

HOMER CITY COUNCIL
491 E. PIONEER AVENUE
HOMER, ALASKA
www.cityofhomer-ak.gov



WORKSESSION
4:00 P.M. TUESDAY
MARCH 19, 2019
CITY HALL CONFERENCE ROOM

MAYOR KEN CASTNER
COUNCIL MEMBER DONNA ADERHOLD
COUNCIL MEMBER HEATH SMITH
COUNCIL MEMBER TOM STROOZAS
COUNCIL MEMBER SHELLY ERICKSON
COUNCIL MEMBER CAROLINE VENUTI
COUNCIL MEMBER RACHEL LORD
CITY ATTORNEY HOLLY WELLS
CITY MANAGER KATIE KOESTER
CITY CLERK MELISSA JACOBSEN

WORKSESSION AGENDA

1. CALL TO ORDER, 4:00 P.M.

Councilmember Stroozas requests excusal.

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

3. LEGISLATIVE UPDATE –

- A. Teleconference Report from Senator Steven's office**
- B. Governor's Budget**
- C. HB0043A – Daylight Savings Bill**

4. COMMENTS OF THE AUDIENCE

5. ADJOURNMENT

Next Regular Meeting is Monday, March 11, 2019 at 6:00 p.m., Special Meeting at 4:00 p.m. and Committee of the Whole at 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.



City of Homer

www.cityofhomer-ak.gov

Homer City Council

491 East Pioneer Avenue
Homer, Alaska 99603

(p) 907-235-3130

(f) 907-235-3143

March 11, 2019

Honorable Governor Dunleavy
Alaska State Legislature, State Capitol
120 4th St.
Juneau, Alaska 99801

RE: City of Homer Municipal Impact Statement

Honorable Governor Dunleavy and Members of the Alaska State Legislature,

We appreciate the State's commitment to sustainable spending but want to draw attention to the unsustainable impact the proposed FY20 budget will have on local governments in Alaska and offer our support for considering revenue solutions. We believe the information below needs to be considered by you before these very drastic cuts occur.

REVENUE SOLUTIONS

The Homer City Council wants to be proactive and is supportive of a sincere and honest look at new revenue for the State of Alaska. This includes:

- Examining the oil tax credit structure to ensure oil and gas exploration is not being subsidized by citizens
- Exploring an income tax
- Using our largest asset, the Permanent Fund, to fund essential government services by capping the Permanent Fund Dividend

IMPACT OF PROPOSED CUTS IN HOMER

The City of Homer is responsible for municipal governance in our community of 5,313 residents. We have 101.5 full time employees who fulfill the obligations of a local government. Our ability to do so is limited by statute, public interest, and available resources. Traditionally those resources have included State and Federal funding, which offset the burdens that might otherwise be felt by a local tax base.

On average our tax revenue comprises 72% of our total General Fund budget, and any impact from State decision-making on Alaska's economy further weakens the City's ability to sustainably serve our community. The City of Homer is very concerned about the impact cuts to the University, Alaska Marine Highway System, education, and Medicaid will have on our local economy. You need to know that just stopping these services will have a direct impact on the quality of life for Alaskans.

- The Kachemak Bay Branch of the Kenai Peninsula College is part of the fabric of Homer. It educates students in a formal learning environment and the community through diverse programming. It provides critical job training for everyone from fisherman to nurses and employs 56 full and part-time professionals.
- The City of Homer is the Home Port to the M/V Tustumena. In addition to employing local residents, the

Alaska Marine Highway System brings visitors and residents into town as a gateway to Seldovia, Kodiak, and Western Alaska. The ferry port in Homer is also a freight destination for cars and trucks from Kodiak, Seldovia, and the Aleutians. Fishermen use the ferry to move gear, groceries are transported to and from the outlying villages, and mail is sent using the marine highway.

- South Peninsula Hospital is the largest employer in Homer with over 400 professional jobs. The Hospital provides critical care to our residents; the Kenai Peninsula Borough has the fastest growing senior population in the State.
- Without adequately funded schools, families will leave Homer. Cuts to the Kenai Peninsula Borough will have a direct impact on the City of Homer and our residents. We are especially concerned about \$20 million in cuts to the Kenai Peninsula Borough School District that will force the closure of schools and compromise the quality of education. Without good schools, people will leave Homer which will further effect our local economy and erode our tax base.

Based on the proposed FY20 budget, we have highlighted below some of the areas that will be directly impacted based on your administration's proposed budget:

- Our Community Assistance funding was \$177,172 in State FY2019.
- Our receipt of the Petroleum Property Tax was \$5,998 in 2018.
- We received \$62,069 in 2018 in Fisheries Taxes from the State. These funds are invested directly back into our public access fish dock to support fishing industry infrastructure.

The City of Homer was hit hard in 2015 when the State reduced the contract with communities for shared prisoner space by 45% and we removed Community Assistance from our operating budget due to the uncertain future of the fund. Also during this time, the City Council cut the budget, which included staff reductions, and with voter approval, restructured sales tax to cover municipal operations. Recognizing the need to pay our own way, voters approved a .35% sales tax increase in 2018 to fund a long overdue police station. The City of Homer and its residents have stepped up to the plate. There is no room in our budget or tax base for further cost shifting.

We believe the proposed FY20 budget and approach that you have outlined reflects little concern for the burden that you have passed on to the residents of Alaska and the local governments that serve them. The City of Homer will work to mitigate the damage from these administrative actions while partnering with our legislative leaders to develop solutions that protect the public's interest.

Sincerely,

Homer City Council



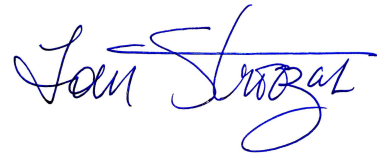
Mayor Ken Castner



Donna Aderhold



Heath Smith



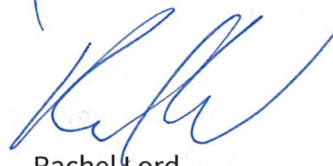
Tom Stroozas



Shelly Erickson



Caroline Venuti



Rachel Lord

HOUSE BILL NO. 43

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES RAUSCHER, Jackson

Introduced: 2/20/19

Referred: State Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act exempting the state from daylight saving time; petitioning the United States**
2 **Department of Transportation to change the time zones of the state; and providing for**
3 **an effective date."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1.** AS 44.12 is amended by adding a new section to read:

6 **Article 5. Standard Time.**

7 **Sec. 44.12.400. Exemption from daylight saving time.** The state exempts
8 itself from observation of advanced time, also known as daylight saving time, during
9 the period set under 15 U.S.C. 260a for the advancement of time each calendar year,
10 and the entire state shall observe the standard time that is otherwise applicable during
11 that period.

12 * **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to
13 read:

14 **PETITION TO THE UNITED STATES DEPARTMENT OF TRANSPORTATION**

1 TO CHANGE THE TIME ZONE IN WHICH ALASKA IS LOCATED. The legislature, by
2 this Act, petitions the United States Department of Transportation to initiate proceedings
3 under the Uniform Time Act of 1966 to hold hearings in the appropriate locations in this state
4 on the issue of changing the boundaries of the time zones in which Alaska is located or
5 placing all or part of the state within the Pacific Standard Time zone as provided in the United
6 States Department of Transportation's "Procedure for Moving an Area from One Time Zone
7 to Another." Within 21 days after the effective date of this section, the governor shall send a
8 copy of this Act along with any other necessary documentation prescribed by the United
9 States Department of Transportation to the appropriate official of the United States
10 Department of Transportation.

11 * **Sec. 3.** Section 2 of this Act takes effect immediately under AS 01.10.070(c).

12 * **Sec. 4.** Except as provided in sec. 3 of this Act, this Act takes effect January 1, 2020.