

## MANAGERS REPORT

January 11, 2010

**TO:** MAYOR HORNADAY / HOMER CITY COUNCIL

**FROM:** WALT WREDE

UPDATES / FOLLOW-UP

1. Climate Action Plan: We are moving forward with planning on how to implement the Climate Action Plan. The Plan was presented to the Council at its meeting on December 14. Council requested that it have some time to read and digest the Plan and then have a workshop with Joel to discuss it in detail. Jo and I talked about the workshop this week and she has tentatively scheduled it for the last meeting in February. At that time, Council could consider its next steps including a resolution accepting or adopting the plan and specific implementation actions. In the meantime, Anne Marie is keeping track of the possible finding sources including the Energy Efficiency and Conservation Block Grant Program ( The City is basically guaranteed funding but will need to apply and program rules are not finalized yet) and the AHFC Performance Contracting Program. The rules for this program are expected to be available in March provided the Legislature authorizes the bonds. Performance Contracting is described in the Climate Action Plan and is a very interesting concept. I met with the Library Advisory Board on January 5 to discuss capital improvements and energy efficiency at the Library.
2. Kachemak Drive Phase II Water and Sewer. We will ask Council for some direction on this project again very soon. The City has now obtained all of the environmental permits necessary to proceed with construction. The easements that are needed from property owners continue to come in slowly and there are about 16 remaining. I will be reviewing the status of HAWSP funds and the City's current debt obligation again in order to make a recommendation about whether the City can afford to finance this project at this time. We will likely ask the Council to authorize us to begin the first steps in preparation for an eminent domain proceeding in case that becomes necessary to obtain the remaining easements. Final authority there remains with the Council but some initial steps are necessary before the Council can make a decisions to proceed. We are aware that moving forward with this project will be very unpopular among some residents. But we also have to keep in mind that this LID was approved by a majority of the property owners in the LID and they have rights also.
3. Grants for Police and Fire Personnel. We are actively monitoring the status of Stimulus Package grant programs for funding Police and Fire Department positions. In 2009, we declined to apply for funding under the COPPS program because the strings attached seemed too onerous. However, it appears that this program may be reauthorized and we will take another look given current budget constraints. Chief Painter has applied for two positions under the federal SAFER

program. The conditions attached to this program are very favorable and we would be happy to discuss this in detail at the meeting.

4. University Lands / Baycrest Ski Trails / Conservation Easement. Council will recall that several years ago, the City accepted title to land formally owned by the University of Alaska near Rogers Loop Road. This property contains a good portion of the Baycrest Ski Trails and was designated municipal parkland by ordinance. There are restrictions in the terms of the grant used to purchase the property which state that the land may only be used for conservation, recreation, and forestry projects. Money for the purchase was obtained by the Kachemak Heritage Land Trust. The state Department of Natural Resources has contacted us and requested that a conservation easement be placed on the property. According to DNR, this is a requirement of the Forest Legacy Program (a major funding source for the purchase) which was overlooked or forgotten at the time. Since DNR is responsible for this program in Alaska, it has requested the City's assistance. We are currently reviewing a draft conservation easement and when it is ready, will bring it to Council for its consideration.
5. New Sounds System: Jo reports that the contractor will install the new sound system in the Council Chambers on January 26.
6. West Campus Boiler: Carey reports that the new high efficiency boiler was installed at the Old Intermediate School over the Holiday break. Fine tuning is underway. It is estimated that this will save 20 to 30 percent in fuel costs at the building.
7. Homer Foundation Funding: Attached is a letter from the Homer Foundation outlining how it wishes to disperse the funding it will receive from the City in 2010. I bring this to your attention because in past years, the policy was that half of the City contribution was made available for distribution to nonprofits and the other half was deposited into the City's nonprofit endowment fund managed by the Foundation for long term growth. Last year, for the first time, the Foundation distributed all of the City's contribution plus the interest earned by the endowment fund. The Foundation cited economic conditions and the extraordinary need expressed by nonprofits around town. The Foundation proposes to do the same thing this year. If the Council had any concerns about this proposal, it should make those concerns known to the Foundation.
8. Deputy Fire Chief Position: Council will recall that one of the positions that was vacant and unfilled as we worked on the 2010 Budget was the Deputy Fire Chief position. This position is still vacant and unfunded. In preparation for the time when funding can be secured, the Chief is proposing a reorganization that should save money but increase efficiency and improve overall operation and service delivery. Under this plan, the Deputy Chief position would be eliminated and replaced with an ESS / Trainer position. The new position would be responsible for all regular ESS functions and for tasks associated with volunteer training. This step will reduce employee costs, improve training and support for the volunteers that the City relies so heavily upon, and improve coverage and service delivery to the community. It has my full support.
9. Beluga Whales: As you probably know, much of Cook Inlet and Kachemak Bay was recently designated as critical habitat for Beluga whales. There is no shortage of

opinions on this topic as you might imagine. You may have noticed that Mayor Carey, along with Mayor Sullivan and the Mayor of the Mat-Su Borough have already weighed in. We will be attending workshops and closely monitoring the impacts this designation may have, both good and bad, on Kachemak Bay and on City operations. For example, this will definitely add another layer of review to capital projects such as the Deep Water Dock expansion and the East Boat Harbor project.

#### ATTACHMENTS

1. Letter from Homer Foundation
2. Letter from Kachemak Nordic Ski Club
3. Memo from Public Works re: Hickerson Memorial Cemetary