

ALABAMA LEGISLATURE COMMITTEE FILES 2001-2002 8672

10505 SENATE COMMUNITY & REGIONAL AFFAIRS 350

CITY OF HOMER, ALASKA
 Enterprise Funds
 Combining Statement of Cash Flows
 Year Ended December 31, 2000
 (With Comparative Totals for 1999)

	Port of Homer	Water Utility	Sewer Utility	Totals	
				2000	1999
Cash flows from operating activities:					
Operating income (loss)	\$ (690,249)	70,523	(1,198,748)	(1,818,474)	(2,053,142)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation	990,039	349,819	1,272,275	2,612,133	2,499,374
Increase (decrease) in allowance for doubtful accounts	8,658	509	369	9,536	(9,581)
Amortization of deferred lease revenue	(18,000)	-	-	(18,000)	(18,000)
Litigation settlement	44,161	-	-	44,161	48,406
Miscellaneous nonoperating revenues	90,471	-	-	90,471	26,149
Miscellaneous nonoperating expenses	(11,755)	-	-	(11,755)	(1,288)
(Increase) decrease in assets:					
Receivables	(31,752)	31,005	(138,371)	(139,118)	144,447
Inventory	(13,368)	(1,750)	4,338	(10,780)	(7,830)
Prepaid items	5,372	1,079	811	7,262	(2,446)
Litigation settlement receivable	55,839	-	-	55,839	52,679
Increase (decrease) in liabilities:					
Accounts payable	80,365	42,047	(3)	122,409	21,739
Accrued liabilities	4,450	(6,708)	6,059	3,801	(16,279)
Accrued leave	545	(4,870)	4,909	584	(19,283)
Prepaid rentals and deposits	16,120	(2,221)	-	13,899	39,451
Retirement incentive program	(22,508)	-	-	(22,508)	53,779
Net cash flows from operating activities	<u>508,388</u>	<u>479,433</u>	<u>(48,361)</u>	<u>939,460</u>	<u>758,175</u>
Cash flows from noncapital financing activities:					
Operating transfers from other funds	-	-	50,000	50,000	60,000
Operating transfers to other funds	-	-	-	-	(10,000)
Residual equity transfers to other funds	-	-	(1,411,511)	(1,411,511)	-
Net cash flows from noncapital financing activities	<u>-</u>	<u>-</u>	<u>(1,361,511)</u>	<u>(1,361,511)</u>	<u>50,000</u>
Cash flows from capital and related financing activities:					
Principal payments on long-term debt	(130,001)	(93,929)	(297,620)	(521,550)	(562,373)
Interest payments on long-term debt and interfund borrowing	(154,916)	(29,730)	(198,583)	(383,229)	(482,072)
Acquisition of property, plant and equipment	(525,809)	(179,804)	(544,651)	(1,250,264)	(316,584)
Decrease in due to other funds	(77,741)	-	-	(77,741)	(217,703)
Increase (decrease) in deferred revenue	(261,737)	-	-	(261,737)	3,596,001
Increase in contributed capital	478,104	1,093	313,924	793,121	176,203
Principal collections on special assessments	-	11,343	32,154	43,497	70,273
Penalties and interest on special assessments	-	9,331	13,425	22,756	25,871
Sales tax revenue received	-	-	747,448	747,448	724,962
Net cash flows from capital and related financing activities	<u>(672,100)</u>	<u>(281,696)</u>	<u>66,097</u>	<u>(887,699)</u>	<u>3,014,578</u>
Cash flows from investing activities:					
Investment income received	241,529	19,016	127,997	388,542	282,996
Payments received on note	-	-	38,929	38,929	38,929
Net cash flows from investing activities	<u>241,529</u>	<u>19,016</u>	<u>166,926</u>	<u>427,471</u>	<u>321,925</u>
Net increase (decrease) in cash and cash equivalents	77,817	216,753	(1,176,849)	(882,279)	4,144,678
Cash and cash equivalents at beginning of year	<u>3,855,485</u>	<u>432,256</u>	<u>3,476,169</u>	<u>7,763,910</u>	<u>3,619,237</u>
Cash and cash equivalents at end of year	\$ <u>3,933,302</u>	<u>649,009</u>	<u>2,299,320</u>	<u>6,881,631</u>	<u>7,763,910</u>
Cash and cash equivalents at end of year:					
Equity in central treasury	-	552,442	510,586	1,063,028	688,407
Equity in central treasury restricted for debt service and capital projects	<u>3,933,302</u>	<u>96,567</u>	<u>1,788,734</u>	<u>5,818,603</u>	<u>7,075,503</u>
\$	<u>3,933,302</u>	<u>649,009</u>	<u>2,299,320</u>	<u>6,881,631</u>	<u>7,763,910</u>

CITY OF HOMER, ALASKA
 Port of Homer Enterprise Fund
 Balance Sheet
 December 31, 2000
 (With Comparative Amounts for 1999)

<u>Assets</u>	<u>2000</u>	<u>1999</u>
Current assets:		
Receivables:		
Accounts, net of allowance for doubtful accounts of \$28,183 in 2000 and \$19,525 in 1999	\$ 118,536	206,332
Federal government	9,499	2,262
State of Alaska	108,750	5,097
Litigation settlement - current	100,000	100,000
Accrued interest	67,725	58,400
Net receivables	<u>404,510</u>	<u>372,091</u>
Inventory	13,368	-
Prepaid items	22,493	27,865
Total current assets	<u>440,371</u>	<u>399,956</u>
Restricted assets- equity in central treasury restricted for debt service and harbor deferred maintenance and construction	<u>3,933,302</u>	<u>3,855,485</u>
Bond issuance costs, net of accumulated amortization of \$10,662 in 2000 and \$5,331 in 1999	<u>47,978</u>	<u>53,309</u>
Property, plant and equipment:		
Property, plant and equipment in service	31,685,519	31,625,263
Land and land improvements	15,254,041	15,254,041
Construction work in progress	908,056	442,503
Less accumulated depreciation	<u>(13,704,708)</u>	<u>(12,714,669)</u>
Net property, plant and equipment	<u>34,142,908</u>	<u>34,607,138</u>
Long-term portion of litigation receivable, net of 6% discount of \$219,830 in 2000 and \$263,991 in 1999	<u>580,170</u>	<u>636,009</u>
Total assets	\$ <u>39,144,729</u>	<u>39,551,897</u>
<u>Liabilities and Fund Equity</u>		
Liabilities:		
Current liabilities:		
Accounts payable	142,299	61,934
Accrued liabilities	38,811	34,361
Accrued leave	64,729	64,184
Accrued interest	14,929	16,229
Current portion of long-term debt	157,508	152,509
Prepaid berth rentals and deposits	401,047	384,927
Due to other funds	368,169	445,910
Deferred revenue	<u>3,352,264</u>	<u>3,614,001</u>
Total current liabilities	<u>4,539,756</u>	<u>4,774,055</u>
Deferred lease revenue	486,000	504,000
Long-term debt, net of current portion:		
Retirement incentive program	8,762	31,270
Revenue bonds payable, net of deferred loss of \$54,964 in 2000 and \$61,071 in 1999	<u>1,235,036</u>	<u>1,363,929</u>
Total liabilities	<u>6,269,554</u>	<u>6,673,254</u>
Fund equity:		
Contributed capital	37,724,238	37,246,134
Less accumulated amortization	<u>(8,927,253)</u>	<u>(8,114,825)</u>
Net contributed capital	<u>28,796,985</u>	<u>29,131,309</u>
Retained earnings:		
Reserved for bond redemption	191,500	191,500
Unreserved	<u>3,886,690</u>	<u>3,555,834</u>
Total retained earnings	<u>4,078,190</u>	<u>3,747,334</u>
Total fund equity	<u>32,875,175</u>	<u>32,878,643</u>
Total liabilities and fund equity	\$ <u>39,144,729</u>	<u>39,551,897</u>

CITY OF HOMER, ALASKA

Port of Homer Enterprise Fund
Statement of Revenues, Expenses and Changes in Retained Earnings
Year Ended December 31, 2000
(With Comparative Amounts for 1999)

	<u>2000</u>	<u>1999</u>
Operating revenues:		
Harbor	\$ 1,012,139	928,943
Main dock	139,881	122,743
Fish dock	666,335	586,969
Deep water dock	118,791	267,089
Uplands	235,926	453,489
Recreation facilities	-	1,097
Total operating revenues	<u>2,173,072</u>	<u>2,360,330</u>
Operating expenses, excluding depreciation:		
Harbor	760,337	857,229
Main dock	35,975	44,663
Fish dock	428,495	369,863
Deep water dock	34,624	54,792
Uplands	34	78,286
Recreation facilities	-	66,577
Administration	613,817	695,367
Total operating expenses, excluding depreciation	<u>1,873,282</u>	<u>2,166,777</u>
Operating income before depreciation	299,790	193,553
Depreciation	<u>990,039</u>	<u>901,715</u>
Operating loss	(690,249)	(708,162)
Nonoperating revenues (expenses):		
Investment income	250,854	125,017
Penalties and late fees	8,890	15,108
Loss on disposal of property and equipment	-	(3,557)
Interest expense:		
Bonds	(69,723)	(78,636)
Interfund borrowing	(90,000)	(93,450)
Litigation settlement	44,161	48,406
Amortization of bond issuance costs	(5,331)	(5,331)
State of Alaska	8,346	-
Other income	73,235	43,541
Other expense	(11,755)	(32,500)
Net nonoperating revenues (expenses)	<u>208,677</u>	<u>18,598</u>
Loss before operating transfers	(481,572)	(689,564)
Operating transfers from (to) other funds:		
General Fund	-	(10,000)
General Fund	<u>-</u>	<u>60,000</u>
Net operating transfers from (to) other funds	<u>-</u>	<u>50,000</u>
Net loss	(481,572)	(639,564)
Credit arising from transfer of depreciation to contributed capital	<u>812,428</u>	<u>780,435</u>
Income transferred to retained earnings	330,856	140,871
Retained earnings at beginning of year	<u>3,747,334</u>	<u>3,606,463</u>
Retained earnings at end of year	\$ <u>4,078,190</u>	<u>3,747,334</u>

CITY OF HOMER, ALASKA
 Port of Homer Enterprise Fund
 Statement of Cash Flows
 Year Ended December 31, 2000
 (With Comparative Amounts for 1999)

	<u>2000</u>	<u>1999</u>
Cash flows from operating activities:		
Operating loss	\$ (690,249)	(708,162)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	990,039	901,700
Increase (decrease) in allowance for doubtful accounts	8,658	(9,800)
Amortization of deferred lease revenue	(18,000)	(18,000)
Litigation settlement	44,161	48,406
Miscellaneous nonoperating revenues	90,471	58,649
Miscellaneous nonoperating expenses	(11,755)	(32,500)
(Increase) decrease in assets:		
Receivables	(31,752)	114,879
Inventory	(13,368)	-
Prepaid items	5,372	(666)
Litigation settlement receivable	55,839	52,679
Increase (decrease) in liabilities:		
Accounts payable	80,365	28,250
Accrued liabilities	4,450	(20,431)
Accrued leave	545	(25,923)
Prepaid berth rentals and deposits	16,120	36,714
Retirement incentive program	(22,508)	53,779
Net cash flows from operating activities	<u>508,388</u>	<u>479,589</u>
Cash flows from noncapital financing activities:		
Operating transfers from other funds	-	60,000
Operating transfers to other funds	-	(10,000)
Net cash flows from noncapital financing activities	<u>-</u>	<u>50,000</u>
Cash flows from capital and related financing activities:		
Principal payments on long-term debt	(130,001)	(171,250)
Interest payments on long-term debt and interfund borrowing	(154,916)	(157,991)
Acquisition of property, plant and equipment	(525,809)	(227,435)
Decrease in due to other funds	(77,741)	(217,703)
Increase (decrease) in deferred revenue	(261,737)	3,596,001
Increase in contributed capital	478,104	168,045
Net cash flows from capital and related financing activities	<u>(672,100)</u>	<u>2,989,667</u>
Cash flows from investing activities - investment income received	<u>241,529</u>	<u>66,617</u>
Net increase in cash and cash equivalents	77,817	3,585,873
Cash and cash equivalents at beginning of year	<u>3,855,485</u>	<u>269,612</u>
Cash and cash equivalents at end of year	\$ <u>3,933,302</u>	<u>3,855,485</u>
Cash and cash equivalents at end of year:		
Equity in central treasury	-	-
Equity in central treasury restricted for debt service and harbor deferred maintenance and construction	<u>3,933,302</u>	<u>3,855,485</u>
	\$ <u>3,933,302</u>	<u>3,855,485</u>

CITY OF HOMER, ALASKA
 Port of Homer Enterprise Fund
 Schedule of Changes in Contributed Capital
 Year Ended December 31, 2000
 (With Comparative Amounts for 1999)

	State and Federal <u>Sources</u>	Accumulated Depreciation on Contributed <u>Plant</u>	Net State and Federal <u>Sources</u>	City of <u>Homer</u>	Net Contributed <u>Capital</u>
Balances at January 1, 1999	\$ 35,239,982	(7,334,390)	27,905,592	231,657	28,137,249
Contributions for capital improvements	1,774,495	-	1,774,495	-	1,774,495
Depreciation closed to contributed capital	<u>-</u>	<u>(780,435)</u>	<u>(780,435)</u>	<u>-</u>	<u>(780,435)</u>
Balances at December 31, 1999	37,014,477	(8,114,825)	28,899,652	231,657	29,131,309
Contributions for capital improvements	478,104	-	478,104	-	478,104
Depreciation closed to contributed capital	<u>-</u>	<u>(812,428)</u>	<u>(812,428)</u>	<u>-</u>	<u>(812,428)</u>
Balances at December 31, 2000	\$ <u>37,492,581</u>	<u>(8,927,253)</u>	<u>28,565,328</u>	<u>231,657</u>	<u>28,796,985</u>

CITY OF HOMER, ALASKA

Port of Homer Enterprise Fund

Combining Schedule of Port of Homer Capital Projects

Year Ended December 31, 2000

	Kachemak		Waste Oil	Ramp Repair	Fish		Totals
	Bay Pioneer Dock	Boat Harbor TORA			Cleaning Station	Evaporative Condensor	
Funding sources:							
State grants	\$ -	251,608	94,660	34,756	84,345	-	465,369
Federal grants	12,735	-	-	-	-	-	12,735
Port of Homer funds	-	-	22,204	9,575	-	15,926	47,705
Total funding sources	\$ <u>12,735</u>	<u>251,608</u>	<u>116,864</u>	<u>44,331</u>	<u>84,345</u>	<u>15,926</u>	<u>525,809</u>
Expenditures:							
Salaries and benefits	2,496	10,960	33,259	8,014	13,718	-	68,447
Supplies	27	621	1,093	849	-	-	2,590
Other services and charges	10,212	235,777	6,981	35,468	4,375	-	292,813
Equipment	-	4,250	75,531	-	66,252	15,926	161,959
Total expenditures	\$ <u>12,735</u>	<u>251,608</u>	<u>116,864</u>	<u>44,331</u>	<u>84,345</u>	<u>15,926</u>	<u>525,809</u>

CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION



Central Microfilm Services
Department of Education & Early Development
State of Alaska

CITY OF HOMER, ALASKA
 Port of Homer Enterprise Fund
 Combining Schedule of Port of Homer Capital Projects
 Year Ended December 31, 2000

	Kachemak						Totals
	Bay Pioneer <u>Dock</u>	Boat Harbor <u>TORA</u>	Waste <u>Oil</u>	Ramp <u>Repair</u>	Fish Cleaning <u>Station</u>	Evaporative <u>Condensor</u>	
Funding sources:							
State grants	\$ -	251,608	94,660	34,756	84,345	-	465,369
Federal grants	12,735	-	-	-	-	-	12,735
Port of Homer funds	-	-	22,204	9,575	-	15,926	47,705
Total funding sources	\$ <u>12,735</u>	<u>251,608</u>	<u>116,864</u>	<u>44,331</u>	<u>84,345</u>	<u>15,926</u>	<u>525,809</u>
Expenditures:							
Salaries and benefits	2,496	10,960	33,259	8,014	13,718	-	68,447
Supplies	27	621	1,093	849	-	-	2,590
Other services and charges	10,212	235,777	6,981	35,468	4,375	-	292,813
Equipment	-	4,250	75,531	-	66,252	15,926	161,959
Total expenditures	\$ <u>12,735</u>	<u>251,608</u>	<u>116,864</u>	<u>44,331</u>	<u>84,345</u>	<u>15,926</u>	<u>525,809</u>

CITY OF HOMER, ALASKA
 Water Utility Enterprise Fund
 Balance Sheet
 December 31, 2000
 (With Comparative Amounts for 1999)

<u>Assets</u>	<u>2000</u>	<u>1999</u>
Current assets:		
Equity in central treasury	\$ 552,442	335,689
Receivables:		
Accounts, net of allowance for doubtful accounts of \$1,748 in 2000 and \$1,239 in 1999	64,605	78,148
Assessments due within one year	12,755	12,825
State of Alaska	763	18,734
Accrued interest	6,788	7,574
Net receivables	<u>84,911</u>	<u>117,281</u>
Inventory	92,405	90,655
Prepaid items	10,594	11,673
Deferred charges	75,250	75,250
Total current assets	<u>815,602</u>	<u>630,548</u>
Restricted assets - equity in central treasury restricted for debt service	96,567	96,567
Assessments due after one year	73,030	84,303
Bond issuance costs, net of accumulated amortization of \$4,549 in 2000 and \$2,274 in 1999	6,824	9,099
Property, plant and equipment:		
Property, plant and equipment in service	14,901,701	14,722,988
Land	26,561	26,561
Construction work in progress	52,645	51,554
Less accumulated depreciation	<u>(5,849,765)</u>	<u>(5,499,946)</u>
Net property, plant and equipment	<u>9,131,142</u>	<u>9,301,157</u>
Total assets	\$ <u>10,123,165</u>	<u>10,121,674</u>
<u>Liabilities and Fund Equity</u>		
Liabilities:		
Current liabilities:		
Accounts payable	87,113	45,071
Accrued liabilities	14,503	21,211
Accrued leave	11,588	16,458
Accrued interest	5,982	-
Current portion of long-term debt	93,929	93,929
Customer utility deposits	<u>21,469</u>	<u>23,690</u>
Total current liabilities	234,589	200,359
Long-term debt, net of current portion:		
Note payable to Sewer Enterprise Fund	38,930	77,859
Revenue bonds payable, net of deferred loss of \$5,999 in 2000 and \$7,998 in 1999	<u>109,001</u>	<u>162,002</u>
Total liabilities	<u>382,520</u>	<u>440,220</u>
Fund equity:		
Contributed capital	12,480,602	12,479,509
Less accumulated amortization	<u>(3,420,936)</u>	<u>(3,231,052)</u>
Net contributed capital	<u>9,059,666</u>	<u>9,248,457</u>
Retained earnings:		
Reserved for bond redemption	72,950	72,950
Unreserved	<u>608,029</u>	<u>360,047</u>
Total retained earnings	<u>680,979</u>	<u>432,997</u>
Total fund equity	<u>9,740,645</u>	<u>9,681,454</u>
Total liabilities and fund equity	\$ <u>10,123,165</u>	<u>10,121,674</u>

CITY OF HOMER, ALASKA
Water Utility Enterprise Fund
Statement of Revenues, Expenses and Changes in Retained Earnings
Year Ended December 31, 2000
(With Comparative Amounts for 1999)

	<u>2000</u>	<u>1999</u>
Operating revenues - user charges and connection fees	\$ <u>1,160,476</u>	<u>1,071,004</u>
Operating expenses, excluding depreciation:		
Treatment plant operations and testing	192,749	211,665
Pumping system	44,891	48,798
Distribution system and reservoir	105,212	153,266
Maintenance	1,453	44,466
Water meters	40,563	56,341
Water hydrants	41,641	30,405
Administration	<u>313,625</u>	<u>345,938</u>
Total operating expenses, excluding depreciation	<u>740,134</u>	<u>890,879</u>
Operating income before depreciation	420,342	180,125
Depreciation	<u>349,819</u>	<u>317,362</u>
Operating income (loss)	70,523	(137,237)
Nonoperating revenues (expenses):		
Investment income	18,230	20,284
Penalties and interest on assessments	9,331	9,487
Interest expense	(37,711)	(64,077)
Amortization of bond issuance costs	<u>(2,275)</u>	<u>(2,000)</u>
Net nonoperating revenues (expenses)	<u>(12,425)</u>	<u>(36,306)</u>
Net income (loss)	58,098	(173,543)
Credit arising from transfer of depreciation to contributed capital	<u>189,884</u>	<u>186,924</u>
Income transferred to retained earnings	247,982	13,381
Beginning retained earnings	<u>432,997</u>	<u>419,616</u>
Ending retained earnings	\$ <u>680,979</u>	<u>432,997</u>

CITY OF HOMER, ALASKA
 Water Utility Enterprise Fund
 Statement of Cash Flows
 Year Ended December 31, 2000
 (With Comparative Amounts for 1999)

	<u>2000</u>	<u>1999</u>
Cash flows from operating activities:		
Operating income (loss)	\$ 70,523	(137,237)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Depreciation	349,819	317,362
Increase (decrease) in allowance for doubtful accounts	509	(69)
(Increase) decrease in assets:		
Receivables	31,005	55,871
Inventory	(1,750)	(17,037)
Prepaid items	1,079	(989)
Increase (decrease) in liabilities:		
Accounts payable	42,047	22,264
Accrued liabilities	(6,708)	2,242
Accrued leave	(4,870)	3,987
Deposits	(2,221)	2,737
Net cash flows from operating activities	<u>479,433</u>	<u>249,131</u>
Cash flows from capital and related financing activities:		
Principal payments on long-term debt	(93,929)	(93,929)
Interest payments on long-term debt	(29,730)	(61,803)
Acquisition of property, plant and equipment	(179,804)	(46,706)
Increase (decrease) in contributed capital	1,093	(2,448)
Principal collections on special assessments	11,343	26,373
Penalties and interest on special assessments	9,331	9,487
Net cash flows from capital and related financing activities	<u>(281,696)</u>	<u>(169,026)</u>
Cash flows from investing activities - investment income received	<u>19,016</u>	<u>15,899</u>
Increase in cash and cash equivalents	216,753	96,004
Cash and cash equivalents at beginning of year	<u>432,256</u>	<u>336,252</u>
Cash and cash equivalents at end of year	\$ <u>649,009</u>	<u>432,256</u>
Cash and cash equivalents at end of year:		
Equity in central treasury	552,442	335,689
Equity in central treasury restricted for debt service	<u>96,567</u>	<u>96,567</u>
	\$ <u>649,009</u>	<u>432,256</u>

CITY OF HOMER, ALASKA
 Water Utility Enterprise Fund
 Schedule of Changes in Contributed Capital
 Year Ended December 31, 2000
 (With Comparative Amounts for 1999)

	Utility Customers	State and Federal Sources	Accumulated Depreciation on Contributed Plant	Net Utility Customers and State and Federal Sources	City of Homer			Net Contributed Capital
					General Obligation Bonds	Other	Total	
Balances at January 1, 1999	\$ 3,175,992	6,319,824	(3,044,128)	6,451,688	2,233,700	752,441	2,986,141	9,437,829
Adjustment to contributed capital	-	(2,448)	-	(2,448)	-	-	-	(2,448)
Depreciation closed to contributed capital	-	-	(186,924)	(186,924)	-	-	-	(186,924)
Balances at December 31, 1999	3,175,992	6,317,376	(3,231,052)	6,262,316	2,233,700	752,441	2,986,141	9,248,457
Contributions for capital improvements	-	763	-	763	-	-	-	763
Adjustment to contributed capital	-	-	-	-	-	330	330	330
Depreciation closed to contributed capital	-	-	(189,884)	(189,884)	-	-	-	(189,884)
Balances at December 31, 2000	\$ <u>3,175,992</u>	<u>6,318,139</u>	<u>(3,420,936)</u>	<u>6,073,195</u>	<u>2,233,700</u>	<u>752,771</u>	<u>2,986,471</u>	<u>9,059,666</u>

CITY OF HOMER, ALASKA
Water Utility Enterprise Fund
Combining Schedule of Water Utility Capital Projects
Year Ended December 31, 2000

	Waterline				Chlorination System	Filter Replacement	A-Frame		Totals
	Fleet Purchase	Spit Pathway	Poopdeck Waterline	Water Storage			PR Station	Telemetry Phase II	
Funding sources:									
State grant	\$ -	-	-	763	-	-	-	-	763
Water Utility funds	<u>23,445</u>	<u>67,110</u>	<u>1,500</u>	<u>327</u>	<u>58,868</u>	<u>9,680</u>	<u>8,174</u>	<u>5,253</u>	<u>174,357</u>
Total funding sources	\$ <u>23,445</u>	<u>67,110</u>	<u>1,500</u>	<u>1,090</u>	<u>58,868</u>	<u>9,680</u>	<u>8,174</u>	<u>5,253</u>	<u>175,120</u>
Expenditures:									
Salaries and benefits	-	-	-	630	-	-	6,163	46	6,839
Supplies	-	-	-	143	-	-	-	5,207	5,350
Other services and charges	-	67,110	1,500	317	58,868	9,680	2,011	-	139,486
Equipment	<u>23,445</u>	-	-	-	-	-	-	-	<u>23,445</u>
Total expenditures	\$ <u>23,445</u>	<u>67,110</u>	<u>1,500</u>	<u>1,090</u>	<u>58,868</u>	<u>9,680</u>	<u>8,174</u>	<u>5,253</u>	<u>175,120</u>

CITY OF HOMER, ALASKA
Sewer Utility Enterprise Fund
Balance Sheet
December 31, 2000
(With Comparative Amounts for 1999)

<u>Assets</u>	<u>2000</u>	<u>1999</u>
Current assets:		
Equity in central treasury	\$ 510,586	352,718
Receivables:		
Sales tax	130,827	137,174
Accounts, net of allowance for doubtful accounts of \$1,266 in 2000 and \$897 in 1999	86,083	92,045
Assessments due within one year	24,581	25,857
State of Alaska	154,570	10,606
Accrued interest	22,068	24,479
Net receivables	<u>418,129</u>	<u>290,161</u>
Inventory	17,952	22,290
Prepaid items	12,002	12,813
Current portion of note receivable	38,929	38,929
Total current assets	<u>997,598</u>	<u>716,911</u>
Restricted assets - equity in central treasury restricted for debt service and capital projects	1,788,734	3,123,451
Assessments due after one year	173,338	204,216
Bond issuance costs, net of accumulated amortization of \$5,646 in 2000 and \$2,823 in 1999	19,765	22,588
Note receivable, net of current portion	38,930	77,859
Property, plant and equipment		
Property, plant and equipment in service	29,808,603	29,750,804
Land	80,678	42,289
Construction work in progress	577,691	129,228
Less accumulated depreciation	<u>(14,955,957)</u>	<u>(13,683,682)</u>
Net property, plant and equipment	<u>15,511,015</u>	<u>16,238,639</u>
Total assets	<u>\$ 18,529,380</u>	<u>20,383,664</u>
<u>Liabilities and Fund Equity</u>		
Liabilities:		
Current liabilities:		
Accounts payable	8,120	8,123
Accrued liabilities	15,805	9,746
Accrued leave	26,701	21,792
Accrued interest	31,351	49,368
Current portion of long-term debt	330,495	297,619
Total current liabilities	<u>412,472</u>	<u>386,648</u>
Long-term debt, net of current portion:		
Revenue bonds payable, net of deferred loss of \$18,222 in 2000 and \$20,825 in 1999	466,778	534,175
Note payable	<u>3,093,264</u>	<u>3,353,760</u>
Total liabilities	<u>3,972,514</u>	<u>4,274,583</u>
Fund equity:		
Contributed capital	24,775,469	24,461,545
Less accumulated amortization	<u>(12,275,879)</u>	<u>(11,139,171)</u>
Net contributed capital	<u>12,499,590</u>	<u>13,322,374</u>
Retained earnings:		
Reserved for bond redemption	103,000	103,000
Reserved for debt service and water/sewer construction	-	1,504,637
Unreserved	1,954,276	1,179,070
Total retained earnings	<u>2,057,276</u>	<u>2,786,707</u>
Total fund equity	<u>14,556,866</u>	<u>16,109,081</u>
Total liabilities and fund equity	<u>\$ 18,529,380</u>	<u>20,383,664</u>

CITY OF HOMER, ALASKA
Sewer Utility Enterprise Fund
Statement of Revenues, Expenses and Changes in Retained Earnings
Year Ended December 31, 2000
(With Comparative Amounts for 1999)

	<u>2000</u>	<u>1999</u>
Operating revenues:		
User charges	\$ 888,195	826,435
Inspection fees	5,023	70
Connection fees	4,600	-
Total operating revenues	<u>897,818</u>	<u>826,505</u>
Operating expenses, excluding depreciation:		
Treatment plant	268,900	271,300
Collection system	132,203	60,485
Pump station	70,662	41,619
Administration	352,526	380,547
Total operating expenses, excluding depreciation	<u>824,291</u>	<u>753,951</u>
Operating income before depreciation	73,527	72,554
Depreciation	<u>1,272,275</u>	<u>1,280,297</u>
Operating loss	(1,198,748)	(1,207,743)
Nonoperating revenues (expenses):		
Investment income	125,586	218,128
Penalties and interest on assessments	13,425	16,384
Loss on disposal of property and equipment	-	(611)
Interest expense	(183,169)	(265,930)
Sales tax	741,101	742,534
Amortization of debt issuance costs	(2,823)	(2,823)
Other	-	(1,288)
Net nonoperating revenues (expenses)	<u>694,120</u>	<u>706,394</u>
Loss before operating transfers	(504,628)	(501,349)
Operating transfer from City Facilities Capital Project Fund	<u>50,000</u>	<u>-</u>
Net loss	(454,628)	(501,349)
Credit arising from transfer of depreciation to contributed capital	<u>1,136,708</u>	<u>1,049,823</u>
Income transferred to retained earnings	682,080	548,474
Beginning retained earnings	2,786,707	2,238,233
Residual equity transfer to City Facilities Capital Project Fund	<u>(1,411,511)</u>	<u>-</u>
Ending retained earnings	\$ <u>2,057,276</u>	<u>2,786,707</u>

CITY OF HOMER, ALASKA
 Sewer Utility Enterprise Fund
 Statement of Cash Flows
 Year Ended December 31, 2000
 (With Comparative Amounts for 1999)

	<u>2000</u>	<u>1999</u>
Cash flows from operating activities:		
Operating loss	\$ (1,198,748)	(1,207,743)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	1,272,275	1,280,297
Increase in allowance for doubtful accounts	369	288
Miscellaneous nonoperating expenses	-	(1,288)
(Increase) decrease in assets:		
Receivables	(138,371)	(26,303)
Inventory	4,338	9,207
Prepaid items	811	(791)
Increase (decrease) in liabilities:		
Accounts payable	(3)	(28,775)
Accrued liabilities	6,059	1,910
Accrued leave	4,909	2,653
Net cash flows from operating activities	<u>(48,361)</u>	<u>29,455</u>
Cash flows from noncapital financing activities:		
Operating transfer from other fund	50,000	-
Residual equity transfer to other fund	<u>(1,411,511)</u>	-
Net cash flows from noncapital financing activities	<u>(1,361,511)</u>	-
Cash flows from capital and related financing activities:		
Principal payments on long-term debt	(297,620)	(297,194)
Interest payments on long-term debt and interfund borrowing	(198,583)	(262,278)
Acquisition of property, plant and equipment	(544,651)	(42,443)
Increase in contributed capital	313,924	10,606
Principal collections on special assessments	32,154	43,900
Penalties and interest on special assessments	13,425	16,384
Sales tax revenue received	<u>747,448</u>	<u>724,962</u>
Net cash flows from capital and related financing activities	<u>66,097</u>	<u>193,937</u>
Cash flows from investing activities:		
Investment income received	127,997	200,480
Payments received on note	<u>38,929</u>	<u>18,929</u>
Net cash flows from investing activities	<u>166,926</u>	<u>239,409</u>
Net increase (decrease) in cash and cash equivalents	(1,176,849)	462,801
Cash and cash equivalents at beginning of year	<u>3,476,169</u>	<u>3,013,368</u>
Cash and cash equivalents at end of year	\$ <u>2,299,320</u>	<u>3,476,169</u>
Cash and cash equivalents at end of year:		
Equity in central treasury	\$ 510,586	352,718
Equity in central treasury restricted to debt service and special projects	<u>1,788,734</u>	<u>3,123,451</u>
	\$ <u>2,299,320</u>	<u>3,476,169</u>

CITY OF HOMER, ALASKA
Sewer Utility Enterprise Fund
Schedule of Changes in Contributed Capital
Year Ended December 31, 2000
(With Comparative Amounts for 1999)

	<u>Utility Customers</u>	<u>State and Federal Sources</u>	<u>Accumulated Depreciation on Contributed Plant</u>	<u>Net Utility Customers and State and Federal Sources</u>	<u>City of Homer</u>	<u>Net Contributed Capital</u>
Balances at January 1, 1999	\$ 3,901,559	20,494,089	(10,089,348)	14,306,300	55,291	14,361,591
Contributions for capital improvements	-	10,606	-	10,606	-	10,606
Depreciation closed to contributed capital	-	-	(1,049,823)	(1,049,823)	-	(1,049,823)
Balances at December 31, 1999	3,901,559	20,504,695	(11,139,171)	13,267,083	55,291	13,322,374
Contributions for capital improvements	-	313,924	-	313,924	-	313,924
Depreciation closed to contributed capital	-	-	(1,136,708)	(1,136,708)	-	(1,136,708)
Balances at December 31, 2000	\$ <u>3,901,559</u>	<u>20,818,619</u>	<u>(12,275,879)</u>	<u>12,444,299</u>	<u>55,291</u>	<u>12,499,590</u>

CITY OF HOMER, ALASKA
Sewer Utility Enterprise Fund
Combining Schedule of Sewer Utility Capital Projects
Year Ended December 31, 2000

	<u>Fleet Purchase</u>	<u>Bypass Sewer Main Upgrade</u>	<u>Camera</u>	<u>Grill System Grinder</u>	<u>Poopdeck Sewer Line</u>	<u>Land</u>	<u>Totals</u>
Funding sources:							
State grant	\$ -	313,924	-	-	-	-	313,924
Sewer Utility funds	<u>23,445</u>	<u>134,539</u>	<u>9,585</u>	<u>6,500</u>	<u>18,269</u>	<u>38,389</u>	<u>230,727</u>
Total funding sources	\$ <u>23,445</u>	<u>448,463</u>	<u>9,585</u>	<u>6,500</u>	<u>18,269</u>	<u>38,389</u>	<u>544,651</u>
Expenditures:							
Salaries and benefits	-	13,178	-	-	-	-	13,178
Supplies	-	337	-	-	-	-	337
Other services and charges	-	434,948	9,585	-	18,269	-	462,802
Equipment	<u>23,445</u>	-	-	<u>6,500</u>	-	-	<u>29,945</u>
Land	-	-	-	-	-	<u>38,389</u>	<u>38,389</u>
Total expenditures	\$ <u>23,445</u>	<u>448,463</u>	<u>9,585</u>	<u>6,500</u>	<u>18,269</u>	<u>38,389</u>	<u>544,651</u>

INTERNAL SERVICE FUND

The Internal Service Fund accounts for the financing of goods or services provided by one City department to another City department on a cost-reimbursement basis.

Risk Management Fund – This fund accounts for money received from other City funds to pay for the cost of medical, dental, vision and weekly income benefits self-insurance claims.

CITY OF HOMER, ALASKA
 Risk Management Internal Service Fund
 Balance Sheet
 December 31, 2000
 (With Comparative Amounts for 1999)

	<u>Assets</u>	<u>2000</u>	<u>1999</u>
Equity in central treasury		\$ <u>78,859</u>	<u>217,040</u>
<u>Liabilities and Fund Equity</u>			
Liabilities - accounts payable		56,213	30,170
Retained earnings - unreserved		<u>22,646</u>	<u>186,870</u>
Total liabilities and fund equity		\$ <u>78,859</u>	<u>217,040</u>

CITY OF HOMER, ALASKA
 Risk Management Internal Service Fund
 Statement of Revenues, Expenses and Changes in Retained Earnings
 Year Ended December 31, 2000
 (With Comparative Amounts for 1999)

	<u>2000</u>	<u>1999</u>
Operating revenues - intergovernmental billings	\$ <u>390,609</u>	<u>363,339</u>
Operating expenses:		
Claims	425,292	287,660
Insurance premiums	100,282	90,035
Administration	<u>36,259</u>	<u>27,011</u>
Total operating expenses	<u>561,833</u>	<u>404,706</u>
Operating loss	(171,224)	(41,367)
Nonoperating revenues - investment income	<u>7,000</u>	<u>8,073</u>
Loss before operating transfers	(164,224)	(33,294)
Operating transfer from other funds	<u>-</u>	<u>126,400</u>
Net income (loss)	(164,224)	93,106
Retained earnings at beginning of year	<u>186,870</u>	<u>93,764</u>
Retained earnings at end of year	\$ <u>22,646</u>	<u>186,870</u>

CITY OF HOMER, ALASKA
 Risk Management Internal Service Fund
 Statement of Cash Flows
 Year Ended December 31, 2000
 (With Comparative Amounts for 1999)

	<u>2000</u>	<u>1999</u>
Cash flows from operating activities:		
Operating loss	\$ (171,224)	(41,367)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Decrease in accounts receivable	-	26,885
Increase in accounts payable	<u>26,043</u>	<u>2,624</u>
Net cash flows from operating activities	(145,181)	(11,858)
 Cash flows from noncapital financing activities - operating transfer from other funds	 -	 126,400
 Cash flows from investing activities - investment income received	 <u>7,000</u>	 <u>8,073</u>
 Net increase (decrease) in cash and cash equivalents	 (138,181)	 122,615
 Cash and cash equivalents at beginning of year	 <u>217,040</u>	 <u>94,425</u>
 Cash and cash equivalents at end of year	 \$ <u>78,859</u>	 <u>217,040</u>

TRUST AND AGENCY FUNDS

Trust and Agency Funds are established to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

Expendable Trust Fund – Fire Department Donations – The fund accounts for monies provided by contributions to the fire department. The principal and interest amount of the contributions are used for the acquisition of supplies for the fire department.

Nonexpendable Trust Fund – Library Endowment – This fund accounts for monies provided by Homer Public Library, Inc. The principal amount of the gift is to be maintained intact and invested, while the investment earnings are to be used for the acquisition of books and equipment for the Homer Library.

Library Agency Fund – This fund accounts for gifts to be used by the Homer Public Library, Inc. until such time as disbursements from the Library are requested.

CITY OF HOMER, ALASKA
 Trust and Agency Funds
 Combining Balance Sheet
 December 31, 2000
 (With Comparative Totals for 1999)

<u>Assets</u>	<u>Expendable Trust Fund</u>	<u>Non- expendable Trust Fund</u>	<u>Agency Fund</u>	<u>Totals</u>	
	<u>Fire Department Donations</u>	<u>Library Endowment</u>	<u>Library</u>	<u>2000</u>	<u>1999</u>
Equity in central treasury	\$ <u>4,386</u>	<u>70,995</u>	<u>25,049</u>	<u>100,430</u>	<u>90,174</u>
<u>Liabilities and Fund Balances</u>					
Liabilities- due to local agencies	<u>-</u>	<u>-</u>	<u>25,049</u>	<u>25,049</u>	<u>19,476</u>
Fund balances:					
Reserved for supplies	4,386	-	-	4,386	782
Reserved for endowments	<u>-</u>	<u>70,995</u>	<u>-</u>	<u>70,995</u>	<u>69,916</u>
Total fund balances	<u>4,386</u>	<u>70,995</u>	<u>-</u>	<u>75,381</u>	<u>70,698</u>
Total liabilities and fund balances	\$ <u>4,386</u>	<u>70,995</u>	<u>25,049</u>	<u>100,430</u>	<u>90,174</u>

CITY OF HOMER, ALASKA
 Fire Department Donations Expendable Trust Fund
 Balance Sheet
 December 31, 2000
 (With Comparative Amounts for 1999)

	<u>Assets</u>	<u>2000</u>	<u>1999</u>
Equity in central treasury		\$ <u>4,386</u>	<u>782</u>
<u>Fund Balance</u>			
Fund balance - reserved for supplies		\$ <u>4,386</u>	<u>782</u>

CITY OF HOMER, ALASKA
Fire Department Donations Expendable Trust Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended December 31, 2000
(With Comparative Amounts for 1999)

	<u>2000</u>	<u>1999</u>
Revenues - contributions	\$ 3,604	1,643
Expenditures - supplies	<u>-</u>	<u>1,000</u>
Excess of revenues over expenditures	3,604	643
Fund balance at beginning of year	<u>782</u>	<u>139</u>
Fund balance at end of year	\$ <u>4,386</u>	<u>782</u>

CITY OF HOMER, ALASKA
Library Endowment Nonexpendable Trust Fund
Balance Sheet
December 31, 2000
 (With Comparative Amounts for 1999)

<u>Assets</u>	<u>2000</u>	<u>1999</u>
Equity in central treasury	\$ <u>70,995</u>	<u>69,916</u>
<u>Fund Balance</u>		
Fund balance - reserved for endowments	\$ <u>70,995</u>	<u>69,916</u>

CITY OF HOMER, ALASKA
Library Agency Fund
Statement of Changes in Assets and Liabilities
Year Ended December 31, 2000

<u>Assets</u>	Balance January 1, 2000	<u>Additions</u>	<u>Deletions</u>	Balance December 31, 2000
Equity in central treasury	\$ <u>19,476</u>	<u>7,856</u>	<u>2,283</u>	<u>25,049</u>
 <u>Liabilities</u>				
Due to local agencies	\$ <u>19,476</u>	<u>7,856</u>	<u>2,283</u>	<u>25,049</u>

ACCOUNT GROUP – GENERAL FIXED ASSETS

The General Fixed Assets Account Group is a self-balancing group of accounts used to account for the fixed assets of the City of Homer. These are tangible assets of significant value having a life which extends beyond one year, other than those recorded in the Enterprise Funds.

CITY OF HOMER, ALASKA
 General Fixed Assets Account Group
 Schedule of General Fixed Assets by Sources
 December 31, 2000
 (With Comparative Amounts for 1999)

	<u>2000</u>	<u>1999</u>
General fixed assets:		
Land	\$ 1,830,179	1,126,979
Buildings	8,675,217	6,150,093
Improvements other than buildings	1,822,669	1,799,960
Machinery and equipment	3,914,082	3,948,419
Construction work in progress	<u>5,750</u>	<u>5,750</u>
 Total general fixed assets	 \$ <u>16,247,897</u>	 <u>13,031,201</u>
Investment in general fixed assets:		
Bonds	960,000	960,000
Other funds	3,501,836	3,540,224
Grants from other governments	5,109,333	5,086,624
Assets acquired under capital lease	3,430,797	3,245,932
Other	<u>3,245,931</u>	<u>198,421</u>
 Total investment in general fixed assets	 \$ <u>16,247,897</u>	 <u>13,031,201</u>

CITY OF HOMER, ALASKA
 General Fixed Assets Account Group
 Schedule of General Fixed Assets by Function and Activity
 December 31, 2000

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other Than Buildings</u>	<u>Machinery and Equipment</u>	<u>Total</u>
General government:	\$				
City council/mayor	-	-	-	14,775	14,775
City manager	-	-	-	16,083	16,083
City clerk	-	8,368	-	43,282	51,650
Finance	-	-	-	21,151	21,151
Planning and administration	-	-	-	11,698	11,698
Nondepartmental	<u>1,247,629</u>	<u>3,490,956</u>	<u>47,834</u>	<u>174,138</u>	<u>4,960,557</u>
Total general government	<u>1,247,629</u>	<u>3,499,324</u>	<u>47,834</u>	<u>281,127</u>	<u>5,075,914</u>
Public safety:					
Police	14,265	1,065,607	6,774	524,618	1,611,264
Jail	-	4,823	34,088	40,237	79,148
Animal control	-	15,702	3,416	17,532	36,650
Emergency services	<u>60,000</u>	<u>519,197</u>	<u>530,430</u>	<u>1,141,148</u>	<u>2,250,775</u>
Total public safety	<u>74,265</u>	<u>1,605,329</u>	<u>574,708</u>	<u>1,723,535</u>	<u>3,977,837</u>
Public works:					
Streets	20,818	841,830	66,752	911,675	1,841,075
Motor pool	-	-	28,370	517,982	546,352
Total public works	<u>20,818</u>	<u>841,830</u>	<u>95,122</u>	<u>1,429,657</u>	<u>2,387,427</u>
Cemetery	-	823	27,076	-	27,899
Parks and recreation	274,485	95,887	930,209	-	1,300,581
Library	212,982	258,779	125,970	479,763	1,077,494
Airport terminal	-	<u>2,373,245</u>	<u>21,750</u>	-	<u>2,394,995</u>
Total general fixed assets allocated to functions	\$ <u>1,830,179</u>	<u>8,675,217</u>	<u>1,822,669</u>	<u>3,914,082</u>	<u>16,242,147</u>

CITY OF HOMER, ALASKA
 General Fixed Assets Account Group
 Schedule of Changes in General Fixed Assets by Function and Activity
 Year Ended December 31, 2000

<u>Function and Activity</u>	General Fixed Assets at January 1, 2000	<u>Additions</u>	<u>Deletions</u>	General Fixed Assets at December 31, 2000
General government:				
City council/mayor	\$ 61,311	-	46,536	14,775
City manager	32,687	-	16,604	16,083
City clerk	51,650	-	-	51,650
Finance	31,507	-	10,356	21,151
Planning and administration	58,923	-	47,225	11,698
Nondepartmental	<u>1,665,822</u>	<u>3,296,085</u>	<u>1,350</u>	<u>4,960,557</u>
Total general government	<u>1,901,900</u>	<u>3,296,085</u>	<u>122,071</u>	<u>5,075,914</u>
Public safety:				
Police	1,659,414	32,795	80,945	1,611,264
Jail	79,148	-	-	79,148
Animal control	36,650	-	-	36,650
Emergency services	<u>2,253,773</u>	<u>-</u>	<u>2,998</u>	<u>2,250,775</u>
Total public safety	<u>4,028,985</u>	<u>32,795</u>	<u>83,943</u>	<u>3,977,837</u>
Public works:				
Streets	1,516,286	347,090	22,301	1,841,075
Motor pool	546,352	-	-	546,352
Engineer	32,724	-	32,724	-
Administration	<u>260,951</u>	<u>-</u>	<u>260,951</u>	<u>-</u>
Total public works	<u>2,356,313</u>	<u>347,090</u>	<u>315,976</u>	<u>2,387,427</u>
Cemetery	27,899	-	-	27,899
Parks and recreation	1,257,447	43,134	-	1,300,581
Library	1,057,912	19,582	-	1,077,494
Airport terminal	2,394,995	-	-	2,394,995
Construction in progress	<u>5,750</u>	<u>-</u>	<u>-</u>	<u>5,750</u>
Total general fixed assets	<u>\$ 13,031,201</u>	<u>3,738,686</u>	<u>521,990</u>	<u>16,247,897</u>

ACCOUNT GROUP – GENERAL LONG-TERM DEBT

The General Long-Term Debt Account Group is a self-balancing group of accounts used to account for the general long-term debt payable from general revenues and backed by the full faith and credit of the City of Homer.

CITY OF HOMER, ALASKA
General Long-Term Debt Account Group
Schedule of General Long-Term Debt
December 31, 2000
(With Comparative Amounts for 1999)

<u>Amount Available and to be Provided for the Payment of General Long-Term Debt</u>	<u>2000</u>	<u>1999</u>
Amount available in Debt Service Funds:		
Rangeview special assessment bonds	\$ 22,884	28,766
General obligation bonds and 1990 special assessment bonds	<u>186,794</u>	<u>539,404</u>
Total amount available in Debt Service Funds	<u>209,678</u>	<u>568,170</u>
Amount to be provided for retirement of long-term debt:		
Accrued leave	223,880	187,848
Retirement incentive program	91,989	153,211
Capitalized leases	432,063	591,927
General obligations bonds and 1990 special assessment bonds	<u>2,573,206</u>	<u>2,536,846</u>
Special assessment bonds - Rangeview	<u>14,043</u>	<u>13,441</u>
Total amount to be provided for retirement of long-term debt	<u>3,335,181</u>	<u>3,483,273</u>
Total amount available and to be provided for retirement of long-term debt	\$ <u>3,544,859</u>	<u>4,051,443</u>
<u>General Long-Term Debt Payable</u>		
Accrued leave	223,880	187,848
Retirement incentive program	91,989	153,211
Capitalized lease obligations	432,063	591,927
1998 general obligation refunding bonds	2,760,000	3,060,000
Special assessment bonds payable:		
Rangeview	36,927	42,207
1990 road	<u>-</u>	<u>16,250</u>
Total general long-term debt payable	\$ <u>3,544,859</u>	<u>4,051,443</u>

CITY OF HOMER, ALASKA
 Schedule of Expenditures of Federal Awards
 Year Ended December 31, 2000

<u>Federal Grant Title</u>	<u>Grant Number</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Total Grant Award</u>	<u>January 1, 2000 Receivable (Deferred)</u>	<u>Federal Share of Expenditures</u>	<u>Federal Receipts</u>	<u>December 31, 2000 Receivable (Deferred)</u>
DEPARTMENT OF AGRICULTURE							
Kachemak Nordic Ski Club Passed Through the State of Alaska	00DG11100000208	10.670	\$ 7,000	-	7,000	7,000	-
Department of Health and Social Services - FDA Tobacco Grant	99-0054	10.xxx	32,800	6,973	3,000	9,973	-
Total Department of Health and Human Services				<u>6,973</u>	<u>10,000</u>	<u>16,973</u>	<u>-</u>
FEDERAL EMERGENCY MANAGEMENT AGENCY							
Passed Through the State of Alaska Department of Military and Veteran Affairs - Homer Harbor Winter Storm (75% Federal)	1316-DK-AK	83.544	13,095	-	13,095	13,095	-
DEPARTMENT OF COMMERCE							
*Kachemak Bay Visitor Center Dock Demolition and Pile Purchase Passed Through the State of Alaska	07-01-03891 07-01-04741	11.300 11.xxx	300,000 1,300,000	- -	202,682 707	123,709 -	78,973 707
Department of Community & Economic Development - Design/Engineering for Shelter Renovation	800573	11.xxx	7,500	700	6,750	7,450	-
Total Department of Commerce				<u>700</u>	<u>210,139</u>	<u>131,159</u>	<u>79,680</u>
DEPARTMENT OF INTERIOR							
Passed Through the State of Alaska Department of Natural Resources - Jack Gist Recreational Park	02-00369	15.916	169,792	-	688	-	688
Department of Fish and Game - Fish Waste Disposal System (75% Federal)	Co-op 00-035	15.605	66,000	-	63,258	35,314	27,944
Total Department of Interior				<u>-</u>	<u>63,946</u>	<u>35,314</u>	<u>28,632</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT -							
Kachemak Bay Multi-Purpose Ocean Dock	B-99-SP-AK-0003	14.xxx	500,000	2,262	12,029	10,595	3,696
DEPARTMENT OF TRANSPORTATION							
Passed Through the State of Alaska Department of Public Safety - Traffic Safety Saturation Patrols	PT000513	20.600	14,664	-	11,322	11,322	-
Total Federal Financial Assistance			\$	<u>9,935</u>	<u>320,531</u>	<u>218,458</u>	<u>112,008</u>

Major Program

CITY OF HOMER, ALASKA
 Schedule of State Financial Assistance
 Year Ended December 31, 2000

<u>Name of Award</u>	<u>Grant Number</u>	<u>Total Grant Award</u>	<u>January 1, 2000 Receivable (Deferred)</u>	<u>State Share of Expenditures</u>	<u>State Receipts</u>	<u>December 31, 2000 Receivable (Deferred)</u>
DEPARTMENT OF REVENUE:						
Raw Fish Tax	-	\$ 21,340	-	21,340	21,340	-
Electric and Telephone Sharing	-	23,011	-	23,011	23,011	-
Liquor License	-	20,550	-	20,550	20,550	-
Total Department of Revenue				<u>64,901</u>	<u>64,901</u>	
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT:						
* State Revenue Sharing	-	57,039	-	57,039	57,039	-
Safe Communities FY00	-	101,073	-	-	101,073	(101,073)
* Safe Communities FY99	-	113,381	(113,381)	113,381	-	-
* Waste Oil Receiving Station	96/569-4-001	130,240	(10,128)	94,660	24,393	60,139
Homer Visitor Center Construction	01-MG-065	49,689	-	41,236	41,236	-
University of Alaska, Kachemak Bay Consortium Library	97/569-1-001	103,655	(20,731)	-	-	(20,731)
New Animal Shelter	00/569-9-001	102,500	(20,500)	-	-	(20,500)
Shared Fisheries Business Tax	-	4,862	-	4,862	4,862	-
Community Recreation Facility	99/569-9-001	101,862	(20,372)	1,983	-	(18,389)
Fish. Resource Landing Tax	-	87	-	87	87	-
Harbor Ramp Repair	00/569-0-002	35,069	-	34,756	23,404	11,352
Total Department of Community And Economic Development			<u>(185,112)</u>	<u>348,004</u>	<u>252,094</u>	<u>(89,202)</u>
DEPARTMENT OF EDUCATION:						
Public Library Assistance	PLA-00-738-35	6,300	(6,300)	6,300	-	-
Public Library Assistance	PLA-01-738-34	6,300	-	-	6,300	(6,300)
Meetings Interlibrary Cooperation Grant	ILC-01-738-102	1,250	-	1,250	1,250	-
Total Department of Education			<u>(6,300)</u>	<u>7,550</u>	<u>7,550</u>	<u>(6,300)</u>
DEPARTMENT OF ENVIRONMENTAL CONSERVATION:						
Water Storage Reservoir Design	40902	72,000	-	763	-	763
* Bypass Sewer / Lift Station Upgrade	40901	348,124	10,606	313,924	169,960	154,570
Barrels of Boom	MOA-1406060/01	8,346	-	8,346	8,346	-
Total Department of Environmental Conservation			<u>10,606</u>	<u>323,033</u>	<u>178,306</u>	<u>155,333</u>
DEPARTMENT OF NATURAL RESOURCES:						
Mariner Park Habitat Restoration	-	93,000	(3,921)	39,921	36,000	-
Poopdeck Trail	10795211	16,370	-	16,370	-	16,370
Volunteer Fire Assistance	-	5,000	-	5,000	5,000	-
Total Department of Natural Resources			<u>(3,921)</u>	<u>61,291</u>	<u>41,000</u>	<u>16,370</u>
DEPARTMENT OF ADMINISTRATION:						
Senior Employment Program	205141	9,672	1,152	7,463	8,615	-
Senior Employment Program	215141	8,116	-	4,554	3,582	972
Total Department of Administration			<u>1,152</u>	<u>12,017</u>	<u>12,197</u>	<u>972</u>
DEPARTMENT OF FISH AND GAME -						
Fish Waste Disposal System Facilities (25% State)	Co-op 00-035	22,000	-	21,086	11,771	9,315
DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES -						
*Homer Small Boat Harbor Transfer	-	3,587,373	(3,585,873)	251,609	-	(3,334,264)
DEPARTMENT OF HEALTH AND SOCIAL SERVICES -						
Tobacco Sales to Minors	0601-049	10,000	-	7,381	7,381	-
DEPARTMENT OF MILITARY AND VETERAN AFFAIRS -						
Homer Harbor Winter Storm (25% State)	1316.0002	4,365	-	4,365	4,365	-
Total State Financial Assistance		\$	<u>(3,769,448)</u>	<u>1,101,237</u>	<u>579,565</u>	<u>(3,247,776)</u>

* Major program



Table 1

CITY OF HOMER, ALASKA
 General Governmental Expenditures by Function (1)
 Last Ten Fiscal Years

<u>Year Ended</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Library</u>	<u>Parks and Recreation</u>	<u>Airport</u>	<u>Other</u>	<u>Debt Service</u>	<u>Total</u>
1991	\$ 836,998	\$ 1,752,359	\$ 789,810	\$ 203,540	\$ 74,583	\$ -	\$ 280,138	\$ 1,060,107	\$ 4,997,535
1992	868,546	1,709,314	824,763	202,670	53,866	-	300,504	1,862,337	5,822,000
1993	1,563,150	1,794,808	563,719	221,988	88,009	-	191,891	644,916	5,068,481
1994	1,514,196	1,790,708	693,080	228,955	99,816	-	201,691	641,471	5,169,917
1995	1,214,321	2,090,374	706,829	223,189	62,887	-	184,948	615,976	5,098,524
1996	1,581,176	2,133,053	741,293	242,421	62,793	130,733	177,671	602,327	5,671,467
1997	1,376,588	2,210,412	736,465	255,315	103,671	112,490	205,523	608,050	5,608,514
1998	1,534,640	2,198,709	709,758	259,443	172,243	114,317	185,765	596,270	5,771,145
1999	1,421,672	2,608,205	773,563	284,742	217,261	134,262	161,884	619,284	6,220,873
2000	1,449,470	2,043,570	691,683	279,252	302,097	132,894	122,359	644,381	5,665,706

(1) Includes General Fund and Debt Service Funds

CITY OF HOMER, ALASKA
 General Governmental Revenues by Source (1)
 Last Ten Fiscal Years

<u>Year Ended</u>	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Inter-governmental</u>	<u>Charges for Services</u>	<u>Fines</u>	<u>Investment Income</u>	<u>Special Assessments</u>	<u>Total</u>
1991	\$ 3,214,854	\$ 7,243	\$ 988,705	\$ 616,015	\$ 11,809	\$ 331,047	\$ 80,691	\$ 5,250,364
1992	3,118,334	4,129	864,467	836,457	10,880	143,624	187,336	5,165,227
1993	3,198,991	4,556	624,583	1,195,998	12,456	132,252	79,726	5,248,562
1994	3,349,574	5,634	867,477	825,613	11,466	152,339	170,568	5,382,671
1995	3,178,743	5,763	880,413	990,031	28,647	274,439	115,324	5,473,360
1996	2,979,162	8,994	1,011,222	1,027,391	28,419	237,933	98,011	5,391,132
1997	3,426,714	8,437	895,283	1,076,242	42,202	226,365	89,242	5,764,485
1998	3,042,702	7,745	912,538	1,077,224	33,343	296,095	103,462	5,473,109
1999	3,327,801	6,740	931,248	1,071,430	17,108	224,492	99,873	5,678,692
2000	3,382,688	10,042	781,218	1,326,039	25,044	210,638	85,325	5,820,994

(1) Includes General Fund and Debt Service Funds

CITY OF HOMER, ALASKA

Tax Revenues by Source
Last Ten Fiscal Years

<u>Year Ended</u>	(1) Property <u>Tax</u>	(2) Sales <u>Tax</u>	Total <u>Taxes</u>
1991	\$ 1,105,207	\$ 2,283,879	\$ 3,389,086
1992	1,090,774	2,579,946	3,670,720
1993	1,107,099	2,695,852	3,802,951
1994	1,143,158	2,733,420	3,876,578
1995	1,162,195	2,971,413	4,133,608
1996	1,212,370	3,079,629	4,291,999
1997	1,280,563	3,145,130	4,425,693
1998	1,240,627	3,162,119	4,402,746
1999	1,347,712	3,465,156	4,812,868
2000	1,407,579	3,457,312	4,864,891

(1) Property tax for all years is recorded in the General Fund.

(2) In 1991, 1992, 1993 and 1997, sales tax revenues were recorded in the General Fund, Debt Service Funds and Sewer Enterprise Fund. In 1994 and 1995, sales tax revenues were recorded in the General Fund, Debt Service Funds, Capital Projects Funds and Sewer Enterprise Fund. In 1996, 1998, 1999 and 2000, sales tax revenues were recorded in the General Fund, Capital Projects Funds and Sewer Enterprise Fund.

Table 4

CITY OF HOMER, ALASKA

Property Tax Levies and Collections
Last Ten Fiscal Years

<u>Year Ended</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Total Collections as a Percent of Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Outstanding Delinquent Taxes as a Percent of Total Taxes</u>
1991	\$ 1,118,522	\$ 987,468	88.28%	\$ 83,647	\$ 1,071,115	95.76%	\$ 139,066	12.43%
1992	1,068,169	969,432	90.78	106,711	1,076,143	100.75	152,004	14.23
1993	1,067,013	988,267	92.62	98,452	1,086,719	101.85	96,682	08.90
1994	1,116,945	1,033,867	92.56	86,869	1,120,736	100.34	81,336	07.26
1995	1,153,306	1,058,018	91.74	79,487	1,137,505	98.63	99,658	08.76
1996	1,198,613	1,101,388	91.89	93,663	1,195,051	99.70	77,326	06.22
1997	1,228,016	1,128,456	91.89	106,653	1,235,109	100.58	46,454	03.76
1998	1,184,204	1,119,732	94.56	89,848	1,209,580	102.15	48,046	04.06
1999	1,290,547	1,190,679	92.26	60,385	1,251,064	96.94	46,784	03.63
2000	1,328,213	1,245,592	93.78	90,071	1,335,663	100.56	46,617	03.51

CITY OF HOMER, ALASKA
 Assessed Value of Taxable Property (1)
 Last Ten Fiscal Years

<u>Year Ended</u>	<u>Real Property</u>	<u>Personal Property (2)</u>	<u>Total</u>
1991	\$ 150,650,550	\$ 38,499,060	\$ 189,149,610
1992	158,253,500	35,959,118	194,212,618
1993	160,792,600	34,560,457	195,353,057
1994	166,210,870	36,870,116	203,080,986
1995	171,671,589	38,020,359	209,691,948
1996	177,061,261	40,868,391	217,929,652
1997	182,460,650	40,815,022	223,275,672
1998	191,928,412	23,381,415	215,309,827
1999	218,639,912	16,005,042	234,644,954
2000	223,830,212	17,663,028	241,493,240

(1) Kenai Peninsula Borough (assessed at 100% of value).

(2) In 1998, the Kenai Peninsula Borough adopted Borough Ordinance 97-73 that created a flat tax for watercraft, creating a \$100,000 personal property tax exemption, and increasing the motor vehicle tax.

CITY OF HOMER, ALASKA
 Property Tax Rates and Tax Levies -
 All Direct and Overlapping Governments
 Last Ten Fiscal Years

<u>Year Ended</u>	<u>City of Homer</u>	<u>Kenai Peninsula Borough</u>	<u>Tax Rates (Mills)</u>		<u>Total</u>
			<u>Kenai Peninsula Borough</u>	<u>Kenai Peninsula College</u>	
1991	5.50	7.55	2.75	-	15.80
1992	5.50	8.55	2.00	-	16.05
1993	5.50	8.55	2.00	-	16.05
1994	5.50	8.59	2.00	0.03	16.12
1995	5.50	8.59	2.00	0.03	16.12
1996	5.50	8.30	2.00	0.04	15.84
1997	5.50	8.30	2.00	0.08	15.88
1998	5.50	8.30	2.00	0.08	15.88
1999	5.50	8.00	2.00	0.10	15.60
2000	5.50	7.50	2.00	0.10	15.10

<u>Year Ended</u>	<u>Tax Levies</u>				
1991	\$ 1,118,522	\$ 1,087,610	\$ 425,586	\$ -	\$ 2,631,718
1992	1,068,169	1,660,518	388,425	-	3,117,112
1993	1,067,013	1,670,269	390,706	-	3,127,988
1994	1,116,945	1,661,599	388,678	6,092	3,173,314
1995	1,153,306	1,801,254	419,384	6,291	3,380,235
1996	1,198,613	1,808,816	435,859	8,717	3,452,005
1997	1,228,016	1,853,188	446,551	17,862	3,545,617
1998	1,184,204	1,787,072	430,620	17,225	3,419,121
1999	1,290,547	1,877,160	469,290	23,464	3,660,461
2000	1,328,213	1,811,199	482,986	24,149	3,646,548

CITY OF HOMER, ALASKA

Special Assessment Collections (1)
Last Ten Fiscal Years

<u>Year Ended</u>	<u>Current Assessment Billed</u>	<u>Total Assessments Collected in Current Year</u>	<u>Ratio of Collections to Amount Billed</u>	<u>Total Outstanding Assessments at Year End</u>
1991	\$ 129,089	\$ 265,860	205.95%	\$ 1,582,869
1992	137,771	414,913	301.16	1,404,360
1993	109,181	304,539	278.93	1,536,678
1994	151,033	302,227	200.11	1,277,388
1995	126,379	233,366	184.66	1,044,021
1996	113,525	216,008	190.27	828,013
1997	110,004	143,901	130.81	816,681
1998	130,614	169,889	130.07	646,792
1999	100,649	170,615	169.51	547,792
2000	91,980	132,738	144.31	415,243

(1) Includes special assessments recorded in the General Fund, Debt Service Funds, Water Enterprise Fund and Sewer Enterprise Fund.

Table 8

CITY OF HOMER, ALASKA
 Ratio of Net General Bonded Debt to
 Assessed Value and Net Bonded Debt Per Capita
 Last Ten Fiscal Years

<u>Year Ended</u>	<u>(1) Population</u>	<u>Assessed Value</u>	<u>(2) Gross Bonded Debt</u>	<u>Debt Service Moneys Available</u>	<u>(3) Debt Payable From Enterprise Revenues</u>	<u>Net Bonded Debt</u>	<u>Percent of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
1991	3937	\$ 189,149,610	\$ 5,413,000	\$ 1,947,914	\$ 143,000	\$ 3,322,086	1.76%	\$ 844
1992	3937	194,212,618	4,160,000	884,331	60,000	3,215,669	1.66	817
1993	4349	195,353,057	4,026,000	1,021,400	41,000	2,963,600	1.52	681
1994	4349	203,080,986	3,876,000	1,389,091	21,000	2,465,909	1.21	567
1995	4133	209,691,948	3,705,000	1,480,376	-	2,224,624	1.06	538
1996	4030	217,929,652	3,540,000	1,223,784	-	2,316,216	1.06	575
1997	4126	223,275,672	3,355,000	1,171,237	-	2,183,763	0.98	529
1998	4126	215,309,827	3,325,000	860,359	-	2,464,641	1.15	597
1999	4154	234,644,954	3,060,000	568,170	-	2,491,830	1.06	600
2000	4205	241,493,240	2,760,000	209,678	-	2,550,322	1.06	607

(1) Council determination.

(2) Includes all long-term general obligation bonded debt.

(3) Includes water obligation debt and port obligation debt. Data for 1994 includes water obligation debt only.

CITY OF HOMER, ALASKA

Legal Debt Margin
December 31, 2000

No debt limit is mandated by law.

CITY OF HOMER, ALASKA

Computation of Direct and Overlapping General Obligation Debt
December 31, 2000

<u>Name of Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to this Government</u>	<u>City of Homer</u>
City of Homer	\$ 2,550,322	100.00%	\$ 2,550,322
Kenai Peninsula Borough	17,945,000	7.91%	<u>1,419,586</u>
			\$ <u>3,969,908</u>

CITY OF HOMER, ALASKA

Ratio of Annual Debt Service Expenditures for
General Bonded Debt to Total General Expenditures
Last Ten Fiscal Years

<u>Year Ended</u>	<u>(1) Principal</u>	<u>(2) Interest</u>	<u>Total Debt Service</u>	<u>(2) Total General Expenditures</u>	<u>Percent of Debt Service to General Expenditures</u>
1991	\$ 248,000	\$ 582,162	\$ 830,162	\$ 4,997,535	16.61%
1992	1,202,500	356,221	1,558,721	5,822,000	26.77
1993	147,500	305,201	452,701	5,067,481	8.93
1994	162,500	299,357	461,857	5,169,917	8.93
1995	182,500	284,630	467,130	5,098,524	9.16
1996	197,500	272,431	469,931	5,671,467	8.29
1997	217,500	259,053	476,553	5,608,514	8.50
1998	205,000	220,981	425,981	5,771,145	7.39
1999	265,000	154,913	419,913	6,220,873	6.75
2000	300,000	127,054	427,054	5,665,706	7.54

(1) Does not include debt service paid by the Sewer, Water and Port Enterprise Funds.

(2) Includes General Fund and Debt Service Funds.

Table 12

CITY OF HOMER, ALASKA
 Revenue Bond Coverage - Port of Homer Enterprise Fund
 Last Ten Fiscal Years

Year Ended	Operating Revenues	(1) Operating Expenses	Net Revenues Available for Debt Service	Debt Service Requirements			(2) Times Coverage
				Principal	Interest	Total	
1991	\$ 1,957,269	\$ 1,879,731	\$ 77,538	\$ 118,394	\$ 180,434	\$ 298,828	0.26
1992	1,986,500	1,679,827	306,673	118,394	172,545	290,939	1.05
1993	2,183,060	1,872,407	310,653	165,000	56,963	221,963	1.40
1994	2,342,746	1,917,132	425,614	165,000	56,963	221,963	1.92
1995	2,351,510	2,322,538	28,972	165,000	56,963	221,963	0.13
1996	2,471,376	2,180,824	290,552	165,000	56,963	221,963	1.31
1997	2,389,761	1,969,797	419,964	165,000	56,963	221,963	1.89
1998	2,386,190	2,172,193	213,997	275,000	23,230	298,230	0.73
1999	2,360,330	2,166,777	193,553	135,000	62,460	197,460	0.98
2000	2,173,072	1,873,282	299,790	130,000	64,916	194,916	1.54

(1) Excluding depreciation.

(2) Required minimum coverage is 1.25.

CITY OF HOMER, ALASKA
Revenue Bond Coverage - Water Utility Enterprise Fund
Last Ten Fiscal Years

Year Ended	Operating Revenues	(1) Operating Expenses	Net Revenues Available for Debt Service	Debt Service Requirements			(2) Times Coverage
				Principal	Interest	Total	
1991	\$ 836,440	\$ 527,583	\$ 308,857	\$ 20,000	\$ 46,402	\$ 66,402	4.65
1992	930,071	606,849	323,222	35,000	44,923	79,923	4.04
1993	886,700	686,631	200,069	60,000	19,763	79,763	2.51
1994	914,020	765,702	148,318	60,000	19,763	79,763	1.86
1995	919,238	838,178	81,000	60,000	19,763	79,763	1.02
1996	1,043,996	870,296	173,701	60,000	19,763	79,763	2.18
1997	1,112,923	877,144	235,779	60,000	19,763	79,763	2.97
1998	1,056,071	863,884	192,187	55,000	11,570	66,570	2.89
1999	1,071,004	890,879	180,125	55,000	11,570	66,570	2.71
2000	1,160,476	740,134	420,342	55,000	9,000	64,000	6.57

(1) Excluding depreciation.

(2) Required minimum coverage is 1.30 for 1991 through 1997, and 1.25 for 1998 and thereafter.

CITY OF HOMER, ALASKA

Property Value, Construction and Bank Deposits
Last Ten Fiscal Years

Year Ended	Number of Commercial Permits Issued	Estimated Value	Number of Residential Permits Issued	Estimated Value	(1) Bank Deposits (in thousands)	(2) Property Values	
						Real	Personal
1991	14	\$ 1,579,999	26	\$ 1,535,775	\$ 76,098	\$ 15,650,550	\$ 38,499,060
1992	10	2,313,000	24	1,144,000	53,257	158,253,500	35,959,118
1993	16	2,714,500	18	1,209,500	82,108	160,792,600	34,560,459
1994	6	420,500	38	3,735,820	92,517	166,210,870	36,870,116
1995	14	2,187,000	33	2,766,500	81,739	171,671,589	38,020,359
1996	25	2,369,500	38	3,171,800	84,748	177,061,261	40,868,391
1997	12	3,934,000	42	3,730,265	64,731	182,460,650	40,815,022
1998	12	3,795,000	44	3,219,615	97,376	191,928,412	23,381,415
1999	7	2,060,000	20	3,646,000	N.A.	218,639,912	16,005,042
2000	6	1,030,000	23	2,611,040	N.A.	223,830,212	17,663,028

(1) Individual branch office.

(2) Kenai Peninsula Borough (property assessed at 100% of value).
In 1998, the Kenai Peninsula Borough adopted Borough Ordinance 97-73 that created a flat tax for watercraft, creating a \$100,000 personal property tax exemption, and increasing the motor vehicle tax.

CITY OF HOMER, ALASKA

Principal Taxpayers
December 31, 2000

<u>Taxpayer</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Total</u>
Alaska Communications Systems	\$ -	\$ 9,471,883	\$ 9,471,883
Herndon & Thompson Leasing	3,713,800	-	3,713,800
Circle De Pacific Corporation	1,692,800	1,667,337	3,360,137
National Bank of Alaska	2,834,700	366,564	3,201,264
Lands End Acquisition Corporation/Development	3,037,800	121,560	3,159,360
Robert Hunt	3,153,500	-	3,153,500
Harbor Enterprises Inc./Terminal Oil Sales	2,869,000	192,158	3,061,158
CGF Properties Inc./Eagle Quality Centers	1,833,300	466,552	2,299,852
Spenard Builders Supply	1,983,400	202,422	2,185,822
Maritime Helicopters/Mike and Mary Fell	235,500	1,732,857	1,968,357

CITY OF HOMER, ALASKA
Miscellaneous Statistical Data
December 31, 2000

Date of Incorporation	March 31, 1964
Authority for incorporation	State of Alaska Borough Act of 1961
Form of government	Council/Manager
Area in square miles	10
Miles of City-maintained street	23.61
Emergency services:	
Number of stations	1
Number of employees, inclusive of volunteers	49
Police protection:	
Number of stations	1
Number of employees	24
Municipal water department:	
Number of consumers	1,205
Water usage (in millions of gallons)	130.1
Miles of water lines	36
Sewers:	
Number of customers	1,102
Miles of sewer lines	41
Building permits issued	58
Recreation and culture:	
Number of parks (46 acres)	6
Number of libraries	1
Number of volumes	33,898
City employees as of December 31, 2000 (full and part-time)	82
Elections:	
Number of registered voters	3,363
Number of voters who cast ballots in last general election	854
Percentage of registered voters voting in last general election	25.4%
Demographics:	
Median age (1)	32.4
Average annual wage per worker-borough-wide (2)	\$32,275
School enrollment, City of Homer (3)	1,311
Unemployment rate - borough-wide (2)	10.2%
Homeownership (1)	54.1%
Population (4)	4,205

(1) 1990 U.S. Census

(2) State of Alaska Department of Labor

(3) Kenai Peninsula Borough School District

(4) Alaska Department of Community and Economic Development

CITY OF HOMER, ALASKA

Demographic Statistics
Last Ten Fiscal Years

<u>Year Ended</u>	<u>(1) Population</u>	<u>(2) Annual Average Wage Per Worker</u>	<u>(3) Median Age</u>	<u>(4) School Enrollment</u>	<u>(2) Unemployment Rate</u>
1991	3,937	\$ 29,328	32.4	1,436	12.7%
1992	3,937	29,484	32.4	1,241	14.3
1993	4,349	29,508	32.4	1,486	12.3
1994	4,349	29,844	32.4	1,317	12.6
1995	4,133	29,704	32.4	1,341	12.4
1996	4,030	29,548	32.4	1,364	14.1
1997	4,126	30,091	32.4	1,412	13.6
1998	4,126	30,050	32.4	1,321	9.8
1999	4,154	30,523	32.4	1,343	10.5
2000	4,205	32,275	32.4	1,311	10.2

(1) Alaska Department of Community and Economic Development

(2) State of Alaska, Department of Labor.

(3) 1990 U.S. Census.

(4) Kenai Peninsula Borough School District.



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Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Honorable Mayor and City Council
City of Homer, Alaska

We have audited the general purpose financial statements of City of Homer as of and for the year ended December 31, 2000, and have issued our report thereon dated April 10, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether City of Homer's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Homer's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the City of Homer in a separate letter dated April 10, 2001.

This report is intended solely for the information of City of Homer's management, Honorable Mayor and City Council, and appropriate federal and state agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Mikunda, Cottrell & Co.

April 10, 2001

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Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

Honorable Mayor and City Council
City of Homer, Alaska

Compliance

We have audited the compliance of City of Homer with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2000. City of Homer's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questions costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of City of Homer's management. Our responsibility is to express an opinion on City of Homer's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Homer's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on City of Homer's compliance with those requirements.

In our opinion, City of Homer complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2000.

Honorable Mayor and City Council
City of Homer, Alaska

Internal Control Over Compliance

The management of City of Homer is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered City of Homer's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information of City of Homer's management, Honorable Mayor and City Council, and appropriate federal and state agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Mikunda, Cottrell & Co.

April 10, 2001

CITY OF HOMER, ALASKA

Schedule of Findings and Questioned Costs

Year Ended December 31, 2000

AUDIT RESULT

I. Summary of Auditor's Results:

Financial Statements:

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

- Material weaknesses identified?

___yes x no

- Reportable conditions identified that are not considered to be material weaknesses?

___yes x none reported

Noncompliance material to financial statements noted?

___yes x no

Federal Awards:

Internal control over major programs:

- Material weaknesses identified?

___yes x no

- Reportable conditions identified that are not considered to be material weaknesses?

___yes x none reported

Type of auditor's report issued on compliance for major programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

___yes x no

Major programs:

Agency

CFDA Number

Program

Department of Commerce

11.300

Kachemak Bay Visitor Center

Dollar threshold used to distinguish between Type A and B programs

\$300,000

Low-risk auditee

No

II. Financial Statement Findings

None noted

III. Federal Awards Findings and Questioned Costs

None noted

CITY OF HOMER, ALASKA

Summary Schedule of Prior Audit Findings

Year Ended December 31, 2000

There were no prior year audit findings.

CITY OF HOMER, ALASKA

Corrective Action Plan

Year Ended December 31, 2000

There are no current year findings; therefore no corrective action plan is required.

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Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Honorable Mayor and City Council
City of Homer, Alaska

We have audited the general purpose financial statements of City of Homer as of and for the year ended December 31, 2000, and have issued our report thereon dated April 10, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether City of Homer's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Homer's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted other matters involving the internal control over financial reporting that we have reported to the management of City of Homer in a separate letter dated April 10, 2001.

This report is intended solely for the information of the City of Homer's management, Honorable Mayor and City Council, and the State of Alaska, and is not intended to be and should not be used by anyone other than these specified parties.

Mikunda, Cottrell & Co.

April 10, 2001

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Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*

Honorable Mayor and City Council
City of Homer, Alaska

Compliance

We have audited the compliance of City of Homer with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that are applicable to each of its major state programs for the year ended December 31, 2000. City of Homer's major state programs are identified in the accompanying schedule of state financial assistance. Compliance with the requirements of laws, regulations, contracts, and grants, general requirements, and the specific requirements applicable to each of its major state programs is the responsibility of City of Homer's management. Our responsibility is to express an opinion on City of Homer's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Those standards and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about City of Homer's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of City of Homer's compliance with those requirements.

In our opinion, City of Homer complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended December 31, 2000.

Honorable Mayor and City Council
City of Homer, Alaska

Internal Control Over Compliance

The management of City of Homer is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to state programs. In planning and performing our audit, we considered City of Homer's internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major state program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the City of Homer's management, Honorable Mayor and City Council, and the State of Alaska, and is not intended to be and should not be used by anyone other than these specified parties.

Mikunda, Cottrell & Co.

April 10, 2001

STATE OF ALASKA
LOCAL BOUNDARY COMMISSION

IN THE MATTER OF THE MARCH 20,)
2000 PETITION BY THE CITY OF)
HOMER FOR ANNEXATION OF)
APPROXIMATELY 25.64 SQUARE)
MILES)
_____)

TRANSCRIPT OF MEETING,
CONTINUED (EXCERPT: DECISIONAL SESSION)

Held in Homer, Alaska - December 15, 2001

MEMBERS:

Kevin Waring, Chairperson At-Large
Kathleen Wasserman, Vice-Chairperson
Allan Tesche, Member, Third Judicial District
Ardith Lynch, Member, Fourth Judicial District

Dan Bockhorst, Staff

TRANSCRIPTS ONLY
1943 HILLCREST DRIVE
ANCHORAGE, ALASKA 99517
(907) 276-0306

<p style="text-align: right;">2</p> <p>1 (Requested portion begins:)</p> <p>2 CHAIR WARING: That then concludes the public hearing part</p> <p>3 of the agenda, and we are now at item VII on the agenda, which</p> <p>4 is the point at which the Commission will decide whether to</p> <p>5 proceed to a decisional session at that time -- at this time.</p> <p>6 Let me ask the sense of the Commission about two things: first,</p> <p>7 whether we are all prepared to proceed to a decisional session,</p> <p>8 and then whether we would wish to continue on with -- with the</p> <p>9 meeting at this time or recess -- it is 11:48 -- recess for</p> <p>10 lunch and return afterwards. First, is there any member of the</p> <p>11 Commission who would wish to defer proceeding to a decisional</p> <p>12 session at this time? Apparently it is the -- the wish of the</p> <p>13 Commission to -- to hold a decisional session.</p> <p>14 What is the Commission's preference about continuing on</p> <p>15 now or taking time out for lunch and returning after that?</p> <p>16 UNIDENTIFIED SPEAKER: It's fine with me to go on.</p> <p>17 CHAIR WARING: Pardon me?</p> <p>18 UNIDENTIFIED SPEAKER: It's fine with me to go on.</p> <p>19 CHAIR WARING: Commissioner Tesche? I think it is the --</p> <p>20 the preference of the Commission to proceed right to decisional</p> <p>21 session now.</p> <p>22 Let me take a -- a moment to explain what our process is</p> <p>23 during a decision session. At this point the -- the record is</p> <p>24 concluded, including the record of the public hearing. Our</p> <p>25 practice once we have a motion before the Commission to act on</p>	<p style="text-align: right;">4</p> <p>1 of the audience is read each of the applicable standards, and</p> <p>2 then, as I say, a commissioner will -- one commissioner will</p> <p>3 begin the discussion and other commissioners add to it as they</p> <p>4 see fit. The -- the first standard deals with the</p> <p>5 compatibility -- pardon me. Before we begin I think we need to</p> <p>6 stop and ask if there is a motion for Commission action on the</p> <p>7 petition.</p> <p>8 COMMISSIONER TESCHE: Mr. Chairman.</p> <p>9 CHAIR WARING: Commissioner Tesche.</p> <p>10 COMMISSIONER TESCHE: Yes. With respect to the -- the</p> <p>11 application by the City of Homer to annex an estimated 24.64</p> <p>12 square miles, I will -- 25.64 square miles -- I will move to</p> <p>13 approve the application with the suggested boundaries as set</p> <p>14 forth by staff in staff's final report, and I will get the page</p> <p>15 for that -- as set forth on page 33 of staff's final report.</p> <p>16 COMMISSIONER WASSERMAN: I'll second.</p> <p>17 CHAIR WARING: Commissioner Tesche has moved and</p> <p>18 Commissioner Wasserman seconded that the Commission approve the</p> <p>19 petition for -- the City of Homer's petition for annexation in</p> <p>20 the form as recommended by the -- with the boundaries -- I</p> <p>21 presume you mean the boundaries, Commissioner Tesche.....</p> <p>22 COMMISSIONER TESCHE: That is correct.</p> <p>23 CHAIR WARING:as recommended by -- in the staff</p> <p>24 report on pages 32 and with subsequent -- pardon me, that --</p> <p>25 that -- on page 32 of the report with the boundary adjustments</p>
<p style="text-align: right;">3</p> <p>1 the petition is to proceed through each of the -- in this case</p> <p>2 14 -- standards that are applicable. These are the 14 standards</p> <p>3 that were summarized in one of the handouts that was available</p> <p>4 at the door. The Commission will proceed in turn through each</p> <p>5 of the applicable standards. Typically we have one member of</p> <p>6 the Commission -- we rotate through -- take the lead in</p> <p>7 addressing in their view how the facts of the -- the record are</p> <p>8 to be weighed in accord with the -- with the applicable</p> <p>9 standard. Every commissioner has an opportunity to address, if</p> <p>10 they wish -- if they wish, each of the -- of the 14 standards.</p> <p>11 The -- a majority of the Commission is required to approve</p> <p>12 any petition for annexation. In this case it will be -- it</p> <p>13 would require a vote of three members of the Commission in favor</p> <p>14 of a -- an annexation petition to approve it. Also, what the</p> <p>15 Commission individually must -- the commissioners individually</p> <p>16 must conclude that the petition that -- that is to be voted on</p> <p>17 meets every one of the standards; that is, if -- if a</p> <p>18 commissioner feels that one of the standards is not met</p> <p>19 adequately, then -- then the -- the commissioner would vote</p> <p>20 against the petition, and if a majority of the Commission, on</p> <p>21 the other hand, did not feel that each of the standards was met,</p> <p>22 then the -- the result would be that the petition would not</p> <p>23 be -- would not be approved.</p> <p>24 So we will then proceed to discuss in turn the 14</p> <p>25 standards that apply. What I will do for aud-- for the benefit</p>	<p style="text-align: right;">5</p> <p>1 as recommended by staff. Shall we pro-- are we prepared, then,</p> <p>2 to move to discussion of the motion?</p> <p>3 UNIDENTIFIED SPEAKER: Yes.</p> <p>4 CHAIR WARING: Okay. The first applicable standard stems</p> <p>5 from 3 AAC 110.100. The substance of that standard deals with</p> <p>6 the compatibility of the territory proposed for annexation and</p> <p>7 the existing city. Briefly, it reads: The territory must be</p> <p>8 compatible in character with the annexing city. In this regard,</p> <p>9 the Commission will, in its discretion, consider several</p> <p>10 factors, and they are enumerated in the -- in the regulation,</p> <p>11 and Commissioner Wasserman will -- will initiate discussion of</p> <p>12 that standard and its application to -- to the petition.</p> <p>13 COMMISSIONER WASSERMAN: The applications concerned land</p> <p>14 use and subdivision platting, salability of land, population</p> <p>15 density, cause of recent population changes, and suitability of</p> <p>16 the territory for reasonably anticipated community purposes. In</p> <p>17 reading all of the documentation that we received, and in</p> <p>18 listening to testimony, it appears that sa-- taxable sales in</p> <p>19 the proposed 25-plus square miles are more than \$14 million, and</p> <p>20 it seems like most of that seems to be concentrated primarily in</p> <p>21 the Millers Landing area. There appears to be substantial</p> <p>22 commercial development along the Sterling Highway and -- as well</p> <p>23 as a number of governmental sites: in the territory, including</p> <p>24 borough, state and federal land, and much of the territory</p> <p>25 with -- much of the territory land is vacant land.</p>

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1 So that shows a large diversification of different types
2 of land use within the territory proposed for annexation, but
3 those same diversities appear to be present within the City of
4 Homer, including larger tracts of vacant land, city, state and
5 federal holdings, and large and smaller parcels. The smaller
6 subdivisions that are closer to the north end of the present
7 boundary seem to have smaller lots than those, of course, up on
8 the northern end, and it seems like as you gradually get away
9 from the northern boundary of the City that the lots become a
10 bit larger on the whole, but the areas closer to the present
11 city boundaries have smaller lots interspersed with larger ones,
12 but the City of Homer also seems to have many smaller lots
13 interspersed with larger ones.

14 Also, the elevation in the territory: It seems with the
15 City the elevation goes to about 1400 feet from sea level, and I
16 know that was one of the arguments brought up was that, you
17 know, there's this large block in different geographic land --
18 the layout of the land, but it seems like there is quite a bit
19 of diversity within the City of Homer and with-- within the
20 territory in elevations and geographic features.

21 I think -- I -- I noticed one thing that -- one of the
22 applications for the standard is the significant development in
23 the territory, and many of the respondents said that the growth
24 within the territory was static. A couple of them said that the
25 growth within the territory was much larger than the growth

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1 within the City, so there didn't seem to be agreement on that
2 even within -- according to the respondents themselves. So it
3 appears that there's a bit of diversity in that as well. So I
4 would say that you are never going to find two areas where the
5 diversity is -- or -- or -- or where the -- where the land use
6 is exactly the same. So I would say that the land within the
7 territory, which is predominantly residential and/or privately
8 owned, as within the City, all of this would -- would lead me to
9 say that the petition for annexation by the City satisfies the
10 compatible character standard set out in 3 AAC 110.100.

11 CHAIR WARING: Thank you, Commissioner Wasserman. Do
12 other members of the Commission have anything to add on -- on
13 that particular discussion?

14 I just wanted to -- to add that in -- I believe based on,
15 you know, information that is in the record and much of,
16 actually, the comment that we received, it is plain that -- to
17 me that this larger region is -- is an organic holding and -- in
18 the sense that it is a common area within which people move for
19 work, for trade, and that the -- by and large the area that --
20 even the extensive area that is proposed in the City's petition
21 is an organic part of the -- the city. I think that if -- if we
22 are addressing simply the -- the area that is recommended by
23 staff, which is a much more modest area and close to the city
24 and much more similar in density and development patterns to --
25 to the city itself, that there is very strong information in the

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1 record that -- that these two areas, the lesser area that is
2 proposed by staff, that it is compatible with the existing city,
3 and so I would concur with Commissioner Wasserman in that
4 respect.

5 Are there further comments? Then we will move on to the
6 second standard, which is a fairly straightforward matter of
7 fact. The relevant regulation reads as follows: If a petition
8 for annexation describes boundaries overlapping the boundaries
9 of an existing organized borough, unified city -- pardon me --
10 unified municipality, or city, the petition for annexation must
11 also address and comply with the standards and procedures either
12 for annexation of the enlarged city to the existing borough, or
13 detachment of the overlapping region from the existing organized
14 borough, municipality or city. The -- the question at issue
15 here is whether there are overlapping boundaries affected by
16 this proposed annexation petition. Commissioner Tesche.

17 COMMISSIONER TESCHE: Thank you, Mr. Chairman. As you
18 stated, this is very straightforward. I concur in the comments
19 made by staff at 201-202 of its preliminary report. To me it's
20 uncontroverted that the proposed expanded jurisdictional area of
21 the City of Homer -- and, again, I refer to the smaller area on
22 the table -- lies entirely within the corporate limits of the
23 Kenai Peninsula Borough, and that although the proposed expanded
24 boundaries of the city adjoin the corporate limits of the City
25 of Kachemak, they do not overlap those boundaries or boundaries

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1 of any other existing city government. So on this technical
2 stand there's no question in my mind or in the record that the
3 standard of 3 AAC 110.130(e) is satisfied. Thank you.

4 CHAIR WARING: Thank you, Commissioner Tesche. Is there
5 any further discussion of that standard?

6 Hearing none, then we will move on to the third applicable
7 standard, which again deals with a -- a matter of fact, and that
8 is the contiguity of the area proposed for annexation and the
9 existing city. That standard reads as follows: Absent a
10 specific and persuasive showing to the contrary, the Commission
11 will, in its discretion, presume that territory that is not
12 contiguous to the annexing city does not meet the minimal
13 standards required for annexation. Commissioner Lynch.

14 COMMISSIONER LYNCH: Clearly, the territory recommended by
15 DCED staff, as well as the territory in the original petition,
16 are geographically contiguous to the existing boundaries of the
17 City of Homer, as well as being connected by a network of
18 roadways, so this proposal clearly satisfies the proximity
19 standards of this regulation.

20 CHAIR WARING: Thank you, Commissioner Lynch. Is there
21 any further discussion on that standard?

22 Seeing none, then we will proceed to the fourth standard,
23 which deals with the civil and political rights of residents of
24 the affected area. The pertinent state standard reads as
25 follows: A petition will not be approved by the Commission if

<p style="text-align: right;">10</p> <p>1 the effect of the proposed change denies any person the 2 enjoyment of any civil or political right, including voting 3 rights, because of race, color, creed, sex, or national origin. 4 And I would mention that this particular standard in the state 5 regulations subsumes or essentially parallels a requirement in 6 federal law to the same effect, and I will first address -- 7 address this standard. 8 I -- based on the record, I think there has been no 9 showing that on that particular specified issue, that is, civil 10 or political rights, including voting rights, being denied 11 because of race, color, creed, sex, or national origin, that 12 there is no -- no information in the record that in any way 13 residents in the area that would -- is proposed for annexation 14 would be -- would be denied civil or political rights for those 15 reasons that are specified in the state regulations and in 16 the -- the federal law. So I think on -- on that count the 17 standard is -- is met. 18 There have been other issues raised in regard to voting 19 and civil rights in the course of presentations, testimony and 20 comments made to the Commission, and this seems a good point 21 to -- to address those. First, there is -- has been an alleged 22 constitutional issue raised that annexation without a vote of 23 the residents or property owners perhaps was in some manner an 24 infringement of constitutional rights of those parties affected. 25 This is, in fact, for the Commission and for the State of Alaska</p>	<p style="text-align: right;">12</p> <p>1 There is a -- a second important issue that has been 2 raised, and -- and that is this question of whether the 3 Commission should consider or require in some manner or 4 condition that the -- if -- if the petition is approved, that 5 the terms of those elected officials now in office in the City 6 of Homer be truncated, to allow in the -- the near future an 7 election at which all residents of the city -- and including the 8 area annexed would have an opportunity to vote afresh for all of 9 their elected representatives. There are a couple of aspects of 10 this that -- that I would like to address. 11 First, the Commission did request a -- an opinion from the 12 state attorney's -- attorney general's office as to whether the 13 Commission had the authority and could exercise the authority to 14 truncate the terms of city officials as a condition or a 15 recommendation of -- of the decision for -- to -- to approve any 16 part of the annexation petition. A copy of the attorney -- we 17 have a copy of the attorney general's opinion on that, and I 18 believe it has been made available to -- to respondents in 19 the -- the petition. 20 Basically, the attorney general's office advised us the 21 following: That the Commission does have, in the -- in the 22 opinion of the attorney general, does have the potential 23 authority to truncate terms of city officials were it to find 24 that is justified by the facts, and direct a new election. 25 That's only part of the story. The attorney general's office,</p>
<p style="text-align: right;">11</p> <p>1 a settled matter of constitutional law. The very first case, in 2 fact, involving the boundary commission -- a boundary commission 3 decision that was appealed to the state supreme court addressed 4 this issue specifically; that is, the rights of -- the question 5 of whether residents of an area that was affected by annexation 6 did have a vested constitutional right to vote on the 7 annexation, and I will simply take a moment and read from that 8 state constitutional decision what the language of the court was 9 on this issue. Again, it was addressing the question of whether 10 residents of an annexed area were entitled to a vote on the 11 annexation. 12 The words of the court were: Those who reside or own 13 property in an area to be annexed have no vested right to insist 14 that annexation take place only with their consent. The subject 15 of expansion of municipal boundaries is legitimately the concern 16 of the state as a whole, and not just that of the local 17 community. There has been no infringement or deprivation of 18 rights protected by the fourteenth amendment -- that is, the 19 fourteenth amendment of the federal constitution. In short, the 20 state supreme court has had this issue presented to it and has 21 made a decision affirming that -- that no -- there is no vested 22 constitutional right to a vote on an annexation, and the -- the 23 commission is -- is abiding by that decision of the state 24 supreme court. None of that speaks to the merits of the 25 proposal in -- in other respects.</p>	<p style="text-align: right;">13</p> <p>1 relying on another supreme court decision, also advised us that 2 in the absence of having adopted regulations, the finding -- 3 procedures and standards under which the Commission would make 4 such a finding and impose such a condition, the Commission did 5 not have the practical authority to do that; that is, to impose 6 a requirement for truncation of the terms of sitting city 7 officers. 8 The third case that went to the state supreme court 9 litigator -- decision of the Commission dealt with that issue. 10 There is state legislation that defines and -- the powers that 11 the Commission can exercise specifically mandates that the 12 Commission have adopted regulations to guide its -- the exercise 13 of its powers. In this case the Commission has not adopted such 14 regulations, and, therefore, the advice of the attorney general 15 is that were we to exercise such powers we probably would be -- 16 attempt to impose that sort of condition, we could not sustain 17 it in litigation. That is the legal advice of the attorney 18 general, and as a rule we are inclined as a commission to take 19 the advice of our lawyer. 20 There is a separate set of questions, two that are worth 21 addressing, and that is questions of fact, and the -- the 22 essential point I think that has been made is that residents who 23 were brought into the city by incorporation would for some 24 period of time be represented by elected officials for whom they 25 did not vote. This is as -- even at the reduced scale that we</p>

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1 are discussing now, that is, the area recommended by the staff,
2 this is a significant annexation and bringing within the city if
3 it is approved a substantial population, approximately 18 to 20
4 percent enlargement of the city's present population. So I
5 think it is -- it would be good to consider whether as a matter
6 of fact were there -- were the Commission in a position to
7 exercise this power, whether the Commission should, and so I ask
8 myself, given the facts, whether -- what -- what I would -- what
9 my finding would be.

10 I -- I guess in principle I would -- one point to make is
11 that -- and -- and I don't think that the -- the point is that
12 one individual finding themselves newly in a territory where
13 they have not in the past -- pardon me, in a city -- not in the
14 past have had an opportunity to vote for their representatives,
15 justifies a new election. In fact, wholly apart from
16 annexations, there is a lot of come and go in any municipality,
17 and for that reason there will always be residents who have not
18 had a chance to vote for the elected officials who for the
19 moment represent them. It's also the case that people come of
20 age and have -- newly enfranchised, and until they get their
21 first opportunity to vote they -- they are effectively not
22 represented by elected officials.

23 Actually, in -- and the point is made there is in the --
24 in the record that there is a significant amount of turnover as
25 a routine matter, not only in Homer, but in all municipalities,

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1 probably on the order of five or more percent a year, so that
2 over a course of a couple of years between any scheduled
3 elections there is -- there is always going to be a substantial
4 population that has not voted for the elected officials. This
5 is perhaps just a -- an instance of the same phenomenon at a --
6 at a numerically larger scale.

7 There are other attenuating factors that I think, you
8 know, are worth considering. First is that electing your public
9 officials is not the only way available to people to influence
10 public decisions. There are, you know, routinely public
11 meetings, public hearings, that deal with city business, and
12 hearings on budgets, on appropriations and levies, and -- and
13 other municipal decisions, so there is over time always
14 opportunities to participate in public business. Also, there is
15 the fact that once elected there is always another election
16 coming and representatives in office are accountable to the next
17 election, you know, by anticipation to the next election, as
18 well as to those who elected or voted for them in the past
19 election. It's a fact, too, that all of the elected seats, I
20 understand, in the municipal city council are at-large seats, so
21 that it is not as if there were -- they were -- represented some
22 areas of the city and -- exclusively, and, therefore, there
23 would be with annexation an area that was orphaned and had no --
24 no representative at all to -- to represent it.

25 A further fact is that there are, in fact, within the next

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1 seven months elections scheduled for three of the seven elected
2 officers of the city, two representatives and the mayor, and
3 that another year after that two more come up, and another year
4 after that the final two, so that in a relatively limited period
5 of time there will be opportunity to -- for all citizens of the
6 City of the Homer, voters in the City of Homer, regardless of
7 what its boundaries are, to participate.

8 The sum of this, I think, is that I -- I would be -- my --
9 my vote would be that even with the -- the facts of the case if
10 we do approve the -- something on the order of the lesser
11 petition, the facts don't add up to a compelling reason to -- to
12 take what would be for the Commission an unprecedented step,
13 to -- to truncate the terms of sitting officials. I think that
14 the scale of change that -- that would be -- result from -- from
15 approval of petition is -- is just not on the scale or the order
16 that would justify in my judgment for the Commission an action
17 of that sort. So I would find that not only does the -- the
18 petition satisfy that original standard that I met -- that I
19 read, but that if -- if we choose to address it, it would not
20 support truncation, a -- a condition or a motion to truncate the
21 terms of city officials and -- and prompt a new election. And I
22 will give other commissioners an opportunity to add to that.

23 Commissioner Tesche.

24 COMMISSIONER TESCHE: Thank you, Mr. Chairman. Briefly, a
25 concurring opinion on two points. First, as far as truncation

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1 of the terms of current members of the city council, there are
2 really two questions there. Number one, does the Commission
3 have the power at this time in the absence of regulatory or
4 statutory authority to truncate terms in connection with a -- an
5 application for an annexation, and then secondly, if it does, do
6 the facts warrant such an action, which I would agree is
7 unprecedented. I believe that particularly with respect to the
8 smaller annexation that is on the table at this time the facts
9 would not warrant the extraordinary and unusual step of
10 truncating terms of elected officials, and that for that reason
11 it's unnecessary to reach the issue or even decide whether the
12 Commission in the first instance has the power to do so in the
13 absence of regulation.

14 Secondly, with respect to the -- the political rights
15 issue, certainly, there is a -- a grave concern expressed by a
16 number of the respondents here that they should be afforded a --
17 a vote, and I -- I take that to mean a separate vote in the area
18 proposed for annexation on the question of whether or not city
19 services will be extended into that area. From my reading of
20 the same case law cited by you, but also the area G homeowners
21 case in Anchorage, I am convinced based on prior court decisions
22 that our court would not agree with the proposition espoused
23 here, that there is a constitutionally or statutorily recognized
24 right of vote in this area for what would amount to be a veto.

25 Parenthetically, I would also note that we have an attorney

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1 general's opinion on house bill 13, and I concur with the
 2 reasoning of that decision, inasmuch as the bill itself does not
 3 address separately-granted powers to the Local Boundary
 4 Commission for annexations.
 5 But to me the most significant effect of this application
 6 on political rights is to provide the approximately 898
 7 residents in the area -- in the new area proposed for annexation
 8 the right for the first time to participate in votes as they
 9 will come up in the future on city council seats. There are
 10 approximately 3,946 residents in the city itself. Those when
 11 added to the 898 will yield a new city population of 4,844. Any
 12 amateur or professional politician who sits on the city council
 13 at this time or who in the future might wish to sit on the city
 14 council must take these numbers to heart and realize that if
 15 approximately 50, 60 or 70 percent of all of those people will
 16 be registered voters, that several hundred new registered voters
 17 added to the mix, if you will, in local elections can and will
 18 most likely have a very decisive effect on local elections. So
 19 there is a new political right being extended by this
 20 application, so for that reason, certainly, I believe the
 21 standard has been met.
 22 CHAIR WARING: Thank you, Commissioner Tesche. Do other
 23 commissioners have anything to add?
 24 Forgive me, I'm going to take an opportunity, a brief
 25 opportunity, to supplement Mr. Tesche and my own remarks on --

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1 on this particular point, because I -- I feel with and think
 2 with many of you who spoke to the Commission and I would like
 3 this to be reflected in our decision record, that this issue of
 4 voting rights is in some form a very valid one, and I see it in
 5 a somewhat different light. I must say, than -- than I heard
 6 from -- from looking at the testimony or interpret
 7 (indiscernible). There is one revolutionary principle of
 8 longstanding appeal in our nation's history that I did not hear
 9 at this testimony at this -- at this hearing, and that is the
 10 principle of taxation without rep-- representation. I did hear
 11 lots of information to the effect that residents who lived
 12 outside of the city paid taxes, paid sales taxes on businesses
 13 in the city, but no complaints that they were in any fashion
 14 deprived of taxation without representation. The -- and I
 15 believe that the long-run effect of an annexation of this area
 16 will be -- to approve it would be to endow some of those
 17 residents with the opportunity to participate in government.
 18 One of the underlying principles, I think, of -- of the
 19 state constitution on local governmental matters was -- pardon
 20 me -- the -- it's been said that the Commission has a great deal
 21 of authority in -- in this matter, and actually the Commission's
 22 scope of authority is a -- significant, but fairly narrow, the
 23 main part of it being to define the governmental jur-- the
 24 jurisdictional areas within which the controversies and debates
 25 of local government occur. There is I think an important

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1 principle that governmental jurisdictions do encompass residents
 2 who share problems and share issues and share a government, in
 3 that rather than having fights between governments we have
 4 governments with territories sufficient to keep the local
 5 government debate, so to speak, within the family. I do think
 6 that the gentleman who spoke initially to the Commission this
 7 morning made -- made an excellent point on that regard. In
 8 substance, I think I will just repeat, I believe the -- this
 9 standard is satisfied by the -- the record.
 10 And hearing no further comment we'll move on to the -- the
 11 next standard, which reads as follows, and Commissioner
 12 Wasserman will address it: The proposed boundaries of the city
 13 must -- that is, with the annexation -- must not include entire
 14 geographical regions or large unpopulated areas, except when
 15 boundaries are justified by the application of standards in
 16 certain referenced parts of....
 17 (Tape changed to No. 13)
 18 COMMISSIONER WASSERMAN:the borough, like
 19 uninhabited areas, from being annexed. So as there are parts of
 20 this territory that seem to be uninhabited to a bit, they are
 21 just partially uninhabited. So I would say that the City of
 22 Homer's proposal that has been adjusted by DCED staff satisfies
 23 3 AAC 110.040 -- or .170(d). I'm sorry.
 24 CHAIR WARING: Thank you, Commissioner Wasserman. Are
 25 there any additions to Commissioner Wasserman's assessment of

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1 that standard?
 2 Hearing none, then we will move on to the sixth applicable
 3 standard dealing with the population size and stability of -- of
 4 the resulting city boundaries, and that reads as follows: The
 5 population within the proposed boundaries of the city must be
 6 sufficiently large and stable to support the extension of city
 7 government. And then the regulation enumerates certain factors
 8 that the Commission may consider. Mr. Tesche.
 9 COMMISSIONER TESCHE: Thank you, Mr. Chairman. First I
 10 want to remind the Commission and public that my comments are
 11 addressed to the 3.9 acres, approximately, recommended by staff
 12 in its -- its final recommendation. The standard issue here
 13 is population, found at 3 AAC 110.120. I believe the standard
 14 is easily met here. I would incorporate the more detailed staff
 15 analysis and findings at 219 to 226 of its report.
 16 There are basically two elements that have to be
 17 satisfied: first, that the population of the entire area, and
 18 that is the area that includes the city and the area to be
 19 annexed, is large enough to support city government. The
 20 analysis that we have suggests that with the new 3.9-acre
 21 annexation proposed added to the current area of the city we
 22 would have probably the seventh-most populous city government in
 23 Alaska. Clearly, that is a population that is large enough to
 24 support city government throughout the entire area. That
 25 portion of the standard is easily met.

1 Somewhat more interesting is the second element of this,
2 and that is stability. It is not enough to have sufficient
3 people. There has to be a population that is stable, and by
4 that the statute and the regulations require us to look at a
5 number of issues. Looking at those briefly, the duration of
6 residency is one factor that we can consider, and I would rely
7 particularly on the testimony of the -- of the residents that
8 was given to us here in finding that -- that by and large the
9 population of Homer is a comparatively long-term -- long-term
10 residents, perhaps more than many other cities in the state. I
11 know that a number of people here with considerable pride
12 testified as to how many years they'd lived in Alaska and lived
13 in this borough, and indicating relatively long duration of
14 residency.

15 Historic population changes: That I think shows steady
16 growth, probably tied to Alaska's economy, perhaps most in
17 fishing and tourism, but steady, clear growth over the last 40
18 or 50 years, which indicates that, again, there's an element of
19 stability in the population here.

20 Seasonal population changes: I think the concern there is
21 that you could meet a lot of these other standards, but if you
22 have large numbers of migrant workers moving into the area
23 solely for the purpose of work and then people who leave as soon
24 as the jobs are finished on a seasonal basis, that that type of
25 population may not be as supportive as a population which I find

1 exists in Homer, and that is a number of people or perhaps many
2 people who, while they work seasonally in summer fishing and
3 other businesses, tourism, remain here in Homer, and
4 understandably so. This is a -- this is a very pleasant,
5 cohesive community, and a -- I think a fine place for people to
6 live, even though they may not technically be employed full time
7 during the year.

8 Finally, the other consideration is the age distribution,
9 and I suppose there if there was something unusual about the age
10 distribution or the patterns of the population that would --
11 that would again suggest that perhaps the population is not as
12 stable or it has some quirks about it. I see nothing in the
13 record to suggest that there's any unusual pattern of age
14 distribution here in Homer that would call into question the
15 ability of the population within the area to be annexed in the
16 city to support municipal government. So for all of those
17 reasons I would find this standard of 3 AAC 110.120 has been
18 met.

19 CHAIR WARING: Thank you, Commissioner Tesche. Does any
20 commissioner wish to add to Commissioner Tesche's analysis?

21 Then we'll move on to the seventh standard, which deals
22 with the resources of the proposed expanded city. The app-
23 applicable standard reads as follows: The economy within the
24 proposed boundaries of the city must include the human and
25 financial resources necessary to provide essential city services

1 on an efficient, cost-effective level, and then goes on to
2 enumerate a series of 10 factors that -- that the Commission --
3 specific factors that the Commission may -- may consider in
4 applying that standard. Commissioner Lynch.

5 COMMISSIONER LYNCH: Thank you, Mr. Chairman. I think I'm
6 going to discuss these 10 factors in order. The first one is
7 the reasonably anticipated functions of the city and the
8 territory being annexed, and those functions are listed in the
9 petition. They include the -- the services that the city is
10 providing now within its boundaries. I would also note that
11 some of these services are available to residents outside the
12 city boundaries. Some, of course, such as road services, are
13 only provided within the city boundaries.

14 The next factor is the reasonably anticipated new expenses
15 of the city, and I understand from the testimony that there's
16 some question as to the City's ability to estimate those, but I
17 think we need to recognize that although they're not necessarily
18 cast in concrete, they are reasonable. The City's providing
19 those services now and has a good basis for estimating those for
20 the future.

21 The next factor is the actual income and the reasonably
22 anticipated ability to collect local revenue and income from the
23 territory. I think again the City has a good basis for knowing
24 what the local property tax base is there, a fairly good
25 estimate of the ability to collect sales tax in that area, and

1 the analysis is that the -- the revenue in that area would
2 exceed the expenses of providing the services.

3 That leads into the next factor, the feasibility and
4 plausibility of the anticipated operating budget of the city,
5 and I think that it can be reasonably anticipated that any
6 increased costs that are associated with future growth in the
7 area to be annexed would be offset by the increased property tax
8 and sales tax revenue

9 The next factor is the economic base of the territory
10 after annexation. I think the economic base in this -- in the
11 territory is stable, with some -- some amount of growth. And
12 the same is true for the property valuation: in the territory
13 proposed for annexation, that there's probably likely to be some
14 steady growth in that area, also.

15 That again leads into the next factor, which is the
16 existing and reasonably anticipated industrial, commercial and
17 resource development in the area. Some of the territory is
18 residential; other is more suited for commercial and industrial
19 development.

20 So for these reasons I believe that the standard set out
21 in 3 AAC 110.110 is satisfied by the Homer annexation proposal,
22 and specifically in the 3.9 miles in the staff's recommendation.

23 CHAIR WARING: Thank you, Commissioner Lynch. Do
24 commissioners have anything to add to her discussion?

25 Then we will move on to the eighth applicable standard,

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1 and that deals with a transition plan, and there are three
 2 parts, three pertinent parts, actually, of that standard that
 3 apply to this particular annexation. To deal with them in turn,
 4 the -- the first element reads as follows: A petition for
 5 incorporation -- a petition for annexation must include a
 6 practicable -- practical plan in which the municipal government
 7 demonstrates its intent and capability to extend essential city
 8 services into the territory proposed for annexation in the
 9 shortest practicable -- practicable time after the effective
 10 date of the proposed change. And let me take a moment to
 11 preface discussion of that standard with a brief explanation of,
 12 as I see it, what the intent of the requirement for a
 13 transitional plan is.

14 The Commission deals with a wide variety of municipal and
 15 borough governments across the state, some large, some small,
 16 some sophisticated, some very elementary. They have varying
 17 degrees of capability and financial and staff resources
 18 available to them. As I understand it, the intent of this --
 19 this standard is to put on the petitioner a burden of
 20 demonstrating that they have given forethought to the question
 21 of how it will act to extend services to the territory they
 22 propose to admit, annex, and show that it has some good faith
 23 intent to do that. Compared to many of the cities that we deal
 24 with, Homer -- the City of Homer does in fact -- is a
 25 substantial municipal government with superior resources and

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1 staff capabilities than many other municipalities -- city
 2 municipalities throughout the state.

3 I believe that in the information the City has provided
 4 and based on the analysis that the staff has done of -- of that
 5 information, that the -- the City has satisfied the intent of
 6 this requirement. The City has not presented a transition plan
 7 or practicable plan -- practical plan that includes an adopted
 8 budget or ordinances or a tax levy or anything of that sort, but
 9 that is not the requirement, that the City spell out in every
 10 jot and tittle what it will do, but to provide the Commission
 11 evidence that it has given foresight -- fore-- forethought to --
 12 to what it will need to do to provide services to the annexed
 13 area if the petition were approved, and I think it has done
 14 that, satisfied that standard for the -- the area proposed by
 15 staff for annexation.

16 The second element of this standard reads as follows: A
 17 petition for a proposed action by the Commission must include a
 18 practical plan for assumption of all relevant and appropriate
 19 powers, duties, rights, and functions presently exercised by an
 20 existing borough, city, service area, or other entity located in
 21 the territory proposed for -- for change. Again, we did have --
 22 we have the record and we do have the information, statement,
 23 provided by the representative of the Kenai Peninsula Borough
 24 and the City that they have discussed and expressed a confidence
 25 that they can resolve questions of assumption of -- by the City

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1 of fire and emergency services and road services from the
 2 Borough if -- if, indeed the -- the Commission approves the
 3 petition. Again, I think that as far as this standard requires,
 4 the -- the City and the record itself substantiate that -- that
 5 the requirement has been -- has been met.

6 Finally, the third element in this requirement is -- reads
 7 as follows: A petition for a proposed action by the Commission
 8 must include a practical plan for the transfer and integration
 9 of all relevant and appropriate assets and liabilities of an
 10 existing borough, city, service area, or other entity located in
 11 the territory proposed for change. Again, we heard statements
 12 from both the representative of the Borough, which is
 13 responsible ultimately for the services areas, and from the City
 14 that they are confident that they can resolve the issues, many
 15 of them enumerated, at least on the Borough's part, as it would
 16 affect them by the borough attorney. They both expressed
 17 confidence, that is, the Borough and the City, that they would
 18 be able to satisfactorily resolve all these transitional issues
 19 which she enumerated. Therefore, I believe that the petition
 20 also satisfies this third element of -- of this standard.

21 Finally, I think I heard the Borough representative say
 22 that there were no assets -- transfer of assets involved in
 23 the -- in the case -- expected in the case of the Kachemak
 24 emergency service area, and, again, concurrence by the City that
 25 they basically were in agreement with -- with the statement of

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1 the Borough. So I don't think that there is any obstacle in
 2 that element.

3 So, in sum, I believe that the record and the statements
 4 of the two affected local governments, the borough and the City,
 5 are adequate basis for finding that this -- the requirements of
 6 this particular standard are met. Do other commissioners wish
 7 to add anything on that -- that count?

8 Hearing none, we will then move on to the ninth standard,
 9 which reads as follows: The proposed boundaries of the city
 10 must include all land and water necessary to provide the full
 11 development of essential city services on an efficient, cost-
 12 effective level, and then goes on to enumerate five specific
 13 factors that the Commission may consider in applying this
 14 standard. Commissioner Wasserman.

15 COMMISSIONER WASSEMAN: Thank you, Mr. Chairman. The
 16 territory closest to the current bounty -- boundaries of the 3.9
 17 square miles that's been recommended by DCED seems to have a
 18 great deal of development for residential, commercial and many
 19 other purposes. The density of the 3.9 square miles is 230, and
 20 the average of all Alaskan cities is only 174, so once again it
 21 shows that the density is in keeping, if not higher than the
 22 average of other Alaskan cities.

23 As far as transportation, there are seven major roadways
 24 that seem to come into the area, and those roadways would -- do
 25 serve to link the area, and which would lead to the sharing of

<p style="text-align: right;">30</p> <p>1 cultural, economic and employment endeavors. And we heard much 2 testimony to the fact that everyone in the community seemed to 3 feel that this was one community, even though there seemed to be 4 corporate boundary lines that -- that not everyone was in favor 5 of.</p> <p>6 The City has been authorized by the Borough to exercise 7 extraterritorial jurisdiction in the Bridge Creek watershed, and 8 those -- that extraterritorial jurisdiction is to protect the 9 City's water.</p> <p>10 Also, it appears that the other provisions of service that 11 the City of Homer provides to people outside the boundaries 12 would include med-- emergency medical service, util-- water 13 utility service, sewer utility service, fire protection, and 14 while there -- I am sure are arguments as to how much is 15 provided and to exactly what areas, it still is -- the City is 16 still providing some services to people outside of the 17 boundaries, and I'm sure at a great cost.</p> <p>18 There was -- there was also the change issue. Many people 19 brought up that they didn't feel that there was a need for 20 change, but the issue here is not just what some of the 21 respondents feel is the need for change. Obviously, the City 22 felt there was a need for change. So those two arguments I 23 think need to be -- to be balanced. Hopefully, in time, when 24 a -- as a city, any community, continues to grow their -- they 25 have more ability to provide better and more increased services,</p>	<p style="text-align: right;">32</p> <p>1 give us some guidance as to how you define community, and the 2 questions break down, are the residents in this area, and I mean 3 the city as well as the area proposed for annexation, do they 4 live permanently in close geographic proximity. Again, my 5 earlier comments on what appeared to be the -- the permanency of 6 residency here resolve this issue. There's no question about 7 the geographic proximity. Clearly, in the area proposed for 8 annexation these residents are within blocks of the city itself. 9 Allowing for frequent personal contacts character and -- 10 characterizing that of neighborhood living, I guess physically I 11 don't see how the residents in the area proposed for annexation 12 could avoid frequent personal contacts with people in the city, 13 even if they wanted to, and I don't think they do. So that 14 standard is easily met.</p> <p>15 Characteristics of neighborhood living: I harken back to 16 testimony by several neighborhood organizations of the existence 17 of homeowners associations which do various things for people, 18 an indication to me that the patterns of development in the area 19 proposed for annexation have gone from remote and isolated 20 homesteads to more neighborhood living, whereby people live 21 closer to each other, they're more integrated in terms of their 22 daily needs, their daily contacts with -- with each other, such 23 that they're developing into a community. So for those reasons 24 I would find the standard is met.</p> <p>25 To be sure, there are certain people who testified that</p>
<p style="text-align: right;">31</p> <p>1 and I think it sort of led me to realize that perhaps as the 2 area continues to grow the increased burden of the taxes cannot 3 fall on a group of people that -- that are being asked to 4 shoulder all of the tax burden, especially in light of the 5 growth that seems to be taking place outside of the current city 6 boundaries.</p> <p>7 Based on those facts, I would say that the standard set 8 out in 3 AAC 110.130(a) is met.</p> <p>9 CHAIR WARNING: Thank you, Commissioner Wasserman. Any 10 further thoughts from commissioners on that standard?</p> <p>11 Then we will move on to the tenth standard, which reads as 12 follows: The proposed boundaries of the city must include 13 only -- only that area comprising an existing local community, 14 plus reasonably predictable growth, development, and public 15 safety needs during the 10 years following the effective date of 16 annexation of that city. Commissioner Tesche.</p> <p>17 COMMISSIONER TESCHE: Thank you, Mr. Chairman. This 18 standard breaks down into two different issues. The first is 19 whether the -- the boundaries encompass only an area 20 encompassing an existing community, and then a second standard 21 with respect to the foreseeable growth in the area. As to 22 whether the area proposed -- and, again, I refer to the new 23 recommended area by staff -- whether that constitutes an 24 existing community has to be made in light of a number of 25 factors in 3 AAC 110.920, and these are state regulations that</p>	<p style="text-align: right;">33</p> <p>1 disagree. I notice the testimony of Sallie Dodd Butters who 2 stated that they chose -- some people chose to live outside of 3 the city specifically to avoid its jurisdiction, and then there 4 was testimony by Pete Roberts that outsiders chose the area 5 outside of Homer because they wanted nothing to do with the 6 city. I certainly recognize that testimony and I certainly 7 understand their sentiments, but that's not the testimony that 8 in my view is credible here. Instead we have testimony of 9 Michael Kennedy, who said we all live here as one community, the 10 testimony as well of a Margaret Seelye who said we are all 11 members of one community -- virtually the same thing. The 12 geography of the area compels that the board give greater weight 13 to that latter testimony.</p> <p>14 Moving on, the location has to be that of a discrete and 15 identifiable unit. Factors that are considered here are school 16 enrollment: Plainly, children that do go to school most likely 17 attend the Homer public schools. They do not attend schools to 18 any large degree outside of that -- those -- those boundaries.</p> <p>19 Sources of employment: Again, primarily in the Homer area.</p> <p>20 Voter registration: Voters are registered here. There's no 21 evidence suggesting voters are registered in any significant 22 degree elsewhere. Precinct boundaries: Same result. Permanent 23 versus temporary nature of the dwellings: Our on-site visit of 24 the area and much of the testimony here suggests that the 25 dwellings indeed are quite substantial and quite permanent in</p>

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1 the area to be annexed. The presence of commercial
 2 establishments: Probably not terribly well established. I
 3 suppose there are several, but, again, we're dealing primarily
 4 with a residential component to an existing community.
 5 And I guess finally on this standard I would rely on the
 6 testimony of a number of people here, especially those in
 7 opposition to the annexation, that they volunteer, and I think
 8 properly so, for the good of this community, volunteer in the
 9 Homer volunteer fire department and the animal control facility,
 10 the museum and the library. Their good words, their good deeds,
 11 their commitment to the community I think clearly shows that,
 12 indeed, they recognize by their actions that there is one
 13 community here, and that community clearly encompasses the --
 14 the city and the area proposed for annexation. So for those
 15 reasons I would find that the first standard, that is, that
 16 there be a community, is easily met.
 17 I do not find any reason to invoke the presumptions of
 18 3 AAC 110.920(b) that there is not a community, certainly
 19 because there is no evidence suggesting that public access to
 20 the population in the area proposed for annexation is blocked.
 21 There's no evidence to suggest that that area is itself
 22 contiguous or tied to some other community or social unit and
 23 dependent on that community, except, of course, the City of
 24 Homer. And, finally, that there's no evidence suggesting that
 25 the area proposed for annexation is populated by people who work

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1 in a remote site, namely, that area, and are there as a
 2 condition of employment, rather than a voluntary choice to live.
 3 So for those reasons that presumption, which is in my view
 4 largely technical, is not applicable here.
 5 The only other standard that has to be met, of course, is
 6 whether the petition -- petition area includes that area
 7 reasonably -- for reasonably predictable growth, development and
 8 public safety needs for the next 10 years, and, again, we
 9 respect the statute and the regulation, which speaks to a 10-
 10 year time frame from the date the annexation becomes effective.
 11 Again, I believe this standard is easily met. A review of
 12 aerial photographs, the testimony of residents as to development
 13 patterns, the proximity of this area to the original area of the
 14 city, suggests that a logical pattern of more intense urban
 15 development or suburban development is developing from the south
 16 to the north, moving upward as services are extended, certainly
 17 depending on property values and market conditions. So I -- I
 18 think that while this standard could be met by even a larger
 19 piece of property, I certainly think a conservative and cautious
 20 approach would easily encompass this area as meeting the
 21 standard for growth for 10 years.
 22 So for all of these reasons I would conclude that the
 23 reasonable growth standard of 3 AAC 110.130 is easily met here
 24 with the revised area. Thank you.
 25 CHAIR WARING: Thank you, Commissioner Tesche. Are there

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1 any further comment?
 2 I do want to concur particularly on one aspect of this,
 3 and that is the part that deals with whether the proposed
 4 annexation area includes only an area that meets reasonably
 5 predictable growth development and public safety needs during
 6 the 10 years following the effective date of annexation. The
 7 view I would take, and I ask myself a hypothetical, is that, if
 8 anything, this annexation initiative for that area is tardy
 9 rather than premature. I think if -- if there were no residents
 10 in that area at present and the City came with an annexation
 11 proposal that was based on a -- very firm information that --
 12 that said within 10 years we expect there would be perhaps 900
 13 residents in that area, developed at a density roughly
 14 approximating the existing City of Homer and settlement patterns
 15 very similar to the existing City of Homer, and would interact
 16 very much with services, job opportunities, available in the
 17 City of Homer, were there no residents living in that area, but
 18 an expectation that there would be 900 residents in that area
 19 within 10 years, I don't think there is any question but that
 20 the condition would be supportive of -- of an annexation
 21 petition of that sort. In fact, there are already 900
 22 residents, approximately, in that area, and an expectation of
 23 additional residents in the years to come. I think -- so I very
 24 much concur with Commissioner Tesche's finding on that count,
 25 and that, if anything, it is a very reasonable and conservative

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1 area to propose for -- for annexation.
 2 Are there any further comments? Commissioner Lynch.
 3 COMMISSIONER LYNCH: I concur with the statements of both
 4 Commissioner Waring and Commissioner Tesche. One message that
 5 came across to me loud and clear is that this is a community,
 6 and even people who live far outside the boundaries, the current
 7 city boundaries, feel themselves part of this community. If
 8 anything, I agree that this is probably a fairly conservative
 9 approach, this 3.9 square miles, because I doubt that most of
 10 the people in that area -- or let me put this another way -- I
 11 think that probably most of the people who live in that area
 12 come into the city boundaries on an almost daily basis,
 13 certainly a very regular basis, because it just can't really be
 14 avoided. You've got to come to the post office and take your
 15 kids to school and go grocery shopping, and, clearly, those
 16 people that live there do participate in community activities,
 17 the volunteer work that's already been mentioned, and -- and,
 18 clearly, the community expands far beyond that 3.9 square miles.
 19 CHAIR WARING: Thank you, Commissioner Lynch. Any further
 20 discussion of this standard? Then we will move on to the
 21 eleventh applicable standard, which reads as follows: A
 22 territory may not be annexed to a city if essential city
 23 services can be provided more efficiently and more effectively
 24 by another existing city or by an organized borough.
 25 Commissioner Lynch.

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1 COMMISSIONER LYNCH: Thank you, Mr. Chairman. In looking
2 at the standard we can look at the other municipalities that may
3 be in a position to provide services to this area. I don't
4 really think that either the City of Seldovia or the City of
5 Kachemak are reasonable alternatives. There was a lot of
6 testimony that people are very pleased with the level of service
7 that they get from the Kenai Peninsula Borough through service
8 areas, but I don't believe that that is actually a more
9 efficient or more effective method of providing services than
10 annexation to a city, especially one in such close proximity to
11 the current city boundaries. The constitution, I think, did not
12 contemplate that we would have multiple layers of service areas,
13 one providing emergency medical -- or emergency services, and
14 another one providing road service or road maintenance
15 powers. But it's -- and when you consider all the other
16 services that the City provides, it's clearly not reasonable or
17 practical for the Borough to provide those services, also, on a
18 service area basis.

19 So, in conclusion, I think it's the City of Homer that
20 possesses the greatest legal capacity to extend its services to
21 this territory proposed for annexation, although it's -- it's
22 possible that the City of Kachemak could -- could do so, but
23 it -- it -- clearly, the Kenai Peninsula Borough ranks last
24 among those three municipalities in its ability to provide the
25 services on an area-wide basis.

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1 CHAIR WARING: Thank you, Commissioner Lynch. We will
2 then, hearing no further comments from commissioners, move on to
3 the twelfth standard, which deals with the need for city
4 government in the territory proposed for annexation.

5 The applicable standard reads as follows: The territory
6 must exhibit a reasonable need for a city government. In this
7 regard, the Commission will, in its discretion, consider several
8 factors, and those listed are existing or reasonably anticipated
9 social or economic problems; existing or reasonably anticipated
10 health, safety, and general welfare problems; existing or
11 reasonably anticipated economic development; the adequacy of
12 existing services; and the extraterritorial powers of adjacent
13 municipalities.

14 In a sense, I -- the Commission usually approaches this
15 standard in relation to annexations of areas that are lightly
16 settled or in process of developing that -- and so we are
17 dealing with these questions on a prospective level, that is,
18 looking ahead to see what the dynamics of growth are in the
19 particular situation and whether, in fact, the petitioner has
20 demonstrated that there is a need for city government. I think
21 we've got a significantly different factual situation here in
22 the area that the staff has recommended that the Commissioner
23 consider for annexation. In fact, the question of whether local
24 governmental services are needed is pretty well settled.
25 Already local governmental services are provided in the form of

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1 roads, fire and emergency services, public safety in part of the
2 area and -- by local government, and in part by state troopers,
3 water supply to residents of -- many residents of the Homer area
4 in general, both inside and outside of the city -- not all, but
5 many. Water and sewer service, as opposed to simply water
6 supply is provided to some areas in the city and some areas
7 outside of the city. Parks and recreation services are
8 available for those who would wish to take advantage of them, as
9 are library services. Ports and harbors are provided, again, on
10 an enterprise basis, as is the water and sewer service.

11 But the -- the fact is that local governmental services
12 are already provided and enjoyed, whether from the City or the
13 Borough or borough service areas, throughout the city and much
14 of the area proposed for annexation. So this really comes down
15 to a question of not whether services are needed, they are
16 already there, but whether the City is the appropriate level of
17 government to be providing these services.

18 Commissioner Lynch in addressing the previous standard
19 really has essentially addressed that question, whether in fact
20 in light of the standards that govern the Commission the City is
21 the most appropriate governmental entity to providing -- to
22 provide these services in the territory proposed for annexation,
23 as well as within the city, and I concur her finding and -- and
24 her analysis and application of -- of that standard, so that I
25 do think that the -- the facts demonstrate that there is,

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1 indeed, and they're al-- already provided, extensive local
2 governmental services in the area proposed for annexation, and
3 concurring with Commissioner Lynch that the City is the -- the
4 most appropriate entity to be providing services within --
5 within the area proposed for annexation as well.

6 Is there any further discussion on that? Then we will
7 move on to the thirteenth standard, and this is the matter of
8 balanced best interests, and the appropriate standard reads as
9 follows: Territory that meets all of the annexation standards
10 specified in law must be -- may be annexed -- pardon me --
11 specified in certain -- let me start all over.

12 Territory that meets all of the annexation standards may
13 be annexed to a city by the legislative review process if the
14 Commission also determines that annexation will serve the
15 balanced best interests of the state, the territory to be
16 annexed, and all political subdivisions affected by the
17 annexation. In this regard the Commission will consider -- and
18 then a number of specific factors are enumerated. Commissioner
19 Wasserman.

20 COMMISSIONER WASSERMAN: Thank you....
21 CHAIR WARING: Any -- any....
22 COMMISSIONER WASSERMAN:Mr. Chairman.
23 CHAIR WARING:discussion on that?
24 COMMISSIONER WASSERMAN: Health and safety issues seem to
25 always be very important to most residents, and under the

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1 circumstances it -- it appears that as most boroughs have a
2 large area with which to affect -- either through their capital
3 improvement list, grants, whatever -- that the closer a
4 government is to home, the more able they are to affect the
5 health and safety of their residents in a positive way, and I
6 would think that the City of Homer could concentrate more on
7 either the sewer and water projects that might be necessary in
8 the area, probably more quickly, if -- if they so choose,
9 than -- than the Borough. The Borough has other communities to
10 look at also, and probably has a more expanded capital
11 improvement list than perhaps the City.

12 The commercial growth of -- of the entire Homer community
13 seems to be expanding quite a bit, and while -- while sales tax
14 probably will continue to grow, without some sort of annexation
15 proposal property tax will probably stay fairly static and will
16 inhibit the City of Homer to provide services in other areas. I
17 know user fees were brought up quite a bit, and where there may
18 be times when user fees are viable, there seem to be other times
19 when they are not. We have ballparks that little kids use
20 and -- and I think recreation areas, and if those are dependent
21 primarily on user fees, you can bet there probably won't be
22 anyplace for those activities to take place.

23 There seemed to also be quite a bit of discussion from the
24 respondents that they felt that they've paid their fair share of
25 taxes. While they talked about their volunteer projects and

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1 their sales tax, that -- I'm sure that is very true, but the
2 people within the city, I'm sure feel that they also pay those
3 things plus property tax. So there can be the argument that the
4 tax inequity problem is -- exists at the present time without
5 annexation.

6 Another -- the -- the City of Homer has listed some of the
7 provisions that they -- that they service now, and the
8 respondents have also listed things that are provided to them
9 from either the State or the Borough. One of those mentioned
10 was, of course, the Alaska state troopers, and I think under the
11 State's current budget woes that they have that it could be
12 argued that Alaska state troopers will be cut even more, and so
13 I think that's something that all people have to address,
14 whether they feel that their safety needs are met now; if met by
15 the State will they continue to be met. The City of Homer has
16 given some notice that they would increase police activity, and
17 some people I noticed said it wasn't nearly enough, but other
18 people said there was no crime anyway, so there was no need to
19 increase it, they didn't need anything more. So it seemed like
20 that was sort of a washout at the end, but I -- I think there
21 needs to be a proactive stance by the area to look at what their
22 requests might be in the future and how they can solve those
23 requests.

24 Again, I -- it -- it seems to me that the closest
25 government is the one that more people can take part in, and I

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1 would think as -- if I were a resident of the -- of the 3.9
2 acres that is under discussion now I would -- even if I were
3 unhappy with the current government, it would be a great
4 opportunity to get involved, and there's always the chance to,
5 you know, become what you are so against and to become part of
6 the government and to affect it in that way, where before there
7 was not as much opportunity to do that.

8 I noticed in the figures that Ms. Fuller gave that had to
9 do with sales tax she mentioned the fact that much of the sales
10 tax or a majority of the sales tax was paid by people that lived
11 outside of the city, but, you know, I -- I've always understood
12 that tourism is fairly large here in Homer, and I know that
13 those of us who come from outside the community also helped with
14 that. So I would assume that the sales tax is not being
15 shouldered by just the people that live outside the territory
16 close to the city of Homer, but by people from all over the
17 state, and all over the nation, for that matter.

18 So -- oh, and, also, Dr. Gerald (ph) mentioned that the
19 mayor of the Kenai Peninsula Borough had come out in opposition
20 to her, I would assume, against the annexation, but as I recall
21 the -- the Borough's attorney said that the borough government
22 had not taken a stand on the annexation as far as either being
23 against it or in opposition. So I would say the mayor's
24 comments were just as a individual member of the community.

25 With these things in mind, then, I would have to say that

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1 the balanced best interest of the State and the local residents
2 and the City of Homer has -- by the annexation of the 3.9 square
3 miles has been met. Thank you, Mr. Chairman.

4 CHAIR WARING: Thank you, Commissioner Wasserman. Do
5 commissioners have anything to add to Commissioner Wasserman's
6 analysis?

7 Hearing none, then we will move on to the final applicable
8 standard, which remains a standard in the Commission's
9 regulations, but has been superseded by other law, and our
10 regulations have not been.....

11 (Tape changed to No. 14)

12 CHAIR WARING:that, but Commissioner Tesche will
13 address this still-standing regulation, which reads as follows:
14 The Local Boundary Commission may consider any proposed
15 municipal boundary change. It may reject the proposed change,
16 accept the proposed change, or amend and accept the proposal. A
17 Local Boundary Commission decision under this subsection may be
18 appealed under the Administrative Procedure Act. Commissioner
19 Tesche.

20 COMMISSIONER TESCHE: Thank you, Mr. Chairman. This
21 standard is specifically the best interests of the State
22 standard, and I concur with staff that the same analysis that
23 was previously used by Ms. Wasserman on the balanced best
24 interests of the State standard would apply as well to the
25 standard that I'm addressing here, the best interests of the

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1 State, and to that end I would incorporate her comments and the
2 comments made by staff at pages -- I believe 333 of its
3 preliminary (indiscernible - tape malfunction) as well.
4 There is a state constitutional policy supporting maximum
5 local self-government in Alaska, and I think that's important
6 here and I think it applies here. The effect of this petition
7 with the new area to be annexed will be to extend a greater
8 measure of local control over local affairs to the citizens of
9 the area proposed for annexation, and by that I mean -- I would
10 give the example of land use planning. There was testimony that
11 decisions with respect to land use planning in the area outside
12 of the city of Homer are made in Soldotna. Soldotna is a city
13 relatively distant from Homer. The effect, however, of this
14 annexation will be to bring those land use decisions back to
15 Homer where, at least in my view, they belong, because they will
16 give the residents of area proposed for annexation direct access
17 to local elected officials and appointed officials of the
18 planning commission who are only blocks away and who live in the
19 same community. So we're extending greater local self-
20 government to the people of this area.
21 Another reason I think should be mentioned is that the
22 City of Homer by virtue of the special legal powers that it
23 enjoys over the Kenai Peninsula Borough has more flexibility in
24 terms of acquiring additional powers to provide additional
25 services as they become necessary to residents in the area

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1 proposed for annexation.
2 Finally, as I mentioned earlier, the annexation, if
3 approved, will enfranchise almost 900 new voters in the Homer
4 area, and will give those voters a direct say over governmental
5 decisions made by that city, which even today affect them and
6 their lives very -- very importantly. As I mentioned earlier,
7 the addition of those additional voters to the rolls will
8 necessarily change the political makeup of this community.
9 Finally, as far as the State's own financial or pecuniary
10 interests, I think the -- the biggest impact is most likely
11 going to be in the -- in the public safety area, as noted. As
12 the City moves into this area with its own police protection,
13 again, handled locally, that will allow the Alaska state
14 troopers to focus on more rural responsibilities are they're
15 probably better equipped to do.
16 So for all of those reasons, and incorporating the earlier
17 comments of Commissioner Wasserman, I would find that the
18 standard of 29.06.040(a) is met. Thank you.
19 CHAIR WARING: Thank you, Commissioner Tesche. Let me
20 make a clarification. My tongue got twisted around and put
21 things backward. The analysis that Commissioner Tesche has
22 provided of this section of law actually is the new statute that
23 the -- the effect of which is also encompassed by the preceding
24 regulation, and I just wanted to -- to make that -- clarify my
25 misstatement earlier.

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1 Thank you, Mr. Tesche. Is there any additional comment on
2 Commissioner Tesche's analysis?
3 COMMISSIONER LYNCH: Thank you.....
4 CHAIR WARING: Commissioner Lynch.
5 COMMISSIONER LYNCH:Mister -- thank you, Mr.
6 Chairman. I'd like to follow up on a comment by Commissioner
7 Tesche about the greater local self-government, because one of
8 the things that we kept hearing is that the city council did not
9 listen -- or probably more accurately said -- did not respond to
10 the issues that were brought before it by people who were
11 affected by the annexation but lived outside the city
12 boundaries, and -- and I agree that the people who reside in
13 this 3.9-square-mile area if this annexation is approved will
14 have more input into the decisions of city council because it is
15 incumbent upon the city council to act in the interests of the
16 residents and property owners of the city, and it's my belief
17 that that's what they believe that they were doing in filing
18 this petition. And -- and I think that that's one of the
19 strange dichotomies here is that this is a community and people
20 probably feel that that is their elected government, even
21 though, in fact, the jurisdiction is considerably smaller than
22 the size of the community.
23 CHAIR WARING: Thank you, Commissioner Lynch. Any further
24 comment? Then that concludes our review of the application of
25 the standards to the motion that is on the floor, and that is

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1 the -- a motion to approve the petition of the City of Homer for
2 annexation, revised to reflect the recommendations of the staff
3 in its -- the boundary recommendations of the staff in its
4 revised -- in its final report on page -- I believe 32.
5 COMMISSIONER TESCHE: 32-3.
6 CHAIR WARING: 32. Is there -- are there -- there further
7 discussion of that motion or any revisions that the Commissioner
8 would -- commissioners would care to make? Commissioner Tesche.
9 COMMISSIONER TESCHE: Yes, Mr. Chairman. I -- I think now
10 is a good time to address the issue of the Fowler and Lester
11 properties. If I recall the testimony correctly Mr. Fowler
12 stated that he would or was in concurrence in his property being
13 included in the area to be annexed, and did I understand that
14 comment from the City concurs in that? We've not heard anything
15 from Mr. Lester. I don't know if -- through the Chair -- if the
16 City could be asked if we've heard anything in addition to what
17 we've heard previously, perhaps, from Mr. Lester?
18 MR. TANS: Mr. Lester.....
19 CHAIR WARING: Mr. Tans.
20 MR. TANS:contacted (indiscernible -- away from
21 microphone).
22 CHAIR WARING: Well -- thank you.
23 MR. TANS: (Indiscernible).
24 CHAIR WARING: It appears that information will not be
25 available. There is a point of fact I would like perhaps

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1 Mr. Bockhorst to clarify with regard to that, and that is if for
2 the benefit of the Commission you could just go to the map there
3 and show us the configuration of Mr. Fowler's properties and the
4 relationship of Mr. Lester's to that area.
5 MR. BOCKHORST: The properties identified as owned by
6 Mr. Fowler yesterday were this parcel, this parcel, and
7 Mr. Lester owning this parcel.
8 CHAIR WARING: So that Mr. Lester's would be an in-
9 holding.....
10 MR. BOCKHORST: That's correct.
11 CHAIR WARING:were we to.....
12 MR. BOCKHORST: (Indiscernible).
13 CHAIR WARING:concur or -- or accept Mr. Fowler's
14 request without also incorporating Mr. Lester's. Yeah.
15 MR. BOCKHORST: Yeah.
16 (Whispered conversation)
17 COMMISSIONER TESCHE: Mr. Chairman.
18 CHAIR WARING: Yeah. Let me just share with the -- with
19 the listening audience and for the record what -- what we just
20 discussed. Mr. Bockhorst showed us the location on the map of
21 the two properties that Mr. Fowler requested that the Commission
22 consider including in any annexation to -- to the municipality -- to the
23 City of Homer. They are -- Mr. Fowler's two are adjacent to the
24 area that the staff has recommended, abutting the area that the
25 staff has recommended that the commissioner -- Commission

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1 approve for -- for annexation. Mr. Lester's property is
2 encircled by the -- would be encircled by Mr. Fowler's
3 properties and would essentially be a (indiscernible) in-holding
4 if the Commission were to proceed to honor Mr. Fowler's request.
5 As a -- as a rule, and one of the -- actually, the -- the
6 Commission does not and seeks to avoid creating any in-holdings
7 with -- with annexations or areas within city boundaries that
8 are not part of the -- the city. So I think that is a matter of
9 fact that the Commission might consider if -- if we were to --
10 if we wish to act on Mr. Fowler's request, or how we might also
11 treat Mr. Lester's property, whether or not he were here to
12 speak for -- to the Commission. Mr. Tesche.
13 COMMISSIONER TESCHE: Mr. Chairman, I will move to amend
14 the motion on the floor to include both the Lester and Fowler
15 properties.
16 CHAIR WARING: Commissioner Tesche has moved and
17 Commissioner Lynch seconded an amendment to the motion before
18 the Commission. The effect of the amendment would be to add the
19 properties that were identified as -- by Mr. Fowler and the
20 adjacent property owned by Mr. Lester, to include it in the area
21 proposed for incorporation.
22 I would like to take a moment to -- to invite
23 Mr. Bockhorst to make a clarification on a discrepancy in some
24 of the maps, so that -- in the area that the staff has proposed
25 for annexation, so that there is no confusion stemming from --

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1 from that map discrepancy as to what the Commission is
2 considering.
3 MR. BOCKHORST: Thank you, Mr. Chairman. In the
4 department's final report all of the analysis and the -- the
5 inventory of properties recommended for annexation by the
6 department is accurate. However, there -- in the publication of
7 the map in appendix G there was a very small portion of the
8 city-owned property at the reservoir off in the extreme
9 northeast part that was not colored in inadvertently, right.....
10 CHAIR WARING: This.....
11 MR. BOCKHORST:this parcel.
12 CHAIR WARING:is actually part of the area.
13 MR. BOCKHORST: This parcel.....
14 CHAIR WARING: Yeah.
15 MR. BOCKHORST:right there.
16 CHAIR WARING: Okay, do we need to move that.....
17 MR. BOCKHORST: It is accurately reflected on the map that
18 you just referred to in the back here.
19 UNIDENTIFIED SPEAKER: Which part?
20 MR. BOCKHORST: This -- this map accurately reflects.....
21 COMMISSIONER TESCHE: This is referred.....
22 MR. BOCKHORST:(indiscernible).
23 COMMISSIONER TESCHE:to on this.
24 CHAIR WARING: Right. This -- this is part of the -- in
25 word, part of the staff's recommendation. They.....

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1 UNIDENTIFIED SPEAKER: This parcel right here.
2 CHAIR WARING: This is.....
3 UNIDENTIFIED SPEAKER: Oh, got it.
4 COMMISSIONER TESCHE: So the only.....
5 CHAIR WARING: I (indiscernible).
6 COMMISSIONER TESCHE:the only discrepancy is that
7 it's not.....
8 UNIDENTIFIED SPEAKER: It's not on the property map.....
9 COMMISSIONER TESCHE:set out on the map.
10 UNIDENTIFIED SPEAKER:(indiscernible).....
11 MR. BOCKHORST: Right.
12 UNIDENTIFIED SPEAKER:this map.
13 COMMISSIONER TESCHE: Well, the motion that is on the
14 floor references page 33, so it's in.....
15 CHAIR WARING: That's fine.
16 COMMISSIONER TESCHE:in page 33.....
17 CHAIR WARING: I just wanted.....
18 COMMISSIONER TESCHE:so the motion (indiscernible).
19 CHAIR WARING:the record to be -- not be confused in
20 any way by an inaccurate map as to what the Commission was
21 considering. The motion on the -- before the Commission, then,
22 is that the Commission approve the petition for annexation with
23 the boundary changes recommended by the staff in its final
24 report, and further to include the properties that Mr. Fowler
25 and Mr. Lester own in -- as -- as previously identified. Are --

54	<p>1 is there any further discussion or amendments? Commissioner 2 Wasserman. 3 COMMISSIONER WASSERMAN: Yes, I'd also like to offer an 4 amendment. Due to the avoidance of confusion in jurisdiction on 5 testimony we heard concerning health and safety matters, I would 6 like to include the area south of the Sterling Highway along the 7 bluff area. 8 CHAIR WARING: For clarification let me ask if -- if you 9 are moving to add..... 10 COMMISSIONER WASSERMAN: Yes. 11 CHAIR WARING:the property identified -- the full 12 property identified..... 13 COMMISSIONER WASSERMAN: Yes. 14 CHAIR WARING:by the City in its request in that 15 vicinity south of the Sterling Highway..... 16 COMMISSIONER WASSERMAN: Yes. 17 CHAIR WARING:at the west end of town; that is, the 18 properties below the bluff of the..... 19 COMMISSIONER TESCHE: For discussion purposes, second the 20 motion. 21 CHAIR WARING: Commissioner Wasserman has moved and the -- 22 Commissioner Tesche seconded an amendment to add to the area 23 proposed for annexation the area identified in the preliminary 24 report on page 7 as the bluff point of Sterling Highway -- 25 Sterling Highway corridor, and shown and mapped on that page 7</p>	56	<p>1 MR. BOCKHORST: Commissioner Lynch. 2 COMMISSIONER LYNCH: Yes. 3 MR. BOCKHORST: Commissioner Wasserman. 4 COMMISSIONER WASSERMAN: Yes. 5 MR. BOCKHORST: Commissioner Waring. 6 CHAIR WARING: Yes. So we have approved that amendment to 7 the original motion, and now we'll move on to the amendment 8 proposed by Commissioner Wasserman, I believe, and seconded by 9 Commissioner Lynch. 10 MR. BOCKHORST: Tesche. 11 CHAIR WARING: Oh, seconded by Commissioner Tesche..... 12 COMMISSIONER TESCHE: Correct. 13 CHAIR WARING:to add the..... 14 COMMISSIONER TESCHE: Correct. 15 CHAIR WARING:buy -- the -- the property south of 16 the -- the bay -- bluff point and Sterling Highway -- property 17 south of the Sterling Highway as identified by the City and on 18 page 7 of the final report. Is there any further discussion of 19 that amendment? 20 COMMISSIONER WASSERMAN: Again, my purpose was to avoid 21 the confusion of jurisdiction pertaining to health and safety 22 matters that might occur along that bluff area. 23 CHAIR WARING: Thank you. Further discussion? Then we 24 will please call the roll on Commissioner Wasserman's amendment 25 to expand the area proposed for annexation to include the full</p>
55	<p>1 of the final report, to include all of the area that the City 2 identified in its recommendations to the Commission for -- to be 3 added to the staff's original recommendation. So that has been 4 moved and seconded. Is there..... 5 UNIDENTIFIED SPEAKER: Yes. 6 CHAIR WARING:discussion on that motion? 7 COMMISSIONER TESCHE: Do you want to speak? 8 COMMISSIONER WASSERMAN: No, I just -- I -- when we -- 9 okay, yes. When we flew over in the helicopter I was just -- I 10 remember thinking to myself, boy, there's -- there's a potential 11 for, you know, a lot of..... 12 CHAIR WARING: May I interrupt? 13 COMMISSIONER WASSERMAN:health and safety issues. 14 CHAIR WARING: I think I have made a parliamentary mistake 15 in not calling for a vote on Commissioner Tesche's previous..... 16 COMMISSIONER WASSERMAN: Okay. 17 CHAIR WARING:motion before..... 18 COMMISSIONER WASSERMAN: Go back to that. 19 CHAIR WARING:moving on to a second. So 20 Commissioner Tesche has moved that we do add the Fowler and 21 Lester parcels to the area proposed for annexation. If there's 22 no further discussion of that amendment, Mr. Bockhorst, could 23 you please call the roll on that amendment? 24 MR. BOCKHORST: Commissioner Tesche. 25 COMMISSIONER TESCHE: Yes.</p>	57	<p>1 bluff point and Sterling Highway corridor property at -- 2 proposed by the City for addition. 3 MR. BOCKHORST: Commissioner Wasserman. 4 COMMISSIONER WASSERMAN: Yes. 5 MR. BOCKHORST: Commissioner Tesche. 6 COMMISSIONER TESCHE: Yes. 7 MR. BOCKHORST: Commissioner Lynch. 8 COMMISSIONER LYNCH: Yes. 9 MR. BOCKHORST: Commissioner Waring. 10 CHAIR WARING: Yes. So we have amended the original 11 motion to include that property as well. Is there..... 12 COMMISSIONER TESCHE: Yes, I'll -- I'll move to -- yes, 13 Mr. Chairman, I'll -- I have one final motion. 14 CHAIR WARING: Mr. Tesche. 15 COMMISSIONER TESCHE: Thank you, Mr. Chairman. At page 35 16 of the final report there is a discussion and a recommendation 17 by staff with a recommendation that we ensure that the City of 18 Homer consents to the particular boundary determinations made by 19 the Commission here, and I would move that our decision 20 incorporate the second paragraph of that recommendation found on 21 page 35 and the specific process or wording as set out by staff. 22 CHAIR WARING: Is there a second for Commissioner Tesche's 23 motion? Is there a -- a need for that amendment? 24 COMMISSIONER TESCHE: Perhaps staff could elaborate on 25 that recommendation.</p>

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1 MR. BOCKHORST: Mr. Chairman, it was the department's
 2 intention to ensure that -- as indicated in the report, to
 3 ensure that whatever outcome of this proceeding, if the
 4 Commission were to modify in any fashion or to add conditions to
 5 the City's proposal, that an opportunity be given for the City
 6 to tacitly agree to or alternatively to withdraw its petition.
 7 It seems to me from the testimony and the discussion offered by
 8 the City officials that they have chosen the former, that they
 9 are in agreement with the -- with the outcome of -- of this as
 10 it has evolved here to the -- to the motion, but should the City
 11 have any different -- per-- perhaps you could inquire and just
 12 confirm, but it was the department's intention to make sure that
 13 some un-- undue proposal was not put upon the petitioner without
 14 having given them the opportunity to withdraw it if they felt it
 15 was not acceptable. I don't see that there is a need to put it
 16 in the motion, but just....
 17 CHAIR WARING: Yeah.
 18 MR. BOCKHORST:we wanted to ensure that that step
 19 was not overlooked.
 20 CHAIR WARING: With -- with -- without responding to
 21 Commissioner Tesche's motion, it is certainly an outcome that I
 22 think is sensible for the Commission, and perhaps it can be
 23 resolved simply by taking a moment to ask a -- the
 24 representative of the City whether the motion now pending before
 25 the Commission is objectionable to it in any way.

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1 UNIDENTIFIED SPEAKER: As far as we know, there is no
 2 objection.
 3 CHAIR WARING: Thank you. Commissioner Tesche, may I ask
 4 if that satisfactorily.....
 5 COMMISSIONER TESCHE: That's satisfactory, in light
 6 of.....
 7 CHAIR WARING: Okay.
 8 COMMISSIONER TESCHE:the fact that the City's made
 9 that comment.
 10 CHAIR WARING: I've also been presented by -- a letter --
 11 faxed letter that was presented to the City, and this is an item
 12 of information that the Commission has been asking about and is
 13 of relevance to its decision, so I will read it in -- accept it
 14 and read it into the record. It is a letter from Joseph and Des
 15 Lester to Ron Drathman, the city manager of Homer. The letter
 16 reads as follows:
 17 Dear Ron: We have just been made aware of the final
 18 annexation meeting on increasing the boundaries of the city of
 19 Homer. We would like our property to be included in the
 20 annexation into the city of Homer. It is our understanding that
 21 the city of Homer requirements for road construction will be
 22 under rural road construction requirements, and not more
 23 restrictive than the present grade standards for the Kenai
 24 Peninsula Borough. Please present this letter to the annexation
 25 board on our behalf. Thank you. Best regards. Signed, Joseph

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1 Lester and Des Lester.
 2 So that information requested by the Commission is now
 3 available to it, for the record. Are there any further
 4 amendments to the motion that Commission members would like to
 5 suggest?
 6 Hearing none, then we will call for a vote on the -- the
 7 motion. The motion is that the Commission approve the proposed
 8 annexation to the city of Homer of approximately --
 9 approximately 3.9 square miles. This is the proposed amendment
 10 as -- pardon me -- the proposed petition submitted by the City
 11 of Homer as amended to reflect the recommendations of the staff,
 12 the boundary recommendations of the staff in its preliminary
 13 report on page 32, further amended to include the bluff and --
 14 point and area south of the Sterling Highway, and to include the
 15 properties identified as owned by Mr. Lester and Mr. Fowler.
 16 Did.....
 17 MR. BOCKHORST: Could I ask for a point of clarification?
 18 CHAIR WARING: Yes.
 19 MR. BOCKHORST: On the -- in the department's final report
 20 on page 34, in the second full paragraph from the top, the
 21 department had included in its recommendation that the
 22 Commission expressly stipulate that annexation to the city of
 23 Homer of any territory that is within the Kenai Peninsula
 24 Borough road service area or the Kachemak emergency service
 25 area, that annexation of that territory would automatically

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1 result in the detachment of that territory with a boundary
 2 adjustment of those two service areas.
 3 CHAIR WARING: And.....
 4 MR. BOCKHORST: So I.....
 5 CHAIR WARING: I understood that to be included in the
 6 department's.....
 7 MR. BOCKHORST: Oh.....
 8 CHAIR WARING:recommendation.....
 9 MR. BOCKHORST:it is, and I.....
 10 CHAIR WARING:which I cited.
 11 MR. BOCKHORST: Okay.
 12 CHAIR WARING: Yes, thank you. If we are in understanding
 13 of what the -- the motion is before the Commission and there is
 14 no further discussion, Mr. Bockhorst, could you please call the
 15 roll? An affirmative vote is a vote to approve the petition as
 16 amended.
 17 MR. BOCKHORST: Commissioner Tesche.
 18 COMMISSIONER TESCHE: Yes.
 19 MR. BOCKHORST: Commissioner Wasserman.
 20 COMMISSIONER WASSERMAN: Yes.
 21 MR. BOCKHORST: Commissioner Lynch.
 22 COMMISSIONER LYNCH: Yes.
 23 MR. BOCKHORST: Commissioner Waring.
 24 CHAIR WARING: Yes. The Commission then has unanimously
 25 approved the annexation petition as amended.

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1 Mr. Bockhorst, will you -- find my copy of the agenda --
 2 will you please review briefly for the benefit of the audience
 3 what the schedule for the next steps of the Commission will be
 4 on -- on this petition?
 5 MR. BOCKHORST: Thank you, Mr. Chairman. The next step in
 6 the process is for the Commission to adopt a formal written
 7 decision setting out the basis for its -- its decision here, and
 8 the department would be prepared to issue a draft for
 9 consideration by the Commission at a meeting sometime upon
 10 December 26th or 27th, at the pleasure of the Commission. There
 11 would be -- after the adoption of that decisional statement it
 12 would be mailed to all of the petitioners -- the petitioner, the
 13 City of Homer, and to all of the respondents, and to anyone else
 14 that requests a copy of it. Individuals would then have a
 15 window of 20 days from the date of mailing during which they
 16 could ask for reconsideration, and as I indicated in my summary
 17 of the department's report and recommendation, there are
 18 specific circumstances under which the Commission would give
 19 reconsideration, and it is not a common factor absent those --
 20 the existence of some of those characteristics.
 21 If the Commission after the opportunity for
 22 reconsideration has still kept in place the decision it made
 23 today, the -- the Commission would then submit to the state
 24 legislature by January 23rd a recommendation for the annexation
 25 of this territory to the city of Homer. The state legislature

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1 would then have a 45-day period during which it could review or
 2 would review the action of the Commission, and absent a dec--
 3 a -- an action by both the house and the senate to adopt a
 4 resolution rejecting the action of the Commission, it would
 5 become tacitly approved at the end of the 45-day period.
 6 CHAIR WARING: Thank you, Mr. Bockhorst. For the -- the
 7 short run, then, the immediate question the Commission needs to
 8 settle on is a date at which to meet after we've received the
 9 draft decisional statement and -- to review, revise and perhaps
 10 adopt the decisional statement. December 26th is the earliest
 11 opportunity we have for that. Let me ask if a -- an afternoon
 12 time on December 26th is generally agreeable. Let me try a
 13 time. 2:00 o'clock on the afternoon of December 26th?
 14 UNIDENTIFIED SPEAKER: 2:30.
 15 CHAIR WARING: 2:30? Then we will plan and Mr. Bockhorst
 16 will please -- proper advertisement for a Commission meeting at
 17 2:30 December 26th, and at that time the Commission will take up
 18 adoption of the decisional statement for our decision today.
 19 Let me move on to the final item on our agenda, which is
 20 item VIII, and that is an opportunity for commissioners or staff
 21 to make any comments. Are there any members of the Commission
 22 who have comments at this time? Mr. Tesche.
 23 COMMISSIONER TESCHE: Yes, Mr. Chair, briefly. I just
 24 wanted to thank and recognize the staff for the work they did on
 25 this. This is probably one of the most voluminous and in some

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1 areas most complex annexations that the Commission has had to
 2 consider, and I know that the staff has gone to extra and
 3 extraordinary lengths to put a record together for us that made
 4 sense, and I just wanted to recognize our staff for the hard
 5 work on this particular application.
 6 CHAIR WARING: Thank you, Commissioner Tesche. I
 7 certainly second your comments and commendation of staff. Other
 8 comments by commissioners? Mr. Bockhorst, is there
 9 anything.....
 10 MR. BOCKHORST: No, sir.
 11 CHAIR WARING:you need to inform the Commission of?
 12 Hearing none, then I will thank all of you for your patience and
 13 forbearance, and for the time you have committed to this
 14 significant public issue and for the information that you
 15 have -- those of you who spoke to the Commission have -- have
 16 provided. Thank you, and we are in adjournment.
 17 (End of recording)
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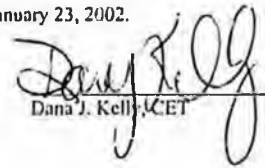
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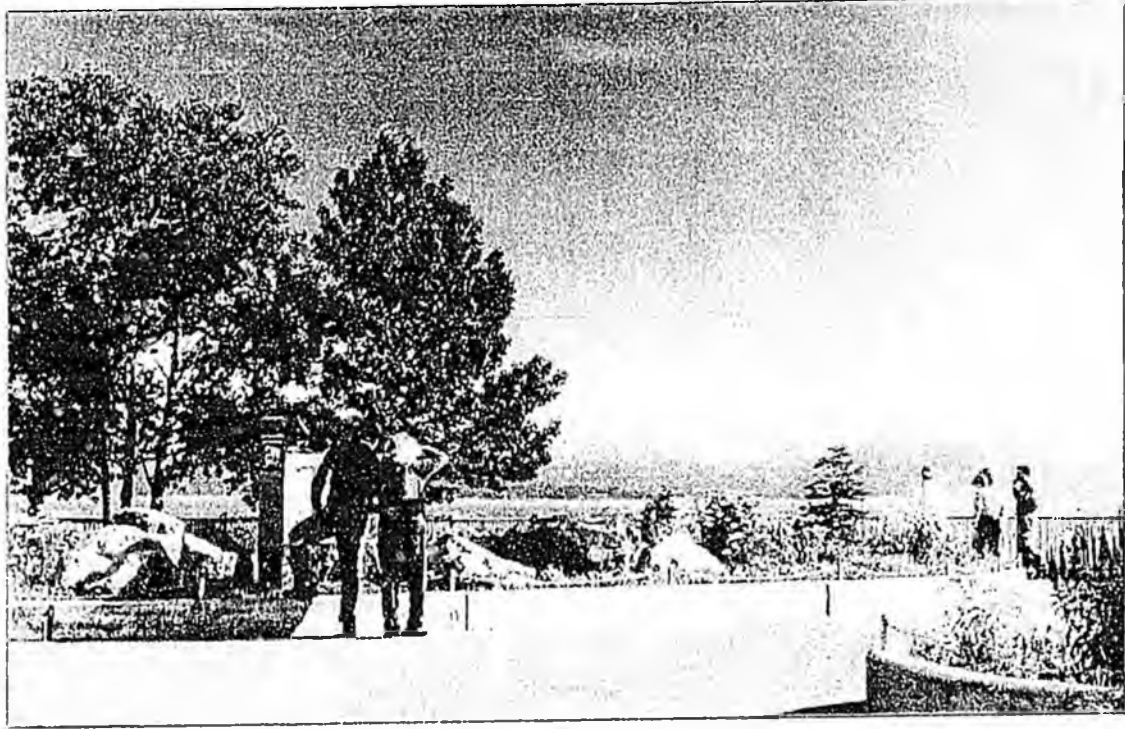
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I, Dana J. Kelly, Certified Electronic Transcriber, hereby
 certify:

That the foregoing pages numbered 1 through 84 are a true,
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DATED: January 23, 2002.


 Dana J. Kelly, CET



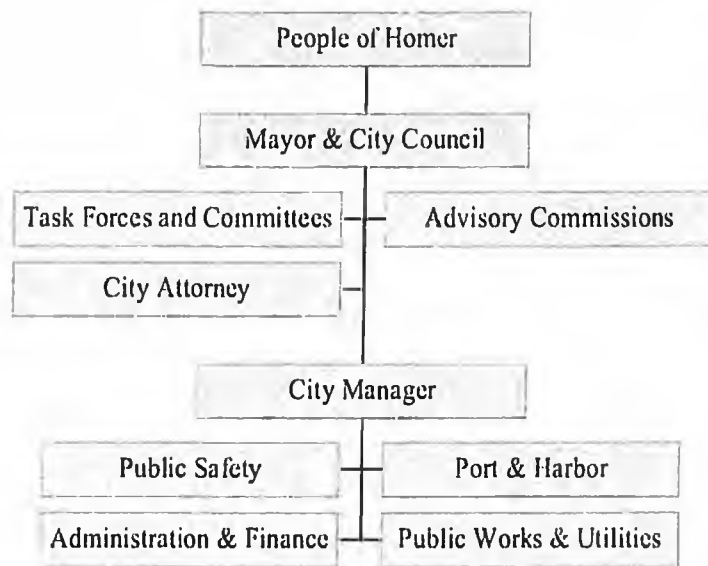
City of Homer

Annual Report 2000



City of Homer

Organizational Chart



Coal was the impetus for the first settlement on the far end of the Homer Spit. Discovered by the Russians circa 1840, by the early 1890's coal was being mined by American companies. But when the demand for coal ceased, the Spit town was abandoned. Because the Spit lacked fresh water and protection from inclement weather, a community began in the uplands in the early 1900's. Slowly, a road system developed and by the 1940's, strong social organizations had been established. The Rural Electric Association brought power to Homer in the late 1940's. Residents made various attempts at self-government over the years, such as the Homer Civic League and the Public Utility District, but it wasn't until March 1964 that Homer incorporated as a 1st Class City with a Mayor, City Manager and City Council.

The Manager's Message

2000 was a remarkable year! Notable progress was made on major construction initiatives and an effort was begun by the City of Homer to 'share the benefits and share the costs' of many city services by annexation. Annexation, as it always does, has generated much controversy. The issue remained an open one before the Alaska Local Boundary Commission. Based on the merits of the proposal, the Commission will decide whether or not to recommend annexation to the Alaska Legislature during the 2002 session.

Design work was completed on the new Kachemak Bay Multi-Purpose Dock also known as the Pioneer Dock, and on major additions and improvements in the Homer Small Boat Harbor. Those projects will commence during 2001 and be completed by the following year. Also on the Spit: A fish carcass grinding facility was completed, which should benefit both sport and commercial fishermen, and a waste oil disposal facilities were constructed. Both projects will enable the City to remain in compliance with all EPA/DEC requirements. Several ramps leading into the Small Boat Harbor were refurbished and Spit camping was expanded.

Off the Spit, a new sewer lift station was placed in operation on the Sterling Highway. The Poopdeck Trail, named after a colorful local personage, was completed. This trail, built by volunteers and City staff, connects downtown Homer with the Sterling Highway. Poopdeck Street and Hazel Avenue were put into service providing a new pedestrian and vehicle route between Heath Street and the western side of the Sterling Highway.

The 2000 Annual Report summarizes the results of the dreams, planning and work of an involved citizenry, elected policy-makers and a hardworking City staff. It contains an overview of the financial activities of the City of Homer, its Enterprise Funds and Capital Improvement Program, as well as City departmental reports on goals and accomplishments. A review of this year's report will confirm that the City of Homer remains not only a great place to live, but a great place to do business.

These are truly exciting times to be part of the City of Homer ... but the best is yet to come!



Homer City Manager
Ron Drathman

Mayor & Homer City Council

Steering the City That Works

The City of Homer is a 1st Class general law municipality. The legislative body is composed of a mayor and six council members, elected at-large, to serve the residents of the city and to utilize public funds to provide for the health, safety and welfare of the community.

The legislative power of the City is vested in the council, which sets policy, adopts ordinances, resolutions and determines funding for programs and services in the municipal budget. Commissions and boards are advisory to the council and members are appointed by the mayor and confirmed by the council.

Council members address a diverse set of issues in an effort to improve the lives of Homer's citizens, including community enhancements, economic development, tourism, parks and recreation, public safety and public works. With the assistance of advisory commissions, boards, staff and public input, council sets priorities for the six-year capital improvement program and annual legislative requests.

Regular council meetings are held the second and fourth Mondays of each month at 7:30 p.m. It is council's policy to either cancel or reschedule regular meetings that fall on holidays. Regular meetings are broadcast on KBBJ and GCI Cable. Public input is welcomed and encouraged.



Mayor Jack Cushing
Term 2002



Patricia Cue.
Term 2002



Ray Kranich
Term 2003



Kurt Marquardt
Term 2002



Luke Welles
Term 2000



Michael Yourkowski
Term 2001



John Fenske
Term 2001

Homer Profile & Key Statistics

Date of Incorporation	March 31, 1964	Elections	
Form of Government	Council-Manager	Registered Voters	3,368
Area in Square Miles	21	Voters in last election	854
		Percent of Registered Voters	25.4
Public Safety		Demographics	
Fire Department Volunteers	40	Population	
Total Personnel Hours	8,908	In City Limits	3,946
Fire Calls	100	Kenai Peninsula Borough	49,691
EMS and Rescue Calls	311	Median Age	32.4
Police Personnel	24	Average Annual Wage	32,275
Request for Police Services	4,453	Average Unemployment Rate/Borough	10.2
Homer Jail:		Public School Enrollment (Homer)	1,311
Prisoners Booked	460	Public School Enrollment (Borough)	10,158
Days Served	1,113		
Animal Control Incidents	1,660		
		Taxes	
Public Works		City Mill Levy	5.5
Miles of City Maintained Streets	21.91	Borough Mill Levy	7.50
Miles of State Maintained Streets	21.50	Kenai Peninsula College Mill Levy	0.10
Water Utility Customers	1,218	South Peninsula Hospital Mill Levy	2.00
Water Usage (millions of gallons)	129.8	City Sales Tax	3.5%
Sewer Utility Customers	1,115	Borough Sales Tax	2.0%
Miles of Maintained Sewer Line	41.41	City Assessed Value	
Miles of Maintained Water Line	36.41	Real Property	\$223,830,212
		Personal Property	\$17,663,028
Recreation/Culture		Tax Receipts	
Uptown City Campgrounds	1	Property Tax	\$1,407,597
Spit Campgrounds	1	Sales Tax	\$3,457,312
Baseball Diamonds	4		
Parks (267.43 acres total)	18	City Long Term Debt	
Library Volumes	33,810	Net Bonded Debt	\$2,550,322
Library Circulation	104,190	Gen. Obligation Bonds Outstanding	\$2,760,000
Library Volunteer Hours	64	Revenue Bonds Outstanding	\$2,150,000
Library Visitors	92,008	Assessment Bonds Outstanding	\$36,927
Pratt Museum Visitors	30,257	Capital Leases	\$432,063
Pratt Museum Volunteer Hours	4,667	Notes Payable	\$3,431,618
Port & Harbor			
Stalls	772		
Transient Space (lineal feet)	4,000		
Moorage (vessels)	1,872		
Grid Use (tides on)	343		
Tons of Ice Sold	3,740		
Dockage (days on)	132		
General Government			
Building Permits Issued	58		

