. The total HART Roads	appropriation for this project is now \$1,731,395.
44		
45	ENACTED BY THE CITY COUNCIL OF H	OMER, ALASKA, this day of, 2025.
46		
47		CITY OF HOMER
48		
49		
50		
51	ATTECT	RACHEL LORD, MAYOR
52	ATTEST:	
53 54		
54 55		
56	RENEE KRAUSE, MMC, CITY CLERK	
57		
58		
59	YES:	
60	NO:	
61	ABSTAIN:	
62	ABSENT:	
63		
64	Introduction:	
65	Public Hearing:	
66	Second Reading:	
67	Effective Date:	
68		
69		



MEMORANDUM

Ordinance 25-29, An Ordinance of the City Council of Homer, Alaska Amending the FY25 Capital Budget by Appropriating an Additional \$3,200 from the Homer Accelerated Roads and Trails (HART) Trails Fund for Change Order No. 1 to Kinney Engineering Task Order 24-01 and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager/Public Works Director.

Item Type: Backup Memorandum	
Prepared For: City Council	
Date:	March 24, 2025
From:	Daniel Kort, Public Works Director
Through:	Melissa Jacobsen, City Manager

Issue:

The purpose of this Memorandum is to recommend appropriating an additional \$3,200 via Change Order No. 1 to Task Order 24-01 for Kinney Engineering to complete the Preliminary Design of Non-Motorized Trails and Trailhead Connecting City of Homer Diamond Creek Property to the Proposed Highway Underpass.

Background:

The City of Homer passed Ordinance 24-06(A) amending the FY24 Capital Budget by appropriating \$25,000 from the HART Trails Fund to contract engineering services with Kinney Engineering for the Preliminary Design of Non-Motorized Trails and Trailhead Connecting the City of Homer Diamond Creek Property to the Proposed Highway Underpass. Task Order 24-01 was issued to Kinney Engineering to perform this work through our Term Contracts.

The City additionally issued a Task Order 24-02 to Kinney Engineering for the purposes of hiring a subconsultant, Happy Trails. The Task Order 24-02 was issued for \$2,000 and was intended to pass through to the sub-consultant costs as Happy Trails is not currently a Term Contractor with the City. Task Order 24-02 was mistakenly issued to Kinney Engineering through the City's Operating Budget and should have been a Change Order to the existing contract with Kinney Engineering under Task Order 24-01.

Kinney Engineering submitted an invoice for additional costs incurred beyond the contracted \$2,000 related to the proposed Diamond Creek Recreation Trail, for work relating to coordination between Happy Trails work and Kinney Engineering's work. The total invoiced to Task Order 24-02 was \$3,145.

As a housekeeping measure, the Public Works Department would like to issue a Change Order to Kinney Engineering's Task Order 24-01 in the amount of \$3,145 in order to cover the costs of the work performed under Task Order 24-02 so the payment for this work is coming from HART Trails and not the General Fund.

The Public Works Department will then close out Task Order 24-02 with no charges against the Task Order.

Recommendation:

The Public Works Department recommends that the City Council appropriate the additional \$3,200 to cover expenses associated with the proposed Diamond Creek Recreation Area Trail.

Attachments:

Memorandum CC-24-036 Ordinance 24-06(A)



AGENDA ITEM REPORT

Ordinance 24-06, An Ordinance of the City Council of Homer, Alaska, Amending the FY24 Capital Budget by Appropriating \$25,000 from the Homer Accelerated Roads and Trails (HART) Trails Fund to Contract Engineering Services for Preliminary Design of Non-motorized Trails and Trailhead Connecting City of Homer Diamond Creek Property to the Proposed Highway Underpass. Davis.

Item Type:	Backup Memorandum
Prepared For:	Mayor Castner and Homer City Council
Date:	08 January 2024
From:	Melissa Jacobsen, MMC, City Clerk

With the introduction of Ordinance 24-06 Council requested a copy of the Diamond Creek Recreation Area Multi-Resource Management Plan be provided for the next meeting.

The plan is available on the City's webpage through the Parks and Recreation link under Departments, and I've included a link to access the document.

https://www.cityofhomer-ak.gov/publicworks/diamond-creek-recreation-area

Planning Technician Steffy provided the pages related to Recreation Objectives and map that are attached.

Strategies

Monitor forest health, in partnership with the Kenai Peninsula Borough and the DNR, Division of Forestry. Include the DCRA within any local wildfire risk assessments.

Where appropriate, route non-motorized public access through forested areas so as to promote strategic firebreaks (motorized vehicles are restricted except for maintenance and grooming unless approved by the City).

Conservation Objective 2:

Preserve and protect wetlands and riparian zones within the DCRA.

Strategies:

Plan new routes for public access through the DCRA in a manner and location that minimizes impact(s) to wetlands.

Seek funding for bridge upgrades and maintenance at trail-stream crossings, and for proper trail-hardening through wet areas.

Regulate and minimize non-winter motorized travel through the DCRA except for city-approved management activities.

Conservation Objective 3:

Preserve the natural scenic qualities of the DCRA.

Strategies:

Design and install signage so as not to detract from local scenery with sign height, color, material, or placement.

Provide maps of the area near trailheads, so they are not necessary along public-access routes. Use as few trail markers as necessary.

Encourage users to pack out trash.

Prohibit overnight camping.

Identify and maintain functional landscape and ecological linkages between the DCRA, the HDF, and surrounding lands that have been protected through conservation easements or other mechanisms.

Ensure that the DCRA remains a viable wildlife corridor by protecting important habitat features and avoiding obstructions to wildlife movement.

Recreation

Recreational development within the DCRA should be focused primarily on summer use at this time, since winter access is already well-established. However, certain recreational objectives detailed here will benefit users on a year-round basis. Care should be exercised during all phases of recreational development to protect the environmental attributes of the DCRA, as well as the interests of surrounding landowners.

Recreational Objective 1:

Improve controlled, non-motorized recreational access to the DCRA.

Strategies:

Support efforts to enlarge the parking area at the Rogers Loop trailhead.

Work with the Kenai Peninsula Borough's Land Management Division to formalize year-round access from the DOT trailhead to the DCRA.

Provide a parking area and trailhead facilities at the western border of the DCRA.

Develop a preliminary plan with the AK-DOT, and seek funding, for a non-motorized route across the Sterling Highway near MP 168, in order to extend the recreational corridor to the Diamond Creek State Recreation Site on the south side of the Sterling Highway. (A pedestrian underpass at this location associated with an improved road-stream crossing should be investigated.)

Recreational Objective 2:

Construct summer-use trails within the DCRA.

Diamond Creek Recreation Area Management Plan

2013 233

Strategies:

Develop a summer trail system through and connecting upland areas ("forest islands") within the DCRA, including a route paralleling Diamond Creek (Map 1). Extend DCRA trails to the Sterling Highway and current HDF trails as shown on Map 1.

Develop summer access from the Sterling Highway-DOT trailhead to the DCRA, with trail-hardening through wet areas.

Plan and develop multi-use "loops" or trails, to include bicycling and equestrian users, where soils and slopes are suitable.

Education

Educational Objective 1:

Encourage area schools, local organizations, and area visitors to use the DCRA in sustainable ways that promote education.

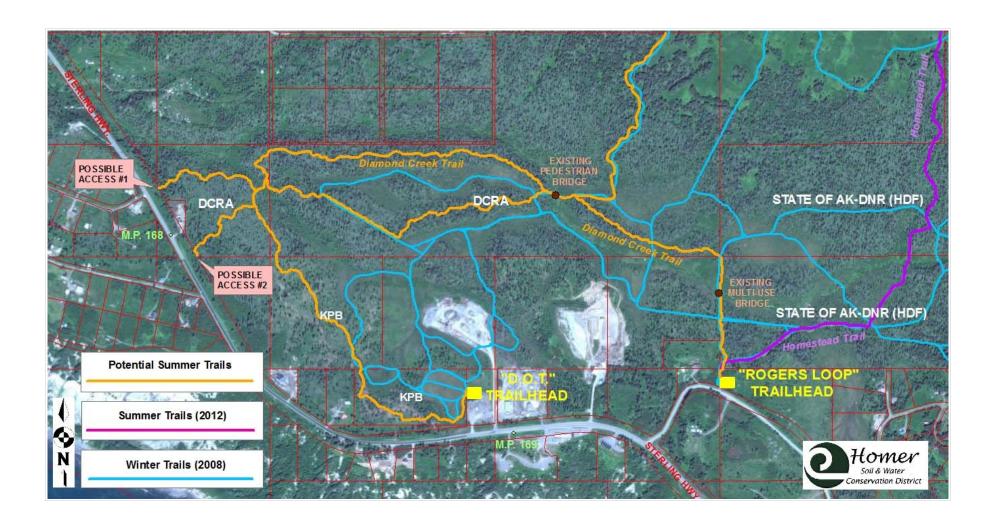
Strategies:

Identify areas for observing scenery and wildlife and provide minimal-disturbance facilities (such as widened trail segments, lookouts, benches, or informational signage) to enhance visitor experiences.

Help to organize and promote educational events on significant dates, or during appropriate community events, to enhance public knowledge of forest and wetland ecology.

234

Map 1 - Diamond Creek Recreation Area Access and Development



1	CITY OF HOMER
2 3	HOMER, ALASKA
5 4	Davis ORDINANCE 24-06(A)
5	
6	AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
7	AMENDING THE FY24 CAPITAL BUDGET BY APPROPRIATING
8	\$25,000 FROM THE HOMER ACCELERATED ROADS AND TRAILS
9	(HART) TRAILS FUND TO CONTRACT ENGINEERING SERVICES FOR
10	PRELIMINARY DESIGN OF NON-MOTORIZED TRAILS AND
11	TRAILHEAD CONNECTING CITY OF HOMER DIAMOND CREEK
12	PROPERTY TO THE PROPOSED HIGHWAY UNDERPASS.
13	WILLEDEAS. The City Council conveyed the Disposed Creak Despection Area (DCDA)
14 15	WHEREAS, The City Council approved the Diamond Creek Recreation Area (DCRA) Management Plan in May 2013; and
16	Management Flair in May 2015, and
17	WHEREAS, Development of DCRA is included in the City of Homer's 2024-2029 Capital
18	Improvement Plan; and
19	
20	WHEREAS, This appropriation is to provide \$20,000 as well as a small contingency for a
21	total of \$25,000 to pay for the development of a Trails Engineering Design Study in the DCRA;
22	and
23	
24	WHEREAS, A Trails Engineering Design Study will provide design and engineering
25	specifics for the feasibility and route of a trail from City owned property at the Diamond Creek
26 27	Recreation Area to the proposed highway underpass and to a point to be determined beyond; and
28	
29	WHEREAS, State of Alaska Department of Transportation and Public Facilities
30	(AKDOT/PF) is preparing to launch a large Sterling Highway rehabilitation project in the west
31	Homer area and has expressed willingness to construct a pedestrian underpass crossing the
32	Sterling Highway if the City of Homer demonstrates commitment to developing trails and
33	facilities in the DCRA connecting to this underpass area; and
34	
35	WHEREAS, The AKDOT/PF is interest in fostering a relationship with the City of Homer
36	and the Kenai Peninsula Borough so that rights of way and trail easement issues can be
37 38	resolved in the Sterling Highway underpass area; and
39	WHEREAS, HART Trails Fund has sufficient capital to fund this contract; and
40	
41	WHEREAS, The data produced by such a study will be useful in future development of
42	the DCRA.
43	

Page 2 of 2 ORDINANCE 24-06(A) CITY OF HOMER

44	NOW, THEREFORE,	THE CITY OF HOMER ORDAIN	S:	
45 46	Section 1 The He	mor City Council boroby	manda the FV24 Capital Dudget by	
40	<u>Section 1.</u> The Homer City Council hereby amends the FY24 Capital Budget by appropriating \$25,000 to develop a DCRA Trails Engineering Design Study as follows:			
48			this besign study as follows.	
49	Account No.	Description	Amount	
50	165-XXXX	HART Trails	\$25,000	
51				
52	Section 2. A DCRA T	rails Engineering Design ad	opted by Resolution. The DCRA Trails	
53	Engineering Design Study	shall include an analysis of r	right of way and other aspects of trail	
54			MOU's between the city of homer and	
55	other entities involved wi	<u>th the project.</u>		
56				
57		udget amendment ordinanc	e, is temporary in nature and shall not	
58	be codified.			
59			ACKA this 22nd days of lawson 2024	
60 61	ENACIED BY THE C	ITY COUNCIL OF HOMER, AI	LASKA this 22 nd day of January, 2024.	
62			`	
63			CITY OF HOMER	
64				
65			Entern	
66			KEN CASTNER, MAYOR	
67				
68				
69	ATTEST:			
70	Mulli had			
71				
72 73	MELISSA JACOBSEN, MMC,	CITYCLERK		
74	YES: 6			
75	NO: O			
76	ABSTAIN:0		HOMEPS	
77	ABSENT: 0	· · · · · · · · · · · · · · · · · · ·		
78			FUSIS	
79	First Reading: Jun 8, 2024		Morch 31 1964	
80	Public Hearing: Jun 22. Low	4	An and a second se	
81	Second Reading: Jan 22, Los	u	.cta	
82	Second Reading: Jan 22, 200 Effective Date: Jun 23, 202	4		
	0			

1	CITY OF HOMER
2 3	HOMER, ALASKA City Manager/
3 4	Public Works Director
5	ORDINANCE 25-29
6	
7	AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
8	AMENDING THE FY25 CAPITAL BUDGET BY APPROPRIATING AN
9	ADDITIONAL \$3,200 FROM THE HOMER ACCELERATED ROADS
10	AND TRAILS (HART) TRAILS FUND FOR CHANGE ORDER NO.1 TO
11	KINNEY ENGINEERING TASK ORDER 24-01 AND AUTHORIZING THE
12	CITY MANAGER TO NEGOTIATE AND EXECUTE THE APPROPRIATE
13	DOCUMENTS.
14	
15	WHEREAS, Ordinance 24-06(A) appropriated \$25,000 towards the Preliminary Design of
16	Non-Motorized Trails and Trailhead connecting the City of Homer Diamond Creek Property to
17	the Proposed Highway Underpass; and
18	
19	WHEREAS, The City issued Kinney Engineering Task Order 24-01 to conduct the
20	Preliminary Design of the Diamond Creek Recreation Area Trail Study for \$25,000; and
21	
22	WHEREAS, The City issued Kinney Engineering Task Order 24-02 to subcontract with
23	Happy Trails to do conceptual trail planning for a cost of \$2,000 and pass these costs directly
24	on to the City through Task Order 24-02; and
25	WILLEDEAS. The City issued Kinney Engineering Teels Order 24.02 using the Operating
26 27	WHEREAS, The City issued Kinney Engineering Task Order 24-02 using the Operating Budget 100-0177-5210 rather than HART Trails; and
27	Budget 100-0177-5210 father than HART fraits, and
28 29	WHEREAS, Subcontractor management and any coordination between Kinney
30	Engineering and Happy Trails was covered by Task Order 24-01; and
31	
32	WHEREAS, Kinney Engineering incurred additional costs of \$1,145 to coordinate work
33	between Happy Trails and Kinney Engineering that were not anticipated under Task Order 24-
34	01; and
35	
36	WHEREAS, Kinney Engineering submitted an invoice for \$3,145 for Task Order 24-02;
37	and
38	
39	WHEREAS, This Ordinance will appropriate the additional \$3,145 towards Task Order
40	24-01 and Public Works will close out Task Order 24-02 with no expenses applied to it.
41 42	NOW, THEREFORE, The City of Homer Ordains:

Page 2 of 2 ORDINANCE 25-29 CITY OF HOMER

43		
44	Section 1:	The Homer City Council hereby amends the FY25 Capital Budget by
45	appropriating an a	dditional \$3,200 as follows:
46		
47	<u>Fund</u>	<u>Description</u> <u>Amount</u>
48	165-0933	Preliminary Design Task Order 24-01 \$3,200
49		Change Order No. 1
50		
51		his is a budget amendment ordinance, is not permanent in nature, and shall
52	not be codified.	
53		
54	ENACTED B	Y THE CITY COUNCIL OF HOMER, ALASKA, this day of, 2025.
55		
56		CITY OF HOMER
57		
58		
59		
60 61		RACHEL LORD, MAYOR
61 62		
63	ATTEST:	
64	ATTEST.	
65		
66	RENEE KRAUSE, MI	MC. CITY CLERK
67	,	, ,
68	YES:	
69	NO:	
70	ABSTAIN:	
71	ABSENT:	
72		
73	First Reading:	
74	Public Hearing:	
75	Second Reading:	
76	Effective Date:	

CITY OF HOMER FINANCIAL SUPPLEMENT

PROJECT NAME	Kinney Engineering Task Order 24-01 Change Order No. 1	DATE 03/19/2025	
DEPARTMENT	Public Works	SPONSOR <u>City Manager/PW Director</u>	
REQUESTED AMOUNT	\$ 3,200		
DESCRIPTION	Ordinance 24-06(A) appropriated \$25,000 towards the Preliminary Design of No Diamond Creek Property to the Proposed Highway Underpass. The City issued	o ,	

Diamond Creek Property to the Proposed Highway Underpass. The City issued Kinney Engineering Task Order 24-01 to conduct the	
Preliminary Design of the Diamond Creek Recreation Area Trail Study for \$25,000. The City issued Kinney Engineering Task Order 24-02 to	
subcontract with Happy Trails to do conceptual trail planning for a cost of \$2,000 and pass these costs directly on to the City through Task	
Order 24-02. The City issued Kinney Engineering Task Order 24-02 using the Operating Budget rather than HART Trails. Subcontractor	
management and any coordination between Kinney Engineering and Happy Trails was covered by Task Order 24-01. This Ordinance will	
appropriate the additional \$3,145 towards Task Order 24-01 and Public Works will close out Task Order 24-02 with no expenses applied to it.	

FUNDING SOURCE(S)	OPERATING	GF CARMA	GF FLEET CARMA	PORT RESERVES	WATER CARMA
	0%	0%	0%	0%	0%
	HAWSP	HART-ROADS	HART-TRAILS	PORT FLEET RESERVES	SEWER CARMA
	0%	0%	100%	0%	0%

FUNDING SOURCE 1: HART Trails (165)		FUNDING SOURCE 2:	FUNDING SOURCE 3:
Current Balance	\$ 1,205,463	Current Balance	Current Balance
Encumbered	\$215,091	Encumbered	Encumbered
Requested Amount	\$ 3,200	Requested Amount	Requested Amount
Other Items on Current Agenda	\$0	Other Items on Current Agenda	Other Items on Current Agenda
Remaining Balance	\$987,172	Remaining Balance	Remaining Balance
FUNDING SOURCE 4:		FUNDING SOURCE 5:	FUNDING SOURCE 6:
Current Balance		Current Balance	Current Balance
Encumbered		Encumbered	Encumbered
Requested Amount		Requested Amount	Requested Amount
Remaining Balance	_	Remaining Balance	Remaining Balance

1 2	CITY OF HOMER HOMER, ALASKA	
3	······································	Aderhold/Hansen
4	ORDINANCE 25-30	
5		
6	AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALA	SKA
7	AMENDING THE FY25 CAPITAL BUDGET BY APPROPRIATING	5 AN
8	ADDITIONAL \$57,073.12 FROM THE HOMER ACCELERATED WA	TER
9	AND SEWER PROGRAM (HAWSP) FOR THE PURPOSE	OF
10	REIMBURSING SIX PROPERTY OWNERS IN THE BUNN	IELL
11	AVE/CHARLES WAY SPECIAL ASSESSMENT DISTRICT FOR	THE
12	COST OF E-ONE LIFT STATIONS.	
13		
14	WHEREAS, Ordinance 25-07 reimbursed seven property owner	
15	Way/Bunnell Avenue Special Assessment District (SAD) for the amount of the	
16	was allocated to the cost of E-One lift stations that they did not receive ben	efit of; and
17		
18	WHEREAS, Chris Long, the owner of WR Benson Sub Amended, Lot 1	
19	owner who brought this matter to the City's attention in August of 2024 w	•
20	develop his property, learned other properties had E-One lift stations insta	
21	SAD, contacted Public Works to get a lift station, and learned he would not	receive one; and
22		
23	WHEREAS, It took City administration a long period of time	
24	circumstances for this SAD that resulted in an in inequitable distribution of co	osts for lift stations
25	in the SAD; and	
26	WHEREAS During that time Mr. Long purchased and installed a lift st	ation at the cost of
27 28	WHEREAS, During that time Mr. Long purchased and installed a lift st \$17,951.68 so he could begin development of his property; and	ation at the cost of
28 29	\$17,951.08 So he could begin development of his property, and	
30	WHEREAS, The cost to the City to purchase and install lift station	ons on the eleven
31	properties with residences was \$12,400 per property; and	on the eleven
32	properties with residences was \$12,400 per property, and	
33	WHEREAS, The City Council recognizes the undue burden to Mr. Lor	g and appreciates
34	his patience as the new administration navigated this matter and agreed to	0 11
35	additional \$11,351.29, in addition to the \$2,648.71 reimbursement throug	
36	for a total of \$14,000; and	
37		
38	WHEREAS, The remaining five property owners may contact the City	until April 1, 2030
39	to request reimbursement up to an amount not to exceed \$12,400 tot	• •
40	following installation of a lift station for the development of their property,	
41		

			Reimbursement	Additional Reimbursement	Total
	KPB Tax ID	Owner	per Ord 25-07	per Ord 25-xx	Reimbursement
	177-164-16	Long	\$2,648.71	\$11,351.29	\$14,000
	177-164-14	Connolly	\$2,648.71	\$9,751.29	\$12,400
	177-164-37	Baugher	\$2,648.71	\$9,751.29	\$12,400
	177-164-34	Gordon	\$2,648.71	\$9,751.29	\$12,400
	177-164-30	Hillstrand	\$2,648.71	\$9,751.29	\$12,400
	177-140-09	Johnson/Pereira	\$5,683.33	\$6,716.67	\$12,400
40	Cost to HAWSP			\$57,073.12	
42		bototol odditiona	l roinchurcomont.		12 for the remaining
43	•			•	.12 for the remaining
44 45	five parcels, not inc	lualing the City of	nomer owned par	cei.	
				10.	
46	NOW, INERI	FORE, THE CITY C	OF HOMER ORDAIN	15.	
47 48	Section 1	The Homor City	Council boroby	amonds the EV2E	Capital Budget by
48 49	appropriating an ac	-		amenus the Frzs	Capital budget by
49 50	appropriating an at		12 85 10110005.		
50 51	Fund	Description		Λ	mount
51 52	205		Impacted Propert		. <u>mount</u> 57,073.12
52 53	205	HAWSF - Other	inipacted Flopen	ty Owners 5	51,015.12
55 54	Section 2 T	his ordinanco is a	budget amondm	ont only is not of	a permanent nature
54 55	and shall not be co		buuget amenum	ent only, is not of	a permanent nature
56		unieu.			
57	ENACTED BY			SKAthis dav	of,2025.
58					
59				CITY OF HOMER	,
60					
61					
62					
63				RACHEL LORD,	MAYOR
64				,	
65					
66	ATTEST:				
67					
68					
69	RENEE KRAUSE, MM	IC, CITY CLERK	-		
70	,	,			
71	YES:				
72	NO:				
73	ABSTAIN:				
74	ABSENT:				

Page 3 of 3 ORDINANCE 25-30 CITY OF HOMER

75

- 76 First Reading:
- 77 Public Hearing:
- 78 Second Reading:
- 79 Effective Date:

CITY OF HOMER FINANCIAL SUPPLEMENT

PROJECT NAME	E-One Lift Station - Additional Funding	DATE 03/24/2025
DEPARTMENT	Council	SPONSOR Aderhold/Hansen
REQUESTED AMOUNT	\$ 57,073	
DESCRIPTION		

The cost to the City to purchase and install lift stations on the eleven properties with residences was \$12,400 per
property. The City Council recognizes the undue burden to Mr. Long and appreciates his patience as the new
administration navigated this matter and agree to reimburse him an additional \$11,351.29 in addition to the
\$2,648.71 reimbursement through Ordinance 25-07 for a total of \$14,000. The remaining five property owners
may contact the City until April 1, 2030 to request reimbursement up to an amount not to exceed \$12,400 total
reimbursement following installation of a lift station for the development of their property.

FUNDING SOURCE(S)	OPERATING	GF CARMA	GF FLEET CARMA	PORT RESERVES	WATER CARMA
	0%	0%	0%	0%	0%
	HAWSP	HART-ROADS	HART-TRAILS	PORT FLEET RESERVES	SEWER CARMA
	100%	0%	0%	0%	0%

FUNDING SOURCE 1: HAWSP		FUNDING SOURCE 2:	FUNDING SOURCE 3:
Current Balance	\$ 7,276,201	Current Balance	Current Balance
Encumbered	\$ 53,500	Encumbered	Encumbered
Requested Amount	\$ 57,073	Requested Amount	Requested Amount
Other Items on Current Agenda	\$67,481	Other Items on Current Agenda	Other Items on Current Agenda
Remaining Balance	\$ 7,098,147	Remaining Balance	Remaining Balance
FUNDING SOURCE 4:		FUNDING SOURCE 5:	FUNDING SOURCE 6:
Current Balance		Current Balance	Current Balance
Encumbered		Encumbered	Encumbered
Requested Amount		Requested Amount	Requested Amount
Remaining Balance		Remaining Balance	Remaining Balance

City of Homer Title 21 Update Project Overview

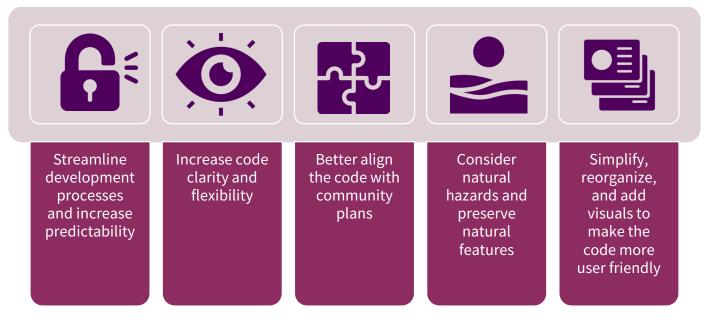
Updated April 2025

Project Purpose

The City of Homer is revising its zoning policies, found in <u>Title 21 of the City Code</u>. Zoning code governs how land in a municipality is used and establishes rules on how properties function. Zoning is a tool to achieve the intent and future land use goals set by the comprehensive plan. A well-written code provides the Planning Commission and staff with tools to effectively regulate development, protect and enhance the community, and clearly communicate development processes and requirements to applicants, such as residents, builders, developers, and businesses.



Project Goals



Project Timeline

This project is Phase 2 of a two-phased community development effort. Phase 1 is the update to the City's Comprehensive Plan, currently being finalized. To learn more about the Homer Comprehensive Plan Update, visit <u>homercompplanupdate.com</u>.

January - March 2025	April - May 2025	June - September 2025	October - December 2025			
 Launch Phase 2 Compile background and gather initial feedback from City staff and Planning Commission Review existing code and identify updates 	 Meet with key stakeholders, partners, and Planning Commission to gather input Develop proposed code type and structure 	 Gather input from public on potential changes Internal drafting of updated Title 21 	 Share code for public review Consider and incorporate revisions based on feedback Code adoption process starts early 2026 			

Ongoing: Monthly updates and/or work sessions with the Planning Commission and City Council

How to Get Involved



Join meetings. We are sharing information and discussing the Title 21 process and related updates at upcoming City of Homer Planning Commission meetings. Visit the <u>project website</u> for details on dates, topics, and how to join.



Send comments. Submit a virtual comment card here to share your ideas.



Weigh in. This summer, the public will be invited to share your feedback on potential changes to Title 21.



Sign up. Visit the project website to sign up for project e-newsletters (approximately 4-5 emails between now and December 2025).



Contact the team. City Planner, Ryan Foster, <u>rfoster@ci.homer.ak.us</u>; Project Manager, Shelly Wade, <u>shelly@agnewbeck.com</u>.

Learn more about the project, including important dates, materials, and how to connect with the project team at



www.HomerT21CodeUpdate.com



Homer Title 21 Update **Progress Report to City Council** *Prepared April 8, 2025*

Accomplishments to Date

November 2025: Initial Introduction to City Council

February 2025: Staff Listening Session

- Met with City staff to discuss some of the challenges with the current code and what is working well. Also discussed desired future developments and examined specific topics such as conditional use permits, natural hazards, and sign code. This conversation built from an initial list of code issues, featuring input from the Homer Planning Commission and City staff.
- Listening session held February 6, 2025; <u>agenda</u> and <u>notes</u> available on project website.

March 2025: Planning Commission Kickoff Meeting

- Facilitated a discussion at a regularly scheduled Planning Commission meeting to introduce the project team and share an overview of the schedule and tasks. Reviewed the Planning Commission's role and shared some examples from another community. Discussed top priorities for the code update.
- Kickoff held March 5, 2025; meeting <u>minutes</u>, <u>slides</u>, and <u>recording</u> available on project website.

April 2025: Summary Background

- This report summarizes relevant inputs into Homer's Title 21 Zoning Code Update. Input comes largely from the 2035 Comprehensive Plan Update Public Review Draft, including public input related to zoning, demographic data, goals, and strategies.
- The Summary Background will be discussed at the April 16th, 2025 Title 21 Update Planning Commission Work Session.

April 2025: Code Audit

- This audit of the existing code is an important starting point for the code revision process. The code audit summarizes input on key issues from staff and Planning Commission members, along with a technical code review by the consulting team. The code review addresses specific regulatory topics, first by summarizing the existing regulations, followed by considerations and recommendations to align the City's zoning/development standards. The audit identifies areas of the code that are: overly complex, redundant, and unclear; create barriers to housing; are onerous to permitting and approvals; are outdated as sound planning practices; or fail to achieve the outcomes the City wants to see as articulated in the draft comprehensive plan.
- The Code Audit will be discussed at the April 16th, 2025 Title 21 Update Planning Commission Work Session.

April 2025: Launch Website

Project website launched to the public: https://homert21codeupdate.com/

Upcoming Activities

- April 16th: Planning Commission Work Session. The project team will present key findings from the Summary Background and Code Audit, and related topics.
- **April 29-30th:** Stakeholder Dialogues. The project team is convening three dialogues to talk with Homer-area professionals that use/engage with the code (Title 21). This includes:
 - o Builders and Developers
 - o Business Owners
 - Realtors
- **April 30th:** Community site tour. The project team will drive around Homer with City staff to visit example areas where zoning policies resulted in positive outcomes, and areas of concern/tension.
- **May 21st:** Planning Commission Meeting. The project team will share an overview of April stakeholder engagement activities and guide a discussion around specific sections of the code.

Roles of the Planning Commission and City Council

Planning Commission

The Planning Commission is the advisory body for the Title 21 Update process.

Roles:

- Share guidance, feedback, and local knowledge during the code drafting process.
- Provide feedback on draft materials, including the draft code.
- Make a recommendation to the City Council regarding adoption the Title 21 Update.

City Council Engagement

- The project team will share periodic updates with the City Council, often via the City Manager's reports.
- City Council members are invited to stay informed about the process by attending Planning Commission meetings, reading project documents, participating in community activities, and reviewing the public review draft of the revised code.
- The City Council will be responsible for the adoption of the Title 21 Update.



Update from the Board of Directors

Cook Inlet Regional Citizens Advisory Council

Carla Stanley, representing the City of Homer

The Cook Inlet Regional Citizens Advisory Council held its regular and annual meeting April 4th in Kenai.

Casey Sullivan, Manager of Government Affairs for Marathon Petroleum gave a presentation titled "Energy Matters to Alaska". The company transports crude oil and refined products in Alaska. The presentation included a brief history of the Kenai refinery in Nikiski, which he says ranks near the top of the company's operations in terms of safety and reliability, though changing market conditions are making the facility's profitability more difficult. The refinery currently employs 280 people, and more than 100 associated contractors.

University of Alaska Fairbanks graduate student Sonia Kumar gave an update on her beluga whale studies, which have been funded in part by CIRCAC. The project uses acoustic monitoring techniques to gauge abundance of belugas and other species in the Kenai and Kasilof rivers. The gathered data in the rivers is analyzed as beluga positive minutes. No acoustic evidence of belugas was found in the Kasilof, despite traditional use of the species there. Sonia is working on a paper to try and explain this phenomenon. eDNA samples have also been taken, wherein water samples can be analyzed for DNA material and extrapolated to reflect species abundance. The eDNA studies produced data for king, silver, pink and sockeye salmon as well as eulachon, or hooligan. In the Kenai, belugas were detected during peak pink salmon runs, even though silver salmon make up the bulk of their diet according to earlier studies. The beluga population in Cook Inlet, last surveyed in 2021, showed marginal growth, potentially leveling off a decades-long decline.

We also received an update from the Alaska Department of Environmental Conservation. Ytamar Rodriguez, ADEC Interagency Coordination Manager for the Spill Prevention and Response (SPAR) Program reported that the central region is fully staffed and has seen nearly full employee retention in Fiscal Year 2025. We learned that Deputy Commissioner Christina Carpenter will soon be appointed as Department Commissioner, following the departure of Emma Pokon, who has moved to the Environmental Protection Agency Region 10 (Alaska, Washington, Oregon, Idaho, and Tribal entities). ADEC has planned upcoming training with all staff in Anchorage for presentations on migrating Geographic Response Strategies (GRS) to Geographic Information Systems (GIS), a more readily accessible and dynamic platform for responders to use during a spill event. ADEC issued a permit for tanker transportation to the Don Young Port of Alaska in Anchorage for Bear Logistics on March 10th. The Department is also working on removing the Drift River Terminal on the west side of Cook Inlet from current GRS maps. Caryn Smith is our Ex-Officio member representing the Bureau of Ocean Energy Management. As Outer Continental Shelf (OCS) Oceanographer, she gave an update on proposed BOEM studies for Cook Inlet that are subject to available funding - two are bird studies for Lower Cook Inlet and another is for passive acoustic studies of Lower Cook Inlet. BOEM has so far lost one staffer in Alaska as a result of recent cuts to federal programs and agencies.

The April meeting also serves as our annual meeting, where we seat new and reelected Board and Committee members. Sean MacKenzie, representing the Municipality of Anchorage; Walt Sonen, representing the City of Seldovia; Robert Peterkin II, representing Tourism Interest Groups; Bob Flint, representing Recreation Interest Groups were all seated to the Council. We also recognized Council members for their years of service and our Volunteer of the Year:

Rob Lindsey (City of Kodiak) – 25 Years Carla Stanley (City of Homer) – 20 Years Michael Ophiem (Alaska Native Interest Groups) – 15 Years Scott Arndt (Kodiak Island Borough) – 5 Years Dr. Eric Klein (Environmental Monitoring Committee, public member) – 10 Years. CIRCAC Volunteer of the Year – Scott Arndt

Our next meeting is scheduled for September 5th in Seldovia.



MEMORANDUM

Employee Anniversaries for April

Item Type:	Informational Memorandum
Prepared For:	Mayor Lord and City Council
Date:	April 14, 2025
From:	Andrea Browning, Personnel Director
Through:	Melissa Jacobsen, City Manager

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.

Joe Young	Public Works	18	Years
Rick Pitta	Police	16	Years
Jean Arno	Public Works	11	Years
Jaclyn Arndt	Fire	9	Years
Dave Berry	Library	6	Years
Ricky Borland	Port	6	Years
Aaron Yeaton	Public Works	6	Years
Will Kern	Public Works	4	Years
Hunter Dixon	PW	1	Year
Derek Haws	Fire	1	Year
Chelsea Marsh	Fire	1	Year



Ordinance 25-11(S)(A) An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code Chapter 21.90 Administration and Enforcement to Direct Appeals to the Office of Administrative Hearings or a Hearing Officer Appointed by the City Manager. City Manager.

ltem Type:	Backup Memorandum
Prepared For:	Mayor Lord and Homer City Council
Date:	April 14, 2025
From:	Ryan Foster, City Planner
Through:	Melissa Jacobsen, City Manager

On February 24, 2025 the Homer City Council referred Ordinance 25-11(S)(A) to the Planning Commission. The Planning Commission held a public hearing on March 19, 2025, and by unanimous consent, recommended City Council adopt Ordinance 25-11(S)(A) with the following amendment: 1. Changing the appeal period referenced on lines 113 and 114 to 30 days from 10 days. Attached are Staff Report 25-16 and the March 19, 2025 Planning Commission Unapproved Meeting Minutes with detailed information on the application and public hearing.

RECOMMENDATION:

City Council adopt Ordinance 25-11(S)(A) with the following amendment: 1. Changing the appeal period referenced on lines 113 and 114 to 30 days from 10 days.

Attachments:

Planning Commission Staff Report 25-16 March 19, 2025 Planning Commission Unapproved Meeting Minutes





Planning 491 East Pioneer Avenue Homer, Alaska 99603

www.cityofhomer-ak.gov

Planning@ci.homer.ak.us (p) 907-235-3106 (f) 907-235-3118

Staff Report PL 25-016

TO:	Homer Planning Commission
FROM:	Ryan Foster, City Planner
DATE:	March 19, 2025
SUBJECT:	Ordinance 25-11(S) An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code Chapter 21.90 Administration and Enforcement to Direct Appeals to the Office of Administrative Hearings or a Hearing Officer Appointed by the City Manager.

Introduction

On February 24, 2025 the Homer City Council referred Ordinance 25-11(S) to the Planning Commission. The purpose of this ordinance is to ensure consistency across all types of appeals of planning decisions by sending them all to the OAH for review. Under current code, only one type of appeal is heard by the Planning Commission: the appeal of an enforcement order. An enforcement order is generally a certified letter from the City Planner notifying a party of a zoning violation, and the delivery of the letter typically begins a formal appeal period, as well as the levying of fines. This is the only circumstance in Title 21 that an action is appealable to the Planning Commission. Ordinance 25-11(S) would clarify that that appeals of enforcement orders would be heard by the OAH, like all other appeals of planning decisions and actions.

Per HCC 21.95.010 Initiating code amendment

An amendment to this title may be initiated by any of the following:

a. A member of the City Council;

- b. A member of the Planning Commission;
- c. The City Manager;
- d. The City Planner; or

e. A petition bearing the signatures, and the printed names and addresses, of not less than 50 qualified City voters. [Ord. <u>10-58</u>, 2011].

Per HCC 21.95.010, an amendment to this title has been initiated by the Homer City Council.

HCC 21.95.040 Planning Department review of code amendment

The Planning Department shall evaluate each amendment to this title that is initiated in accordance with HCC 21.95.010 and qualified under HCC 21.95.030, and may recommend approval of the amendment only if it finds that the amendment:

a. Is consistent with the Comprehensive Plan and will further specific goals and objectives of the plan.

Analysis: There are multiple goals and objectives from the 2018 Comprehensive Plan that support this text amendment to reassign administrative appeals of zoning enforcement orders:

GOAL 1: Guide Homer's growth with a focus on increasing the supply and diversity of housing, protect community character, encouraging infill, and helping minimize global impacts including limiting greenhouse gas emissions.

Objective B: Develop clear and well-defined land use regulations and update the zoning map in support of the desired pattern of growth.

This code amendment helps develop clear and well-defined land use regulations by aligning appeals of enforcement orders with the rest of the Title 21 Planning and zoning code.

GOAL 3: Encourage high quality buildings and site design that complements Homer's beautiful natural setting.

Objective A: Create a clear, coordinated regulatory framework that guides development. Clear, predictable, consistent rules and regulations are key to achieving standard, quality design. These rules and regulations have to fit the context of the marketplace and be accepted by the development community. Overregulation is a disincentive, while underregulation will achieve less than desired results. Specific policies addressing this topic include:

Implementation Strategies:

- *Review City adopted plans for consistency*
- *Review rules and regulation options with consideration of operational constraints and community acceptance*

This code amendment helps create a clear and coordinated regulatory framework by aligning appeals of enforcement orders with the rest of the Title 21 Planning and zoning code.

Finding: The proposed amendment is consistent with the Comprehensive Plan.

b. Will be reasonable to implement and enforce.

Analysis: The proposed amendment is rather simple and straightforward and is not difficult to implement and enforce, simply a reassignment of responsibility of administrative appeals of zoning enforcement orders from the Planning Commission to the State of Alaska Office of Administrative Hearings.

Finding: The proposed amendment will be reasonable to implement and enforce.

c. Will promote the present and future public health, safety and welfare.

Analysis: The present and future public health, safety, and welfare would be maintained. The zoning enforcement order process remains, the only difference being that the State of Alaska Office of Administrative Hearings would have the responsibility of appeals instead of the Planning Commission.

Finding: The proposed amendment will promote the present and future public health, safety and welfare.

d. Is consistent with the intent and wording of the other provisions of this title.

Analysis: The intent and wording of the other provisions of this title are consistent with the proposed reassignment of administrative appeals of zoning enforcement orders.

Finding: The proposed amendment is consistent with the intent and wording of the other provisions of this title.

Recommendation: Staff recommends the Planning Commission recommend approval of the proposed text amendment to the Homer City Council.

255

Attachments:

Draft Ordinance 25-11(S)

CALL TO ORDER

Session 25-06, a Regular Meeting of the Planning Commission was called to order by Chair Scott Smith at 6:30 p.m. on March 19th, 2025 in the Cowles Council Chambers in City Hall, located at 491 E. Pioneer Avenue, Homer, Alaska, and via Zoom Webinar.

PRESENT: COMMISSIONERS BARNWELL, VENUTI, S. SMITH, CONLEY, SCHNEIDER, STARK & H. SMITH

STAFF: CITY PLANNER FOSTER & DEPUTY CITY CLERK PETTIT

CONSULTANTS: SHELLY WADE, AGNEW::BECK

AGENDA APPROVAL

Chair S. Smith read the supplemental items into the record. He then requested a motion and second to approve the agenda as amended.

BARNWELL/CONLEY MOVED TO APPROVE THE AGENDA.

There was no discussion.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

RECONSIDERATION

CONSENT AGENDA

- A. Unapproved Regular Meeting Minutes of March 5, 2025
- H. SMITH/BARNWELL MOVED TO ADOPT THE CONSENT AGENDA AS PRESENTED.

There was no discussion.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

PRESENTATIONS / VISITORS

REPORTS

A. City Planner's Report, Staff Report 25-015

City Planner Foster reviewed his staff report included in the packet, covering the following:

1 256

- Comprehensive Plan Update
- March 10, 2025 Council Meeting Recap
 - Ordinance 25-20, Amending Homer City Code by Adding Studio as a Permitted Use in the Residential Office, General Commercial 1, and General Commercial 2 Districts (approved by City Council)
 - Ordinance 25-27, Amending the Homer City Zoning Map to Rezone a Portion of the Rural Residential Zoning District to East End Mixed Use Zoning District (denied by City Council)
- Next Commission report to City Council is March 24, 2025
- Regular Meeting for April 2, 2025 has been cancelled
- Next Regular Meeting is Wednesday, April 16, 2025
- Potential Special Meeting on Tuesday, April 29, 2025 to discuss the Comprehensive Plan Comments that have been compiled

There was brief discussion among the Commission and Shelly Wade of Agnew::Beck regarding the adoption process for the Comprehensive Plan.

PUBLIC HEARINGS

A. Ordinance 25-11(S), An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code Chapter 21.90, Administration and Enforcement, to Direct Appeals to the Office of Administrative Hearings of a Hearing Office Appointed by the City Manager, Staff Report 25-016

Chair S. Smith introduced the item by reading of the title and deferred to City Planner Foster, who provided a summary review of his staff report included in the packet.

Chair S. Smith opened the public hearing period. With no one wishing to provide testimony, Chair S. Smith closed the public hearing period. He then opened the floor to comments and questions from the Commission.

Commissioner H. Smith noted that there was no fiscal note attached to the draft ordinance that indicates how much it will cost the City to forward appeals to a hearing officer. He opined that the 10-day time limit seemed short given the transient nature of many Alaskans' work lives.

Commissioner Schneider shared that he doesn't see the need for the Planning Commission to act as a hearing officer. He agreed with Commissioner H. Smith that 10 days doesn't seem like enough time, and questioned what it would cost the City.

Commissioners Conley and Barnwell both agreed that 10-day timeframe seemed unreasonably short.

SCHNEIDER/H. SMITH MOVED TO RECOMMEND CITY COUNCIL ADOPT ORDINANCE 25-11(S)(A) WITH THE FOLLOWING AMENDMENTS:

1. CHANGING THE APPEAL PERIOD REFERENCED ON LINES 113 AND 114 BACK TO 30 DAYS FROM 10 DAYS.

There was no further discussion.



VOTE: NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

PLAT CONSIDERATION

PENDING BUSINESS

A. Draft Comprehensive Plan Review and Comments, Staff Report 25-014 Public Comment Received

NEW BUSINESS

INFORMATIONAL MATERIALS

- A. 2025 Planning Commission Calendar
- B. 2025 Planning Commission Meeting Dates and Submittal Deadlines

COMMENTS OF THE AUDIENCE

COMMENTS OF THE STAFF

COMMENTS OF THE MAYOR/COUNCILMEMBER (If Present)

COMMENTS OF THE COMMISSION

ADJOURN

There being no further business to come before the Commission, Chair S. Smith adjourned the meeting at 11:05 p.m. The next Regular Meeting in scheduled for **Wednesday, April 16th, 2025.** A Worksession is scheduled for 5:30 p.m. All meetings are scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska and via Zoom Webinar. Meetings will adjourn promptly at 9:30 p.m. An extension is allowed by a vote of the Commission.

Zach Pettit, Deputy City Clerk II

Approved:_____



Ordinance 25-11, An Ordinance of the City Council of Homer Alaska, Amending Homer City Code Chapter 21.90 Administration and Enforcement, to Direct Appeals to the Office of Administrative Hearings or a Hearing Officer Appointed by the City Manager. City Manager.

ltem Type:	Backup Memorandum
Prepared For:	Mayor Lord and Homer City Council
Date:	February 19, 2025
From:	Julie Engebretsen, Acting City Manager
Through:	Melissa Jacobsen, City Manager

Ordinance 25-11 amends HCC 21.90, Administration and Enforcement. At the last Council meeting, there was public comment and Council discussion about allowing the City Manager to appoint a hearing officer, rather than having all appeals heard by the State of Alaska Office of Administrative Hearings (OAH). The issue of whether or not the City Council wants to use a City Manager appointed hearing officer will be determined under Ordinance 25-12. Should Council determine to utilize solely the OAH to hear appeals, Ordinance 25-11(S) is provided.

The purpose of Ordinance 25-11(S) is to ensure consistency across all types of appeals of planning decisions by sending them all to the OAH for review. Under current code, only one type of appeal is heard by the Planning Commission: the appeal of an enforcement order. An enforcement order is generally a certified letter from the City Planner notifying a party of a zoning violation, and the delivery of the letter typically begins a formal appeal period as well as the levying of fines. This is the only circumstance in Title 21 that an action is appealable to the Planning Commission. Ordinance 25-11 would clarify that that appeals of enforcement orders would be heard by the OAH, like all other appeals of planning decisions and actions.

Recommendation: Refer Ordinance 25-11 or 25-11(S) to the Planning Commission per HCC 21.95.060.



Ordinance 25-11, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code Chapter 21.90, Administration and Enforcement, to Direct Appeals to the Office of Administrative Hearings or a Hearing Officer Appointed by the City Manager. City Manager.

ltem Type:	Backup Memorandum
Prepared For:	Mayor Lord and Homer City Council
Date:	January 30, 2025
From:	Julie Engebretsen, Community Development Director
Through:	Melissa Jacobsen, City Manager

Last spring, Council voiced concern over the lack of city codes. Staff and the attorney spent some time reviewing sections of code that address code compliance, and recommends amendments to Title 1, Title 5, and Title 21. The amendments to title 5 are still being refined and will be brought forward at the next Council meeting.

HCC Title 21.90 provides for Appeals under the Zoning Code. Ordinance 21-44(S) amended city code so that most administrative appeals were no longer heard by the City Council sitting as the Board of Adjustment, or the Planning Commission. However, there is a section of code that still provides for the Planning Commission to serve as the appeal body. Appeals of zoning code enforcement orders are currently till appealable to the Planning Commission. Staff recommends one enforcement process across all sections of Title 21, and find that the hearing officer process has worked well for all other types of appeals.

RECOMMENDATION:

Introduce Ordinance 25-11 and refer to the Planning Commission for review

2/11/25

Re: Ordinance 25-11 and Ordinance 25-12

Dear Mayor and Council.

The City Council should take steps to insure that all administrative appeals are fairly and impartially adjudicated as guaranteed by the US Constitution. For decades the deadline for filing all appeals was 30 days; Ordinance 25-11 now proposes to reduce the filing deadline from 30 days to just 10 days, presumably to prevent the filing of administrative appeals altogether or to deprive appellants sufficient time to properly develop their points on appeal or to hire legal counsel. Contrary to City Attorney Gatti's statements to the council on February 10, 2025, it is of no consolation to an appellant that he can appeal a biased adverse initial decision to the courts. The party who prevails in the initial appeal proceeding has a monumental advantage in subsequent appeals where deference is usually given to the initial (trial) court. Furthermore, appealing to the superior court and beyond is prohibitively expensive. Ordinance 25-11 and Ordinance 25-12 are not only designed to thwart the filing of appeals but to insure that, if an appeal is filed, the scales of justice tilt heavily in favor the city. The Office of Administrative Hearings (OAH) has a responsibility to timely provide a hearing officer/ALJ when one is requested by any Alaskan municipality. The city's publication of a RFP and ensuing vetting of potential hearing officers who might respond would likely be very time-consuming. The City Manager's vetting process would also be totally subjective because HCC no longer states what constitutes a "gualified" hearing officer; presumably that would be anyone inclined to decide the appeal in favor of the city. Please see my February 10, 2025 email regarding judge shopping.

HCC 21.93.020(a)(1) authorizes the appeal of the approval or denial of a zoning permit. Unlike the procedure for many other zoning permits, HCC does not require a public hearing for an application for a zoning permit. HCC 21.70.050(a), regarding zoning permits, requires as follows: "All permits issued under this chapter, including amendments and extensions, shall be displayed for public inspection in a prominent place, readily viewable from the nearest street, at the site for which the permit was obtained. The permit shall be on display prior to commencement of any

work at the site and remain on display until all work is completed." However, this zoning code requirement is rarely complied with and never enforced. As a consequence, members of the general public are often unaware that a zoning permit has been issued until construction commences. Furthermore, there is no requirement that a zoning permit be displayed immediately after it is issued so a scofflaw zoning permit recipient can simply wait until the appeal deadline lapses before posting the permit. Public hearings should be required for zoning permit decisions and all other decisions subject to appeal under HCC 21.93.020(a). During the time a zoning permit decision is subject to being appealed, no construction should be allowed. HCC 21.70.010(b) states: "The zoning permit required by this section shall be obtained prior to the commencement of any activity for which the permit is required. Failure to do so is a violation." This zoning code provision is also never enforced. There is no provision in HCC 21.93.020 for appealing the commencement of construction without the issuance of a requisite zoning permit. This should now be addressed by the City Council.

HCC 21.93.020(a)(4) authorizes appeals of enforcement orders issued under HCC 21.90.060. HCC 21.90.060(c) states: "A written enforcement order issued under subsection (a) of this section that is served on a violator personally or by certified mail is immediately appealable to the Planning Commission. An appeal must be filed within 30 days of service of the written enforcement order. Failure to appeal to the Planning Commission within 30 days of service shall constitute a waiver of all rights of appeal from the order. The procedure for appeals is set forth in Chapter 21.93 HCC." HCC 21.90.060(d) states: "During such time that an enforcement order is under appeal, no further use or development contrary to the order may continue."

A 30-day filing deadline is appropriate for all administrative appeals, as is the requirement that no related development activities take place during that 30 days and/or until a timely-filed appeal is fully resolved. Otherwise, the appeal could be rendered mute before it is heard and/or decided.

Fiat justitia ruat caelum.

Frank Griswold

1	CITY OF HOMER
2	HOMER, ALASKA
3	City Manager
4 5	ORDINANCE 25-11(S)(A)
6	AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
7	AMENDING HOMER CITY CODE CHAPTER 21.90, ADMINISTRATION
8	AND ENFORCEMENT, TO DIRECT APPEALS TO THE OFFICE OF
9	ADMINISTRATIVE HEARINGS OR A HEARING OFFICER APPOINTED
10	BY THE CITY MANAGER.
11	
12	WHEREAS, the City of Homer hereby wishes to reassigns responsibility for
13	administrative appeals of zoning enforcement orders from the Planning Commission to the
14 15	State of Alaska Office of Administrative Hearings or a hearing officer appointed by the City Manager.
16	
17	NOW, THEREFORE, The City of Homer Ordains:
18	
19	Section 1: The Homer City Council hereby amends Homer City Code Chapter 21.90,
20	Administration and Enforcement, as follows:
21	
22 23	Chapter 21.90 Administration and Enforcement
23	21.90.010 Function of Department of Administration.
24 II 25	
26	The administration and enforcement of the Homer Zoning Code is a function of the
27	Department of Administration under the supervision of the City Manager. [Ord. <u>08-29</u> , 2008].
28	
29	21.90.020 City Planner – Functions and powers.
30	The City Manager many services a City Discourse and any an ender service between the
31 32	a. The City Manager may appoint a City Planner and one or more assistants, however denominated.
32 33	denominated.
34	b. If appointed by the City Manager, the City Planner shall have all functions and may exercise
35	all powers necessary to administer and enforce the zoning code. Assistants to the City Planner
36	may exercise the administration and enforcement functions and powers of the City Planner
37	under the City Planner's supervision.
38	
39	c. Administration and enforcement functions and powers of the City Planner include, but are
40 41	not limited to, the following: 1. Maintaining records of all zoning text and district changes related to this title
41 42	 Maintaining records of all zoning text and district changes related to this title. Providing technical assistance upon request by the City Manager.
74	2.1. Towang teenneat assistance apoint equest by the only manager.

- 43 3. Providing and processing all applications under this title.
- 44 4. Interpreting and enforcing this title.
- 45 5. Maintaining records of all activity related to this title.
 - 6. Other functions and powers assigned by this title. [Ord. <u>08-29</u>, 2008].
- 46 47

48 **21.90.030 Invalid land use permits – Correction of violations.**

49

Any permit issued in violation of this title is voidable upon written notice from the City Planner or City Manager. The issuance of a permit under the Homer Zoning Code may be conditioned upon the correction of any or all other violations of the Homer Zoning Code, the regulations promulgated under the Homer Zoning Code, and the terms and conditions of any previously issued permits issued under the Homer Zoning Code on the property that is the subject of the permit. [Ord. <u>14-56(A)</u> § 2, 2015; Ord. <u>08-29</u>, 2008].

56

57 **21.90.040 Inspections – Right of entry.**

58

a. Subject to subsection (b) of this section, at any reasonable time, the City Manager, City
Planner, or other City staff member designated in writing by either of them may, upon
presentation of proper identification, enter upon and inspect any land, building or premises
where he or she has probable cause to believe there exists a violation, or enter upon any land,
building or premises to perform a duty of an official under this title.

64

b. Where the Constitution of the United States or of the State so requires, the official shall 65 obtain an administrative search warrant authorizing an inspection and exhibit the warrant to 66 67 the person in charge of the premises before conducting the inspection. The official may apply to the trial courts of the State to obtain a warrant, stating in the application the name and 68 address of the premises to be inspected, the authority to conduct the inspection, the nature 69 and extent of the inspection, the facts and circumstances justifying the inspection, and any 70 71 other information necessary to obtain the warrant. Warrants issued under this section should 72 be returned within 10 days. [Ord. 08-29, 2008].

73 74

21.90.050 Evidence of compliance.

75

Upon request by the City Planner, any person who has obtained a permit under the Homer Zoning Code shall provide evidence showing compliance with the terms of the permit. The obligation to provide evidence of compliance is a condition of every permit granted under the zoning code, whether expressly stated in the permit or not. [Ord. <u>08-29</u>, 2008].

- 80
- 81 **21.90.060 Enforcement orders.**
- 82
- 83 21.90.060 Enforcement orders.
- 84

(01551720)[Bold and underlined added. Deleted language stricken through.]

- a. In addition to any other remedy or other method of enforcement available under the Homer
 Zoning Code or other provision of the Homer City Code or other law, the City Manager or the
- 87 City Planner may order:
- 88

91

94

97

- 1. The discontinuation of a use of land or a structure that is in violation of the HomerZoning Code, a regulation or a permit.
- 92 2. The abatement or removal of a structure or part of a structure that is in violation of the
 93 Homer Zoning Code, a regulation or a permit.
- 3. The discontinuation of construction or other activity preparatory to a structure or use
 of real property that is in violation of the Homer Zoning Code, a regulation or a permit.
- 4. The suspension or revocation of a permit under which a violation of the Homer Zoning
 Code or regulations is occupied, maintained, constructed or established.
- 5. The restoration of any structure, vegetation, land, water body or other thing upon the
 land that is destroyed, damaged, altered or removed in violation of the Homer Zoning
 Code, regulations or a permit.
- 6. Any other action necessary to prevent, abate or discontinue a violation of the HomerZoning Code, a regulation or a permit.
- 106

103

- b. An enforcement order issued under subsection (a) of this section may be directed to one ormore violators.
- 109

110 c. A written enforcement order issued under subsection (a) of this section that is served on a violator personally or by certified mail is immediately appealable to the Office of 111 Administrative Hearings or the Planning Commission a hearing officer. An appeal must be 112 113 filed within **10**30 days of service of the written enforcement order. Failure to appeal to the Planning Commission an enforcement order within 1030 days of service shall constitute a 114 waiver of all rights of appeal from the order. The procedure for appeals is set forth in 115 Chapter 21.93 HCC. Chapter 21.93 HCC is applicable for appeals filed pursuant to this 116 section. 117

- 118
- d. During such time that an enforcement order is under appeal, no further use or developmentcontrary to the order may continue.
- 121
- e. Upon correction of the condition or termination of the activity that caused the issuance ofan enforcement order under subsection (a) of this section, the officer who issued the order may
- terminate the order or issue written confirmation of satisfactory compliance with the order.
- 125

126 127		ed before a prosecution or legal action is commenced			
127	with respect to a violation of the Homer Zoning Code, a regulation or a permit. The pendency				
128	of any proceeding regarding an enforcement order issued under subsection (a) of this section does not stay any prosecution or other legal action with respect to the violation that is the				
130	subject of the enforcement order. [Ord. 0	-			
131	Subject of the emotechnent of def. [ord. <u>o</u>	<u> </u>			
132	Section 2. This ordinance shall	take effect upon its adoption by the Homer City			
133	<u>Council.</u>				
134					
135	Section 3: This ordinance is of	a permanent and general character and shall be			
136	included in the City Code.				
137					
138	ENACTED BY THE CITY COUNCIL O	F HOMER, ALASKA, this 14th day of April, 2025.			
139					
140		CITY OF HOMER			
141					
142					
143					
144	ATTECT	RACHEL LORD, MAYOR			
145 146	ATTEST:				
146 147					
147	RENEE KRAUSE, MMC, CITY CLERK				
149					
150	YES:				
151	NO:				
152	ABSTAIN:				
153	ABSENT:				
154					
155	First Reading:				
156	Public Hearing:				
157	Second Reading:				
158	Effective Date:				
159					
160					



MEMORANDUM

City Council Projects and Initiatives

Item Type:	Action Memorandum
Prepared For:	Homer City Council
Date:	April 9, 2025
From:	Rachel Lord, Mayor
cc:	Melissa Jacobsen, City Manager

Over the last several years, the City Council has identified a wide range of projects, initiatives, and policy updates. Some originated as far back as 2022 and continue to evolve, while others are newer efforts that will shape Homer's future. After bringing back the list of strategic priorities from our January worksession, I received some feedback that the list was incomplete, and future discussions truly needed to include the large ongoing projects that the Council has fully committed to. That made me reflect back to the 2022 strategic planning session and try to ensure as complete of a list as possible for the Council's considerations.

Council plays a critical role in establishing clear priorities and expectations for the City Manager to execute with staff. This guidance is essential to ensure that City efforts align with the community's values and needs. At the same time, it's important that we recognize the City's finite capacity—in both time and resources. By working collaboratively to identify which initiatives are most urgent, where sustained attention is needed, and where flexibility exists, the Council can help the City Manager and staff focus their efforts for the greatest impact.

Councilmember Aderhold reminded me of the "Strategic Doing" sessions started by Mayor Beth Wythe. In looking back at those memos and agendas, I believe we should engage in a similar effort to ensure alignment and strong communication. Strategic prioritization, tracking, and communication is not just a matter of efficiency; it's a commitment to good governance and responsible stewardship of public resources.

To strengthen prioritization, communication, and accountability, I recommend establishing **regular worksessions with the City Manager**. These sessions will allow for structured updates, progress tracking, and timely conversations about prioritization, resource allocation, definitions, metrics and benchmarks of success, and Council direction on a **Priority Work Plan** for the year.

In 2015, these 'Strategic Doing" sessions were set up as worksessions for the first meeting every other month, beginning in January. For the remainder of 2025, I would like to ask that we hold these sessions during the second meeting of the month in April, June, August, October.

Next Steps

At the next Council meeting, I propose we hold our first **Priority Work Plan worksession**, during which we:

- **Compile rankings** from all Council members and the City Manager for each project. Please take time beforehand to rate each on a scale of 1-10 according to level of difficulty and level of impact.
 - Difficulty rated on a scale of 1-10, 1 predicting relative ease in accomplishment, and 10 predicting extreme difficulty in accomplishment.
 - Impact rated on a scale of 1-10, 1 predicting a relatively low impact in accomplishment, and 10 predicting an extremely high impact in accomplishment.
- Identify a short list of projects for **in-depth focus**
- Begin developing **milestones and timelines** for Council-priority projects
- Request staff to provide **status updates** and highlight key decision points

Questions for Council to Consider:

- 1. Which three to five projects are you most interested in prioritizing for 2025?
- 2. Are there projects where additional background or a refresher would be helpful?
- 3. What does success look like for these projects—and what milestones or deliverables should we track?
- 4. Are there projects you feel can be paused, delegated, or re-evaluated in light of other demands?
- 5. Would the Council like to see a simple project tracker or dashboard to monitor status between worksessions?

Backup Included:

• Rankings of Council Projects spreadsheet - printed that can be handwritten & returned to the Clerk's office (you will also get an emailed .xls that can be filled out and emailed back to the

Clerk's office if you prefer electronic!) (action)

- Grants Tracker spreadsheet (informational, from Jenny)
- 2025 Worksession Schedule (informational)

Project / Initiative	Difficulty (1–10)	Impact (1–10)	What Would Success Look Like?	Notes/Questions
	1 = relatively easy	1 = relatively low	If we accomplished this project/initiative, what would ultimate success look like to you?	
FY 26/27 Budget				
Comprehensive Plan				
Title 21 Rewrite				
Harbor General Investigation (GI)				
Harbor Expansion Local Services Plan				
Spit Erosion				
Traffic Calming / Street Design				
Election Code Updates				
Procurement Policy Review				
Lease Policies & Procedures				
Public-Private Partnerships				
Expanding Transportation Options				
Financial Policy Development				
HART Policy Manual Update				
Asset & Reserve Management				

Project / Initiative	Difficulty (1–10)	Impact (1–10)	What Would Success Look Like?	Notes/Questions
	1 = relatively easy	1 = relatively low	If we accomplished this project/initiative, what would ultimate success look like to you?	
Homer Volunteer Fire Dept. Operations				
Volunteerism at the City				
Cemetery Management				
Rec Center Development				
Town Center Planning & History Review				
New Public Works Facility				
New HVFD Facility				
Sister City – New Fund & Program				
City Employee Morale Survey				
HERC Demolition (2022)				
Stormwater Management Plan (2022)				
Climate Action Plan Update (2022)				
Building Safety & Code Enforcement (2022)				
Strengthening Cybersecurity Program (2022)				
Emergency Preparedness Planning & Training (2022)				

Project / Initiative	Difficulty (1–10)	Impact (1–10)	What Would Success Look Like?	Notes/Questions
	1 = relatively easy / 10 = extremely difficult	1 = relatively low impact / 10 = extremely high impact	If we accomplished this project/initiative, what would ultimate success look like to you?	
Public Safety Citizens' Advisory Board (2022)				

CITY OF HOMER HOMER, ALASKA
City Clerk RESOLUTION 25-026
A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, AWARDING THE CONTRACT FOR THE FEDERAL LOBBYIST
SERVICES TO A FIRM TO BE NAMED IN THE AMOUNT TO BE
DETERMINED AND AUTHORIZING THE CITY MANAGER TO
NEGOTIATE AND EXECUTE THE APPROPRIATE DOCUMENTS.
WHEREAS, In accordance with the Procurement Policy the Request for Proposal was
advertised in the Homer News on January 9 and 16, 2025 and in the Anchorage Daily News on
January 12, 2025; and
WHEREAS, The Request for Proposal was listed with three plans rooms in the State
and on the City website; and
WHEREAS, Proposals were due by 4:30 p.m. on Thursday, February 6, 2025 and Six
proposals were submitted; and
WHEREAS, The Proposals were reviewed in accordance to the criteria established and
determined that a firm to be named for an amount to be determined provided the overall best
selection for the services requested as identified in the Request for Proposal documents.
NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, awards the
Contract for Federal Lobbyist Services to a firm to be named in the Amount to be determined
and authorizes the City Manager to negotiate and execute the appropriate documents.
PASSED AND ADOPTED by the Homer City Council this 14th day of April, 2025.
CITY OF HOMER
RACHEL LORD, MAYOR
ATTEST:
RENEE KRAUSE, MMC, CITY CLERK

Page 2 of 2 RESOLUTION 25-026 CITY OF HOMER

45 Fiscal Note:

46Ordinance 23-20(A) and 24-23(A) appropriated \$63,000 from General Fund (\$51,000 to 100-470100-5248, \$12,000 to 100-0110-5248); \$39,409 remains. Ordinance 23-20(A) and 24-23(A)48appropriated \$42,000 from Port Fund (400-0600-5248); \$24,800 remains. Ordinance 24-23(A)49appropriated \$2,000 from Utility Fund (\$1,000 to 200-0400-5248, \$1,000 to 200-0500-5248);50\$2,000 remains.

51



Resolution 25-028, A Resolution of the City Council of Homer, Alaska, Supporting the Efforts of the Homer Area Beekeepers Association to Promote "No Mow May" for the Protection of Pollinators. Davis/Erickson.

Item Type:	Backup Memorandum
Prepared For:	Mayor Lord and City Council
Date:	April 14, 2025
From:	Homer Area Beekeepers Association

Homer has seen a continuing cooling pattern with increased rainfall and little to no sunshine which depletes the honeybees first feed of the spring: pollen and nectar.

Our main nectar and pollen flow is late June through July, a very short window for our bees to gather nectar. Dandelions are an abundant source of both nectar and pollen.

The American Beekeeping Federation has requested funding for critical research as honeybees are the backboned of the agriculture industry. Did you know that 1 out of every 3 bits of your food is direct result of the bees' pollination? The annual loss of beehives nationwide has increased to 70-80%.

Over the past two years, the BUZZ for NO MOW MAY has gained momentum in Homer and surrounding communities. Please join Homer Area Beekeepers Association (HABA) in supporting this nationwide movement of NO NOW MAY by displaying a poster or sign at your business/residence. Signs will be supplied by your local beekeeping organization, HABA.

NO MOW MAY offers several options to support our local pollinators:

- 1. You can forgo mowing in the month of May.
- 2. You can choose to "strip" mow which leaves a portion of your lawn "natural" this supplies a habitat in your yard enabling the bees to feast on dandelions, their first feed of the season.
- 3. Incorporate a few pollinator friendly plants in your yard/garden to attract pollinators. This offers you a firsthand view of the magnificent pollination process

HABA encourages you to join us in lending a helping hand to our local honeybees and giving them a leg up on their short yet busy season in Homer.

Attachment: Beekeeper Map

City of Homer 491 East Pioneer Road Homer, Alaska 99603

March 11, 2025

The Honorable Mayor Rachel Lord and members of the City Council,

Dear Mayor and Council,

Homer Area Beekeepers Association (HABA) has been promoting a program to help the local honeybee's production by not mowing the dandelions in the month of May, NO MOW MAY.

There are more than 112 beehives owned by backyard beekeepers and one commercial beekeeper with 80 hives putting the total in the area at 192 hives in the Homer area.

May is a hard month for our honeybees, they do not have many pollen or nectar sources at that time of year. Dandelions are an abundant source of both.

We mapped the hives around Homer and attached that map to this request along with honeybee facts.

We respectfully request the City of Homer's support.

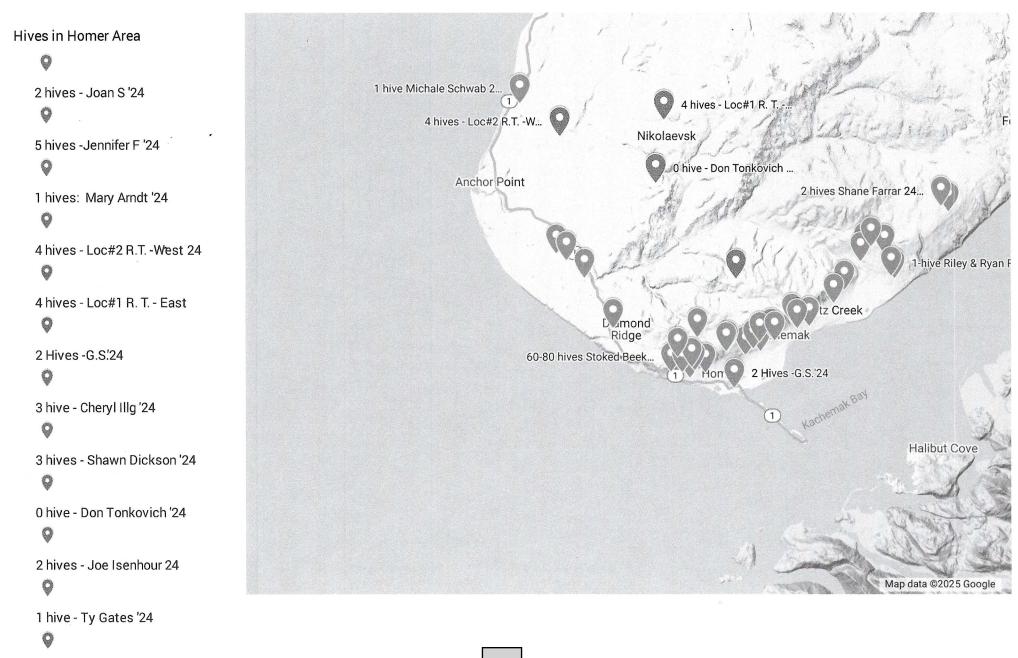
Thank you

Homer Area Beekeepers Association

Jeniffer Frazier, President

No Mow May Committee: Cheryl Illg Kim Perkins Linda Gorman Shawn Dickson

Homer-area Bee Yards HABA hives



2 hive - K. Perkins '24

1 2	CITY OF HOMER HOMER, ALASKA	
3	······································	Davis/Erickson
4	RESOLUTION 25-028	Buildy Errendon
5		•
6	A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASK	•
7	SUPPORTS THE EFFORTS OF THE HOMER AREA BEEKEEPER	
8	ASSOCIATION TO PROMOTE "NO MOW MAY" FOR TH	16
9	PROTECTION OF POLLINATORS.	
10 11	WHEREAS, The City of Homer recognizes the vital role that pollinator	rs such as boos
11	play in supporting local ecosystems, agriculture, and food security; and	is, such as bees,
12	play in supporting local ecosystems, agriculture, and lood security, and	
14	WHEREAS, Dandelions, often viewed solely as invasive weeds, are an	important early-
15	season food source for bees and other pollinators, providing nectar and poller	
16	time when other floral resources may be scarce; and	i du ing d'entitedt
17		
18	WHEREAS, The Homer Area Beekeepers Association (HABA) has reache	ed out to the City
19	to propose a "No Mow May" initiative to encourage homeowners, busines	•
20	entities to refrain from mowing lawns and grassy areas where dandelions a	
21	typically during the month of May (though sometimes beginning in April in v	warm springs, or
22	continuing into early June in colder years) thereby supporting pollinator population	ulations; and
23		
24	WHEREAS, HABA acknowledges that mowing may resume to manage	seed heads once
25	dandelions transition from blooming to seeding, balancing pollinator suppo	ort with property
26	maintenance needs; and	
27		
28	WHEREAS, The City of Homer is committed to fostering sustainable	
29	supporting community efforts that enhance environmental health and biodiv	ersity within the
30	city and the broader Kenai Peninsula; and	
31		
32	WHEREAS, The City of Homer manages public lands, including parks a	
33	and has the opportunity to lead by example in adopting pollinator-friendly pr	actices; and
34		
35	WHEREAS, The Kenai Peninsula Borough oversees large grassy areas	
36	and other public facilities within the Homer area, and collaboration with t	ne Borougn can
37	amplify the impact of the "No Mow May" initiative; and	
38	WHEREAS, Supporting "No Mow May" aligns with the City's value	c of community
39 40	engagement, environmental stewardship, and partnership with local organiza	
40 41	engagement, environmental stewardsnip, and partnersnip with local organiza	
41	NOW, THEREFORE, BE IT RESOLVED that the City of Homer hereby sup	ports the efforts
43	of the Homer Area Beekeepers Association (HABA) to promote "No Mow May	•
44	protect and sustain pollinator populations by preserving dandelion blooms.	

Page 2 of 2 RESOLUTION 25-028 CITY OF HOMER

45	BE IT FURTHER RESOLVED that the City encourages homeowners and businesses within
46	Homer to voluntarily refrain from mowing those portions of their lawns and properties where
47	dandelions are in full bloom, while recognizing that mowing to remove seed heads is advisable
48	once blooming has ceased.
49	
50	BE IT FURTHER RESOLVED that the City of Homer directs its staff, including those in the
51	Public Works and Parks Departments, to refrain from mowing dandelion patches on city-
52	managed properties, except where safety, accessibility, or other operational needs require
53	otherwise.
54	
55	BE IT FURTHER RESOLVED that the City of Homer will reach out to the Kenai Peninsula
56	Borough to request their cooperation in adopting similar practices by discouraging the
57	mowing of dandelion patches in large grassy areas around schools and other Borough-
58	managed properties, in support of this pollinator-friendly initiative.
59	
60	BE IT FURTHER RESOLVED that the City will promote awareness of "No Mow May"
61	through its communication channels, including the City website, social media, and community
62	outreach, to educate residents and businesses about the benefits of supporting pollinators
63	and participating in this effort.
64	
65	PASSED AND ADOPTED by the Homer City Council this 14 th day of April, 2025.
66	
67	CITY OF HOMER
68	
69	
70	
71	RACHEL LORD, MAYOR
72	
73	ATTEST:
74	
75 70	
76 77	RENEE KRAUSE, MMC, CITY CLERK
77 70	Fiscal information: NA
78 70	
79	



Resolution 25-030, A Resolution of the City Council of Homer, Alaska, Amending the City of Homer Personnel Regulations, Chapter 5, Section 5.8.1 Swing Shift, Section 5.8.2 Graveyard Shift, and Section 5.14 On-Call Pay. City Manager/Personnel Director

ltem Type:	Backup Memorandum
Prepared For:	Mayor Lord and City Council
Date:	April 7, 2025
From:	Andrea Browning, Personnel Director
Through:	Melissa Jacobsen, City Manager

Overview

The Personnel Regs are periodically reviewed in order to determine if revision and/or clarifications are necessary.

The following proposed changes take into consideration recommendations by:

- The Employee Committee (after receiving input from their respective departments)
- Department Heads
- Administration

Suggestions were compiled by HR, and discussed with the Employee Committee, Department Heads, and the City Manager. After a careful vetting process and much consideration given to best practices and fiscal impacts, Administration recommends the following revisions.

Recommended Changes

Human Resources Director Browning has worked with the Employee Committee to review other comparable Alaska municipalities current Shift Differential and On-Call rates relative to the City of Homer.

When comparing both Shift Differential rates as well as On-Call rates of pay, it is evident that the City has fallen behind our surrounding municipalities. City Manager Jacobsen has reviewed the data and agrees that an adjustment to both rates is due in order to maintain parity.

The data gathered, as well as recommendations of Administration, are included for your consideration.

Shift Differential

A "shift differential" is extra pay given to employees who work outside of standard business hours, swing or grave shifts (nights). Shift differential essentially compensates them for working less desirable shifts that may disrupt their regular schedule; it is additional pay on top of their regular hourly rate and is paid as a percentage of their base pay to incentivize employees to take on these shifts. As you can see by the table below, the City has fallen behind other municipalities.

Administration's recommendation: Increase the Swing Shift differential to 3%, and Graveyard Shift differential to 6%. The Employee Committee supports this recommendation.

Current Rates	Swing/Graveyard	
City of Homer	2% swing / 4% grave	
City of Cordova	4% for most *Some CBA's are 3% swing/ 6% grave (8 hours or less)	
	*CBA's are 4 ½ % grave (shifts longer than 8 hours)	
City of Kenai	3% swing / 6% grave	
City of Palmer	3% / 6% grave (Police & Dispatch only)	
City of Seward	3% swing/ 6% grave	
City of Soldotna	7% (6pm-6am)	
City of Wasilla	2 ½ % swing / 5% grave + CBA's that vary	
Kenai Peninsula	3.75% / 7.5% Police Dispatch/ Custodians/ IT	
Borough	Others are lower, per CBA's	

Current Personnel Regulations read:

Chapter 5 - Salary Administration

- **5.8 Shift Pay.** Additional pay is provided to employees that are assigned to work in a swing or graveyard shift. An employee must work at least half of their scheduled work day in a swing or graveyard shift to be entitled to shift pay. Any continuous shift with at least half of the hours in a higher shift rate shall have the entire shift paid at the appropriate higher shift rate. Shift differential shall be calculated as part of an employee's hourly rate of pay for overtime compensation purposes. All shifts should be scheduled so that each employee works 80 hours within each pay period. Shift differential shall not be paid for any non "working" hours. Fire Department Emergency Services personnel on a fourteen-day work schedule will not receive shift differential.
- **5.8.1** Swing Shift. Employees assigned to work between the hours of 4:00 p.m. and midnight will receive two percent additional pay to their hourly rate of pay for hours worked during a swing shift.

5.8.2 Graveyard Shift. Employees assigned to work between the hours of midnight and 8:00 a.m. will receive four percent additional pay to their hourly rate of pay for hours worked during a graveyard shift.

Change: Increase Swing Shift differential to 3% and Graveyard Shift differential to 6%.

Fiscal impact: The estimated cost citywide would be roughly \$23,800. This value is determined by increasing FY24 actuals by the proposed rate. This is not precise, as the employee demographics can change between the fiscal years.

On-Call Pay

On-call pay is compensation for employees who are available to work outside of their regular hours, even if they aren't actively working. On-call pay compensates employees for being ready to respond to work-related needs and emergencies.

Background: In FY24 there were 22,600.75 hours of On-Call pay, which totaled \$67,803. In FY26 we will be adding the IT department to the on-call schedule. At the current rate of \$3.00/hour, the IT department will cost \$12,189 annually, which accounts for most of the increase from FY24 to FY26 shown below.

FY26: Current \$3.00/ hour, the estimated On-Call cost for all departments in FY26 would be <u>\$84,267</u> (\$38,361 General Fund, \$30,474 Utility Fund, \$15,432 Enterprise Fund).

Increasing the On-Call rate

\$4.25/hour; increases the total estimated cost for FY26 to <u>\$119,378 annually</u>. This is a \$51,575 increase over FY24.

\$5.00/hour; increases the total estimated cost for FY26 to <u>\$140,445 annually</u>. This is a \$72,642 increase over FY24.

On Call Pay	Estimated FY26 Hours	Current \$3.00	\$4.25/hour	\$5.00/hour
IT	4063	\$12,189	\$17,268	\$20,315
Fire	500	\$1,500	\$2,125	\$2,500
Ice Plant	5144	\$15,432	\$21,862	\$25,720
Equipment Oper.	3133	\$9,399	\$13,315	\$15,665
W/WW	8983	\$26,949	\$38,177	\$44,915
Building Maint.	6266	\$18,798 \$84,267	\$26,631 \$119,378	\$31,330 \$140,445

As you can see by the table below, the City has fallen behind other municipalities.

Administration's recommendation: Increase the On-Call Pay to \$5.00 per hour

The Employee Committee supports this recommendation.

Current Rates	On-Call pay per hour
City of Homer	\$3.00/ hour; 2-hr minimum call-out
City of Cordova	\$5.00/hour Police & Fire;\$2/hour all others
City of Kenai	5% rate computed against Step-A
City of Palmer	2 hours at OT rate per day/period
City of Seward	2 hours at OT rate per day/period
City of Soldotna	\$4.25 hour
City of Wasilla	2 hours at OT rate per day/period
Kenai Peninsula Borough	2-hour minimum call-out

Current Personnel Regs read:

Chapter 5; Salary Administration

5.14 On-Call Pay. All full-time employees that are required to be on call shall be compensated at the rate of \$3.00 per hour for all on-call hours outside of work hours. On-call compensation received shall be calculated as part of the employee's hourly rate of pay for overtime compensation purposes. On-call employees that are called back for unscheduled work after completing their work day shall be paid a minimum of two hours pay at their hourly overtime rate. On-call employees scheduled to work weekend hours outside their normal work week will be paid overtime regardless of the number of hours worked during the workweek. On-call employees should not be on leave or take leave during scheduled on-call periods and should not consume alcohol or drugs while on-call. The on-call duty definition does not pertain to Fire Department personnel when they are not required to be accessible for work assignment.

Change: Increase On-Call Pay to \$5.00 per hour

*Fiscal impact: \$56,178 (*Addition of IT is \$20,315 of that total) Estimated FY26 \$140,445 cost at \$5.00/hour on-call pay Less estimated FY26 \$84,267 cost at \$3.00/hour on-call pay = \$56,178 * Roughly 36% of the on-call hours are charged to the Utility Fund and 18% are charged to the Enterprise Fund.



Resolution 25-030, A Resolution of the City Council of Homer, Alaska, Amending the City of Homer Personnel Regulations, Chapter 5, Section 5.8.1 Swing Shift, Section 5.8.2 Graveyard Shift, and Section 5.14 On-Call Pay. City Manager/Personnel Director

ltem Type:	Backup Memorandum
Prepared For:	Mayor Lord and City Council
Date:	April 2, 2025
From:	Michael Swoboda, Vice Chair Employee Committee
Through:	Melissa Jacobsen, City Manager

Summary:

Propose a cost of living adjustment (COLA) to the on-call pay rates for the On-call employees of the City of Homer. This adjustment aims to ensure that compensation remains fair and competitive, reflecting the increasing living costs in our region. This would keep us in line with other municipalities and help account for wage compression of on-call duties.

Background:

The On-call position plays a crucial role in maintaining the city's infrastructure, ensuring public safety, and providing essential services. Employees assigned to on-call duties are expected to be available beyond regular working hours and within an immediate response range of their location of work, often responding to emergencies that require immediate attention. Currently, the on-call compensation structure is as follows:

Weekdays: \$3/Hour & 1.5x pay for call outs Weekends: \$3/Hour & 1.5x pay for call outs Holidays: \$3/Hour & double pay for call outs

These rates have remained unchanged since at least 2005, with no adjustments made during the tenure of any current employee, despite a significant rise in the cost of living in Homer and addition of job duties and infrastructure expansion.

Rationale for Adjustment:

Increased Living Costs: According to recent data, the cost of living in Alaska has risen significantly, impacting housing, utilities, and other essential expenses. The U.S. Bureau of Labor Statistics reports

a cumulative inflation rate of approximately 64% over the past 20 years, reflecting significant increases in the cost of goods and services. This has resulted in wage compression for employees who have the responsibility to be On-call for after-hours emergencies, with increased job responsibilities due to the growth of Homer and addition of services.

Employee Retention and Morale:

Competitive compensation is vital for retaining skilled personnel. Adjusting on-call pay to align with current living costs demonstrates the city's commitment to its employees' well-being, potentially reducing turnover and enhancing job satisfaction. This also ensures alignment with industry standards in comparable regions and municipalities.

Recommendation:

The Employee Committee recommends implementing a COLA to the current on-call pay rates, effective 07/01/2025. The proposed rates are:

Proposed adjusted pay: Weekdays: \$5/Hour & 1.5x pay for call outs Weekends: \$5/Hour & 1.5x pay for call outs Holidays: \$5/Hour & double pay for call outs

These adjustments are calculated based on the percentage increase in the cost of living since the last pay adjustment, ensuring that compensation remains aligned with current economic conditions. That same \$3 would be equivalent to \$5.61 as of December 2024 The proposed \$5 hourly rate for on-call pay is designed to reflect inflationary trends and ensures alignment with industry standards in comparable regions and municipalities.

Financial Impact:

This adjustment will be funded through a combination of the general fund and the enterprise funds of the city. FY 2026 is expecting 28,089 of on-call worked. This was broken up between 6 departments. Fire, W/WW, ice plant, equipment operators, building maintenance, and IT. This would result in a total financial need of \$140,445.00 this would be an increase of \$56,178. \$28,254 of this would be paid for through enterprise funds of the W/WW and harbor and \$27,924 would be allocated through the general fund.

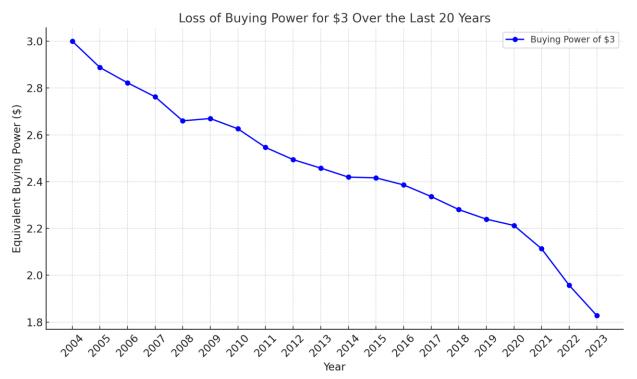
Precedent for Change:

The creation of a separate wage scale for exempt employees was created due to wage compression for exempt employees resulting in an increase in wages of 9% in FY24 and an additional 2% in FY25.

The estimated fiscal impact for FY24 is \$72,697 and \$17,609.50 in FY25 resulting in a total impact of \$90,306.50 this was passed unanimously through council on 2/12/2024.

Conclusion:

Implementing this cost of living adjustment will not only support our dedicated On-Call employees but also enhance the efficiency and responsiveness by fostering a motivated and stable workforce. This proposal is consistent with the City of Homer's commitment to equitable compensation and the well-being of its workforce, ensuring we continue to attract and retain skilled personnel essential to maintaining our city's infrastructure.



Source Reference:

U.S. Bureau of Labor Statistics. (2024). Consumer Price Index Historical Tables for U.S. City Averages. Retrieved from https://www.bls.gov/cpi/tables/home.htm

CITY OF HOMER
HOMER, ALASKA
City Manager,
Personnel Director
RESOLUTION 25-030
A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
AMENDING THE CITY OF HOMER PERSONNEL REGULATIONS,
CHAPTER 5, SECTION 5.8.1, SWING SHIFT; SECTION 5.8.2,
GRAVEYARD SHIFT; AND SECTION 5.14, ON-CALL PAY.
WHEREAS, Pursuant to Regulation 1.6, Revisions and Amendments, the City Manag
may recommend revisions to the Personnel Regulations at any time with the revisions effecti
upon the approval of the City Council; and
upon the approvator the city council, and
WHEREAS, The City Manager recommends amending Chapter 5, Section 5.8.1 Swi
Shift to increasing the shift differential from 2% to 3%; and
WHEREAS, The City Manager recommends amending Chapter 5, Section 5.8
Graveyard Shift to increasing the shift differential from 4% to 6%; and
WHEREAS, The City Manager recommends amending Chapter 5, Section 5.14 On-C
Pay to increasing the on-call pay from \$3.00 per hour to \$5.00 per hour.
NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska here
amends the City of Homer Personnel Regulations, Chapter 5, Section 5.8.1 Swing Shift, Secti
5.8.2 Graveyard Shift, and Section 5.14 On-Call Pay, as outlined above.
PASSED AND ADOPTED by the Homer City Council this 14 th day of April, 2025.
CITY OF HOMER
CITY OF HOMER
RACHEL LORD, MAYOR
ATTEST:
RENEE KRAUSE, MMC, CITY CLERK
Fiscal Note: \$0 to budget; \$23,800 Shift Differential / \$56,178 On-Call Pay actual cost